

Ubuntu Municipality



*menswaardigheid • hoop • erfenis
ubuntu • ithemba • izithethe
humanity • hope • heritage*

MID YEAR REPORT

December 2018

UBUNTU LOCAL MUNICIPALITY (NC071)

IN-YEAR REPORT OF MUNICIPALITY
Prepared in terms of Local Government
Municipal Finance Management Act (56/2003)
Municipal Budget and Reporting Regulations,
Government Gazette 32141, 17 May 2009

Budget and Treasury Office
MFMA: Sec.72 Reporting

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GLOSSARY OF TERMS

Adjustments Budget	Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.
Allocations	Money received from Provincial or National Government or other municipalities.
Budget	The financial plan of the Municipality.
Budget Related Policy	Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy.
Capital Expenditure	Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the municipality's balance sheet.
Benchmarking	The process of comparing business processes and performance to industry bests and/or best practices from other industries
Equitable Share	A general grant paid to municipalities. It is predominantly targeted to help with free basic services.
GFS	Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.
GRAP	Generally Recognised Accounting Practice. The standard for municipal accounting.
IDP	Integrated Development Plan. The main strategic planning document of the Municipality
KPI	Key Performance Indicators. Measures of service output and/or outcome.
MFMA	The Municipal Finance Management Act – No. 53 of 2003. The principle piece of legislation relating to municipal financial management.
MTREF	Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

Operating Expenditure	Spending on the day to day expenses of the Municipality such as salaries and wages.
Predetermined Objectives	Strategic objectives, programs, projects, and performance indicators identified during the IDP/Budget process.
Quarterly	Period made up of three months July - September, October - December, January - March and April - June.
Rates	Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.
SDBIP	Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.
Strategic Objectives	The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.
Vote	One of the main segments into which a budget is divided, usually at directorate / department level

PART 1 – IN-YEAR REPORT

Section 1 – Mayors Report

The municipality's budget are being implemented in accordance with the Service Delivery and Budget Implementation plan.

The municipality is facing the following challenges:

1. Billing: The municipality is not billing all the services that it renders.
2. Cash collection: More needs to be done to ensure the credit control and debt collection policy are being adhered to. This will ensure that the municipality can pay all creditors within 30 days as per section 65 (2) (e) of the MFMA. This will also ensure that all creditors are paid off.
3. The Eskom debt is increasing monthly and more needs to be done on a strategic level to address this.
4. Service delivery standards needs to be improved to ensure we meet the needs of the people we must serve.
5. Compliance to legislation and municipal policies needs to be implemented to avoid adverse audit opinions.
6. Performance management needs to be adhered and appropriately executed.

Given the status of this report the possibility of an adjustment budget needs to be considered.

Section 2 – Resolutions

This report will be tabled on 28 January 2019 in the ordinary council meeting, but has been submitted to me before 25 January 2019.

Section 3 – Executive Summary

3.1 Introduction

Purpose

To present to Council the outcome of the Mid-Year Budget and Performance Assessment required in terms of section 72 of the Municipal Finance Management Act no 56 of 2003 (MFMA).

Background

Section 72 of the MFMA provides that the accounting officer must by the 25th of January 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 services delivery and budget implementation plan
 - (iii) The past year's annual report and progress on resolving problems identified in the annual report.
- (b) Submit a report in such assessment to
- i. the mayor of the municipality,
 - ii. the National Treasury, and
 - iii. the relevant provincial treasury.

Section 72(3) states the accounting officer must as part of the review,

- (a) make recommendations as to whether an adjustment budget is necessary, and
- (b) recommend revised projections for revenue and expenditure to an extent this may be necessary.

3.2 Consolidated performance

3.2.1 Against annual budget (original approved)

Section 4 of this report includes the tables with detailed figures on performance

Revenue by source

Property rates

- The Municipality levied R2, 597 m more property rates that was initially anticipated for due to the data cleansing that was undertaken by revenue staff with the assistance of Ducharme Consulting. Ducharme has been contracted in by COGTA through the Municipal Systems Improvement Grant. Property rates is a yearly levy and are being levied at the beginning of the fiscal year.

Electricity service charges

- The municipality levied more electricity charges at half year than was anticipated.

Water service charges

- Water revenue is within the budget as approved by council.

Sanitation service charges

- There is possible under billing of sewerage charges.

Refuse removal service charges

- There is possible under billing of refuse charges.

Operating Expenditure by type

Employee Related Cost

- With the appointment of senior managers and key staff the personal cost will be in line with the budget.

Bulk Purchases

- The losses in the electricity department contributes to the high expenditure level in this department. The implementation plan approved in the Finance Committee meeting needs to be implemented as soon as possible.

Other Materials (Repairs and Maintenance)

- A maintenance plan is needed to ensure all critical repairs and maintenance are done.

Contracted Services

- This needs to be adjusted in order to align with contract entered into.

Transfers & Subsidies

- The municipality does not transfer any grants to other organs or municipalities.

Other Expenditures

- Serious implementation of cost containment is needed to avoid spending on non-priority items.

Capital Expenditure

The municipality needs to spend more vigorously on INEP and WSIG grant to avoid request for roll overs at year end.

Cash Flows

The municipality must maintain and improve on the current cash flow management processes put in place.

3.3 Material variances from SDBIP

There are material variances from SDBIP due to CAPEX not being rolled out according to the plan. A revised SDBIP is therefore needed.

3.4 Remedial action or Corrective steps

1. A revised budget is needed to ensure authorized spending and that the operations and obligations of the municipality is funded.
2. Non-financial information like Key Performance areas needs to be reworked to align with service delivery targets.

Section 4 – In-Year Budget statement table

4.1 Monthly budget statement

4.1.1 Table C1: Monthly Budget Statement Summary

This table provide a summary of the most important information by pulling its information from the other tables to follow.

NC071 Ubuntu - Table C1 Monthly Budget Statement Summary - M06 December

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	5 043	5 694	5 694	(2)	8 287	2 847	5 440	191%	5 694
Service charges	17 843	26 051	26 051	1 362	12 409	13 026	(616)	-5%	26 051
Investment revenue	402	347	347	44	299	173	126	73%	347
Transfers and subsidies	38 632	37 795	37 795	122	32 038	18 898	13 141	70%	37 795
Other own revenue	36 639	39 513	39 513	1 076	3 536	19 757	(16 221)	-82%	39 513
Total Revenue (excluding capital transfers and contributions)	98 559	109 400	109 400	2 601	56 570	54 700	1 870	3%	109 400
Employee costs	28 891	35 829	35 829	2 647	15 925	17 914	(1 990)	-11%	35 829
Remuneration of Councillors	2 603	2 231	2 231	231	1 188	1 116	73	7%	2 231
Depreciation & asset impairment	24 711	51 473	51 473	-	-	25 736	(25 736)	-100%	51 473
Finance charges	4 924	836	836	-	1 465	418	1 047	250%	836
Materials and bulk purchases	28 305	20 265	20 265	1 991	19 450	10 133	9 318	92%	20 265
Transfers and subsidies	-	20 906	20 906	-	-	10 453	(10 453)	-100%	20 906
Other expenditure	48 080	52 997	52 997	1 165	8 039	26 498	(18 459)	-70%	52 997
Total Expenditure	137 514	184 537	184 537	6 034	46 067	92 268	(46 201)	-50%	184 537
Surplus/(Deficit)	(38 954)	(75 137)	(75 137)	(3 433)	10 502	(37 568)	48 071	-128%	(75 137)
Transfers and subsidies - capital (monetary allocations)	12 829	14 862	14 862	-	685	7 431	(6 746)	-91%	14 862
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(26 125)	(60 275)	(60 275)	(3 433)	11 188	(30 137)	41 325	-137%	(60 275)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(26 125)	(60 275)	(60 275)	(3 433)	11 188	(30 137)	41 325	-137%	(60 275)
Capital expenditure & funds sources									
Capital expenditure	11 224	14 862	14 862	184	2 256	7 431	(5 175)	-70%	14 862
Capital transfers recognised	11 224	14 862	14 862	-	1 887	1 887	-	-	14 862
Public contributions & donations	-	-	-	184	185	-	185	#DIV/0!	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	183	-	183	#DIV/0!	-
Total sources of capital funds	11 224	14 862	14 862	184	2 256	1 887	369	20%	14 862
Financial position									
Total current assets	22 791	15 762	15 762	-	100 161	-	-	-	15 762
Total non current assets	639 324	1 271 273	1 271 273	-	641 566	-	-	-	1 271 273
Total current liabilities	92 920	64 534	64 534	-	70 606	-	-	-	64 534
Total non current liabilities	10 809	8 846	8 846	-	10 809	-	-	-	8 846
Community wealth/Equity	558 386	1 213 654	1 213 654	-	660 313	-	-	-	1 213 654
Cash flows									
Net cash from (used) operating	14 181	9 994	9 994	7 616	11 086	4 997	(6 089)	-122%	77 668
Net cash from (used) investing	(11 267)	(9 548)	(9 548)	-	(2 686)	(4 774)	(2 088)	44%	4 314
Net cash from (used) financing	(269)	(73)	(73)	-	(52)	(37)	16	-43%	-
Cash/cash equivalents at the month/year end	7 820	2 902	2 902	-	13 521	2 715	(10 806)	-398%	87 156
Debtors & creditors analysis									
	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
Debtors Age Analysis									
Total By Income Source	3 348	3 045	1 881	3 253	2 004	1 546	8 493	63 068	86 640
Creditors Age Analysis									
Total Creditors	4 197	4 559	1 535	3 284	26 898	2 829	20 819	400	64 521

The municipality showed a Surplus of R11, 188 million for the first quarter excluding depreciation and asset impairment, 20% of the projected capital spending has been realized due.

Community wealth has increased since the last audited year.

4.1.2 Table C2: Monthly Budget Statement – Financial Performance (Standard Classification)

NC071 Ubuntu - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December										
Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		45 626	48 056	48 056	1 000	42 778	24 028	18 750	78%	48 056
Executive and council		182	5	5	(56)	(51)	2	(53)	-2244%	5
Finance and administration		45 444	48 051	48 051	1 056	42 829	24 026	18 804	78%	48 051
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1 124	692	692	69	516	346	170	49%	692
Community and social services		1 124	678	678	69	516	339	177	52%	678
Sport and recreation		-	13	13	-	-	7	(7)	-100%	13
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		43 314	44 445	44 445	71	612	22 223	(21 611)	-97%	44 445
Planning and development		10 685	102	102	56	477	51	426	835%	102
Road transport		32 629	44 343	44 343	15	135	22 172	(22 036)	-99%	44 343
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		21 325	31 069	31 069	1 461	13 348	15 534	(2 186)	-14%	31 069
Energy sources		9 976	12 743	12 743	313	6 909	6 371	538	8%	12 743
Water management		5 741	10 331	10 331	690	3 130	5 166	(2 035)	-39%	10 331
Waste water management		2 599	3 800	3 800	234	1 717	1 900	(183)	-10%	3 800
Waste management		3 010	4 194	4 194	225	1 592	2 097	(505)	-24%	4 194
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	111 389	124 262	124 262	2 601	57 255	62 131	(4 876)	-8%	124 262
Expenditure - Functional										
<i>Governance and administration</i>		58 023	61 180	61 180	2 283	15 236	30 590	(15 354)	-50%	14 257
Executive and council		8 659	4 858	4 858	416	2 783	2 429	354	15%	4 858
Finance and administration		49 364	56 322	56 322	1 868	12 453	28 161	(15 708)	-56%	9 399
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1 756	2 716	2 716	145	893	1 358	(465)	-34%	2 716
Community and social services		1 738	2 702	2 702	145	893	1 351	(458)	-34%	2 702
Sport and recreation		-	0	0	-	-	-	-	-	-
Public safety		9	14	14	-	-	7	(7)	-100%	14
Housing		-	-	-	-	-	-	-	-	-
Health		9	-	-	-	0	-	0	#DIV/0!	-
<i>Economic and environmental services</i>		15 286	21 482	21 482	1 002	6 048	10 741	(4 693)	-44%	21 482
Planning and development		8 799	19 550	19 550	598	3 312	9 775	(6 463)	-66%	19 550
Road transport		6 486	1 932	1 932	403	2 736	966	1 769	183%	1 932
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		61 921	99 159	99 159	2 603	23 891	49 580	(25 689)	-52%	99 159
Energy sources		47 055	61 974	61 974	1 905	18 401	30 987	(12 587)	-41%	61 974
Water management		3 846	8 893	8 893	224	1 977	4 446	(2 470)	-56%	8 893
Waste water management		5 878	13 623	13 623	272	1 967	6 812	(4 845)	-71%	13 623
Waste management		5 142	14 668	14 668	202	1 547	7 334	(5 788)	-79%	14 668
<i>Other</i>		528	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	137 514	184 537	184 537	6 034	46 067	92 268	(46 201)	-50%	137 614
Surplus/ (Deficit) for the year		(26 125)	(60 275)	(60 275)	(3 433)	11 188	(30 137)	41 325	-137%	(13 352)

This table reflects the operating budget (Financial Performance) in the standard classifications which are the Government Finance Statistics and Sub-functions. These are used by National Treasury to assist in the compilation of national and international accounts for comparison purposes, regardless of the unique organizational structures used by different Government institutions.

NC071 Ubuntu - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	Budget Year 2018/19								
		2017/18 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		5 043	5 694	5 694	(2)	8 287	2 847	5 440	191%	5 694
Service charges - electricity revenue		9 871	11 727	11 727	309	6 470	5 863	607	10%	11 727
Service charges - water revenue		2 588	6 330	6 330	690	2 872	3 165	(293)	-9%	6 330
Service charges - sanitation revenue		2 599	3 800	3 800	234	1 635	1 900	(265)	-14%	3 800
Service charges - refuse revenue		3 009	4 194	4 194	225	1 592	2 097	(505)	-24%	4 194
Service charges - other		(225)	-	-	(96)	(160)	-	(160)	#DIV/0!	-
Rental of facilities and equipment		207	269	269	3	95	134	(40)	-30%	269
Interest earned - external investments		402	347	347	44	299	173	126	73%	347
Interest earned - outstanding debtors		1 945	4 400	4 400	1 046	2 448	2 200	248	11%	4 400
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		32 525	33 253	33 253	3	25	16 627	(16 602)	-100%	33 253
Licences and permits		107	649	649	11	110	325	(214)	-66%	649
Agency services		-	539	539	6	6	269	(263)	-98%	539
Transfers and subsidies		38 632	37 795	37 795	122	32 038	18 898	13 141	70%	37 795
Other revenue		1 855	403	403	6	852	201	651	323%	403
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		98 559	109 400	109 400	2 601	56 570	54 700	1 870	3%	109 400
Expenditure By Type										
Employee related costs		28 891	35 829	35 829	2 647	15 925	17 914	(1 990)	-11%	35 829
Remuneration of councillors		2 603	2 231	2 231	231	1 188	1 116	73	7%	2 231
Debt impairment		32 463	39 027	39 027	-	-	19 514	(19 514)	-100%	39 027
Depreciation & asset impairment		24 711	51 473	51 473	-	-	25 736	(25 736)	-100%	51 473
Finance charges		4 924	836	836	-	1 465	418	1 047	250%	836
Bulk purchases		26 716	19 123	19 123	1 894	19 080	9 562	9 518	100%	19 123
Other materials		1 588	1 142	1 142	97	370	571	(201)	-35%	1 142
Contracted services		4 251	942	942	1 013	2 527	471	2 056	437%	942
Transfers and subsidies		-	20 906	20 906	-	-	10 453	(10 453)	-100%	20 906
Other expenditure		11 112	13 028	13 028	151	5 513	6 514	(1 001)	-15%	13 028
Loss on disposal of PPE		253	-	-	-	-	-	-	-	-
Total Expenditure		137 514	184 537	184 537	6 034	46 067	92 268	(46 201)	-50%	184 537
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(38 954)	(75 137)	(75 137)	(3 433)	10 502	(37 568)	48 071	(0)	(75 137)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		12 829	14 862	14 862	-	685	7 431	(6 746)	(0)	14 862
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(26 125)	(60 275)	(60 275)	(3 433)	11 188	(30 137)			(60 275)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(26 125)	(60 275)	(60 275)	(3 433)	11 188	(30 137)			(60 275)
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(26 125)	(60 275)	(60 275)	(3 433)	11 188	(30 137)			(60 275)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(26 125)	(60 275)	(60 275)	(3 433)	11 188	(30 137)			(60 275)

The municipality charged more property rates than what was budgeted for due to data cleansing. Sanitation and Refuse revenue is under charged. This needs to be dealt with the data cleansing program. Rental of facilities and equipment are underperforming due to commonage land and other rental of buildings not being collected and charged. Fines and penalties will only be accounted for at year end. License and permits underperform due to late opening and verification process of Victoria West traffic department. More other revenue was received than what was anticipated.

Employee related cost underperformed due to absent senior managers and the suspended MM. The bulk of the finance charges are from overdue Eskom Bulk account. The municipality's bulk purchases is more than what was anticipated.

There is an underspending on other materials. Contracted services needs to be adjusted to make way for new contracts that was entered into. Transfers and subsidies will need to be taken out of the budget during the adjustment budget process.

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

NC071 Ubuntu - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2017/18				Budget Year 2018/19				
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - COUNCIL & EXECUTIVE		-	-	-	-	-	-	-	-	-
Vote 2 - MANAGEMENT SERVICES/MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 3 - FINANCE DEPARTMENT		22	-	-	-	80	-	80	#DIV/0!	-
Vote 4 - CORPORATE & COMMUNITY SERVICE		-	-	-	-	-	-	-	-	-
Vote 5 - TECHNICAL SERVICE		11 202	14 862	14 862	184	2 176	7 431	(5 255)	-71%	14 862
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	11 224	14 862	14 862	184	2 256	7 431	(5 175)	-70%	14 862
Single Year expenditure appropriation	2									
Vote 1 - COUNCIL & EXECUTIVE		-	-	-	-	-	-	-	-	-
Vote 2 - MANAGEMENT SERVICES/MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 3 - FINANCE DEPARTMENT		-	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE & COMMUNITY SERVICE		-	-	-	-	-	-	-	-	-
Vote 5 - TECHNICAL SERVICE		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
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0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	-	-	-	-	-	-	-	-	-
Total Capital Expenditure		11 224	14 862	14 862	184	2 256	7 431	(5 175)	-70%	14 862
Capital Expenditure - Functional Classification										
Governance and administration		22	-	-	-	80	-	80	#DIV/0!	-
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		22	-	-	-	80	-	80	#DIV/0!	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		8 461	9 862	9 862	-	104	4 931	(4 827)	-98%	9 862
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		8 461	9 862	9 862	-	104	4 931	(4 827)	-98%	9 862
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		2 741	5 000	5 000	184	2 072	2 500	(428)	-17%	5 000
Energy sources		-	1 000	1 000	-	-	500	(500)	-100%	1 000
Water management		2 741	4 000	4 000	184	184	2 000	(1 816)	-91%	4 000
Waste water management		-	-	-	-	1 887	-	1 887	#DIV/0!	-
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	11 224	14 862	14 862	184	2 256	7 431	(5 175)	-70%	14 862
Funded by:										
National Government		11 224	14 862	14 862	-	1 887	7 431	(5 544)	-75%	14 862
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		11 224	14 862	14 862	-	1 887	7 431	(5 544)	-75%	14 862
Public contributions & donations	5	-	-	-	184	185	-	185	#DIV/0!	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	183	-	183	#DIV/0!	-
Total Capital Funding		11 224	14 862	14 862	184	2 256	7 431	(5 175)	-70%	14 862

Ubuntu LM spend in the budget and treasury office on laptops that was urgently needed and could not afford for the staff to not perform their duties. Furniture was also required for the rebuild traffic department to start with operations. R1, 887 m was spend on the sewerage system with an approved rolled-over request from national treasury. All these unauthorized

but urgent procurement will be rectified in the adjustment budget. There is no expenditure under MIG as this grant has been regazetted to Pixley ka Seme District Municipality during November 2018. Another Grant was received from COGTA during December 2018 that will be incorporated within the adjustment budget.

4.1.6 Table C6: Monthly Budget Statement – Financial Position

NC071 Ubuntu - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2017/18	Budget Year 2018/19			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		5 174	2 902	2 902	13 521	2 902
Call investment deposits						
Consumer debtors		14 479	12 599	12 599	69 127	12 599
Other debtors		3 127	261	261	17 513	261
Current portion of long-term receivables						
Inventory		11				
Total current assets		22 791	15 762	15 762	100 161	15 762
Non current assets						
Long-term receivables						
Investments						
Investment property		29 286	644 127	644 127	29 286	644 127
Investments in Associate						
Property, plant and equipment		610 005	624 867	624 867	610 005	624 867
Agricultural						
Biological						
Intangible		33	2 278	2 278	2 275	2 278
Other non-current assets						
Total non current assets		639 324	1 271 273	1 271 273	641 566	1 271 273
TOTAL ASSETS		662 115	1 287 034	1 287 034	741 727	1 287 034
LIABILITIES						
Current liabilities						
Bank overdraft						
Borrowing						
Consumer deposits		198	194	194	198	194
Trade and other payables		88 180	61 376	61 376	68 632	61 376
Provisions		4 543	2 964	2 964	1 776	2 964
Total current liabilities		92 920	64 534	64 534	70 606	64 534
Non current liabilities						
Borrowing		7 423	1 619	1 619	1 705	1 619
Provisions		3 385	7 227	7 227	9 103	7 227
Total non current liabilities		10 809	8 846	8 846	10 809	8 846
TOTAL LIABILITIES		103 729	73 380	73 380	81 415	73 380
NET ASSETS	2	558 386	1 213 654	1 213 654	660 313	1 213 654
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		558 386	1 213 654	1 213 654	660 313	1 213 654
Reserves						
TOTAL COMMUNITY WEALTH/EQUITY	2	558 386	1 213 654	1 213 654	660 313	1 213 654

The municipality steadily increase its cash and cash equivalents from the start of the financial year due to debt collection and proper grant management. There is a slight decrease in both Debtors and creditors.

4.1.7 Table C7: Monthly Budget Statement – Cash Flow

This table includes the balance of cashbook and current investment deposits

Refer to PART 2 Section 7 for a more comprehensive picture of the cash position of the municipality which includes none-current investments and commitments against available resources.

NC071 Ubuntu - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		3 228	2 278	2 278	351	6 351	1 139	5 212	458%	2 278
Service charges		11 625	15 111	15 111	1 840	16 918	7 556	9 362	124%	15 111
Other revenue		6 510	6 515	6 515	77	5 895	3 258	2 637	81%	6 515
Government - operating		33 704	37 795	37 795	15 388	31 353	18 898	12 456	66%	37 795
Government - capital		12 829	13 862	13 862		2 200	6 931	(4 731)	-68%	13 862
Interest		2 348	2 107	2 107		70	1 053	(983)	-93%	2 107
Dividends								-		-
Payments										
Suppliers and employees		(50 253)	(66 837)	(66 837)	(10 039)	(51 701)	(33 419)	18 283	-55%	
Finance charges		(5 809)	(836)	(836)			(418)	(418)	100%	
Transfers and Grants								-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		14 181	9 994	9 994	7 616	11 086	4 997	(6 089)	-122%	77 668
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-		
Decrease (Increase) in non-current debtors			4 314	4 314			2 157	(2 157)	-100%	4 314
Decrease (increase) other non-current receivables								-		
Decrease (increase) in non-current investments								-		
Payments										
Capital assets		(11 267)	(13 862)	(13 862)		(2 686)	(6 931)	(4 245)	61%	
NET CASH FROM/(USED) INVESTING ACTIVITIES		(11 267)	(9 548)	(9 548)	-	(2 686)	(4 774)	(2 088)	44%	4 314
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans							-	-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits								-		
Payments										
Repayment of borrowing		(269)	(73)	(73)		(52)	(37)	16	-43%	
NET CASH FROM/(USED) FINANCING ACTIVITIES		(269)	(73)	(73)	-	(52)	(37)	16	-43%	-
NET INCREASE/ (DECREASE) IN CASH HELD		2 646	373	373	7 616	8 347	187			81 982
Cash/cash equivalents at beginning:		5 174	2 529	2 529		5 174	2 529			5 174
Cash/cash equivalents at month/year end:		7 820	2 902	2 902		13 521	2 715			87 156

Due to billing more than what was budgeted for property rates the municipality collected more on property rates than what was anticipated.

Service charges are also collected more than what was anticipated for due to collection rates that has improved significantly.

Reason for underperformance in capital grants is mainly because due to the regazetting of the MIG. Reason for overpayment of suppliers and employees is due to paying off creditors and salary third party payments.

PART 2 – SUPPORTING DOCUMENTATION

Section 5 – Debtors Analysis

5.1 Supporting Table SC3

NC071 Ubuntu - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid-Year Assessment

Description	NT Code	Budget Year 2018/19										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	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	1 121	827	441	524	395	427	2 370	22 718	28 825	26 435		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	605	566	315	220	201	204	844	2 610	5 566	4 079		
Receivables from Non-exchange Transactions - Property Rates	1400	515	623	418	1 670	756	271	1 694	11 567	17 513	15 958		
Receivables from Exchange Transactions - Waste Water Management	1500	528	490	341	403	312	308	1 713	11 465	15 559	14 200		
Receivables from Exchange Transactions - Waste Management	1600	557	520	349	419	323	318	1 773	13 526	17 787	16 361		
Receivables from Exchange Transactions - Property Rental Debtors	1700	15	14	13	13	13	13	81	990	1 153	1 111		
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		
Other	1900	7	5	4	4	3	3	18	192	237	221		
Total By Income Source	2000	3 348	3 045	1 881	3 253	2 004	1 546	8 493	63 068	86 640	78 365	-	-
2017/18 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	229	219	155	399	149	131	609	1 228	3 119	2 516		
Commercial	2300	522	709	335	1 231	623	152	818	4 689	9 079	7 513		
Households	2400	2 199	1 887	1 208	1 453	1 115	1 150	6 332	51 616	66 961	61 667		
Other	2500	399	230	184	170	116	114	734	5 535	7 481	6 669		
Total By Customer Group	2600	3 348	3 045	1 881	3 253	2 004	1 546	8 493	63 068	86 640	78 365	-	-

Notes

Material increases in value of debtors' categories compared to previous month to be explained

Bad debts = amounts actually written off in the month

Total by Income Source must reconcile with Total by Customer Group

Majority of the debt from households are from indigents. These accounts needs to be investigated and considered for impairment as prescribed by the Indigent policy.

Section 6 – Creditor’s Analysis

6.1 Supporting Table SC4

NC071 Ubuntu - Supporting Table SC4 Monthly Budget Statement - aged creditors - Mid-Year Assessment

Description	NT Code	Budget Year 2018/19									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	1 955	1 986	-	1 928	26 381	-	18 703	-	50 953	
Bulk Water	0200	130	-	-	-	-	-	-	400	530	
PAYE deductions	0300	307	301	-	-	-	-	-	-	607	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	532	326	333	-	19	19	-	-	1 230	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	589	400	255	775	200	333	2 116	-	4 668	
Auditor General	0800	272	1 547	948	581	297	2 476	-	-	6 120	
Other	0900	413	-	-	-	-	-	-	-	413	
Total By Customer Type	1000	4 197	4 559	1 535	3 284	26 898	2 829	20 819	400	64 521	-

Notes

Material increases in value of creditors' categories compared to previous month to be explained

There is a material decrease in all creditors except for bulk electricity. The municipality is busy with cost of supply studies, field verifications plans and other methods in addressing this huge risk. The bulk electricity account is just increasing every month.

Section 7 – Investment Portfolio Analysis

7.1 Supporting Table SC5

Call Investment accounts looks as follows at 31 December 2018.

NC071 Ubuntu - 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	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
R thousands									
Municipality									
Biblioteek Projek			Call Diposit		1		237	(5)	233
Deernisfond IOT			Call Diposit		7		0	3 728	3 735
Eiefondse			Call Diposit		15		6	3 227	3 249
Electrical Project			Call Diposit		2		578	-	580
EPWP Project			Call Diposit		1		477	(56)	422
Eskom Payment Strat			Call Diposit				5	-	5
Wentelfonds			Call Diposit				-	-	-
Kerkstraat Subsidie			Call Diposit				123	-	123
MIG Fonds			Call Diposit		6		1 547	-	1 553
Nasional Treasury FMG			Call Diposit				-	-	-
NCPT AFS Preperation			Call Diposit				-	-	-
Proj Consolidat MSIG			Call Diposit				0	-	0
WSIG			Call Diposit		12		2 695	-	2 707
Municipality sub-total					44		5 669	6 895	12 607
Entities									
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				44		5 669	6 895	12 607

Section 8 – Allocations, grant receipts and expenditure

NC071 Ubuntu - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:										
Operating Transfers and Grants										
National Government:	1,2	31 092	34 115	34 115	-	15 955	21 433	(5 478)	-	0
Local Government Equitable Share		28 192	31 165	31 165	-	12 985	18 463	(5 478)	-	0
Finance Management		1 900	1 950	1 950	-	1 970	1 970			
EPWP Incentive		1 000	1 000	1 000	-	1 000	1 000			
Integrated National Electrification Programme										
	3									
Provincial Government:		3 952	660	660	-	408	428			
NCPT Grant		3 092								
Sport & Recreation (Library Grant)		860	660	660	-	408	428			
	4									
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	35 044	34 775	34 775	-	16 363	21 861	(5 478)	-	0
Capital Transfers and Grants										
National Government:		12 829	14 862	14 862	-	679	-	679	-	-
Municipal Infrastructure Grant (MIG)		9 676	9 862	9 862						
INEP			1 000	1 000	-	426	-	426	-	-
WSIG		3 153	4 000	4 000	-	253	-	253	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	12 829	14 862	14 862	-	679	-	679	-	-
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	47 874	49 637	49 637	-	17 042	21 861	(4 799)	-22.0%	

Except from the MIG grant all grants has been received as per National Treasury payment plans. An extra unbudgeted R5 m was receive for COGTA. This was through the adjustment provincial appropriation bill.

8.2 Supporting Table SC7 (1) – Grand Expenditure

NC071 Ubuntu - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

Description	Ref	2017/18	Budget Year			Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget							
R thousands											
EXPENDITURE											
Operating expenditure of Transfers and Grants											
National Government:		24 930	34 135	34 135	96	33 701	19 948	13 753	68.9%	-	
Local Government Equitable Share		22 030	31 165	31 165	-	31 165	18 463	12 702	68.8%	-	
Finance Management		1 900	1 970	1 970	40	2 158	985	1 173	119.1%	-	
EPWP Incentive		1 000	1 000	1 000	56	378	500	(122)	-24.3%	-	
		-	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	-	
Provincial Government:		860	-	-	140	825	1 462	(637)	-43.5%	-	
NCPT Grant		-	-	-	-	-	-	-	-	-	
LIBRARY GRANT		860	-	-	140	825	1 462	(637)	-43.5%	-	
		-	-	-	-	-	-	-	-	-	
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-	
District Municipality:		-	-	-	-	-	-	-	-	-	
[insert description]		-	-	-	-	-	-	-	-	-	
Other grant providers:		-	-	-	-	-	-	-	-	-	
[insert description]		-	-	-	-	-	-	-	-	-	
Total operating expenditure of Transfers and Grants:		25 790	34 135	34 135	236	34 527	21 410	13 117	61.3%	-	
Capital expenditure of Transfers and Grants											
National Government:		-	2 210	-	2 014	2 014	-	2 014	#DIV/0!	-	
Municipal Infrastructure Grant (MIG)		-	10	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	-	
INEP		-	2 200	-	370	370	-	370	#DIV/0!	-	
WSIG		-	-	-	1 644	1 644	-	1 644	#DIV/0!	-	
Provincial Government:		-	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	-	
District Municipality:		-	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	-	
Other grant providers:		-	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	-	
Total capital expenditure of Transfers and Grants		-	2 210	-	2 014	2 014	-	2 014	#DIV/0!	-	
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		25 790	36 345	34 135	2 250	36 541	21 410	15 131	70.7%	-	

8.3 Supporting Table SC7 (2) – Grant Expenditure against approved rollovers

NC071 Ubuntu - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M06 December

Description	Ref	Budget Year 2018/19				
		Approved Rollover 2017/18	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands						
EXPENDITURE						
Operating expenditure of Approved Roll-overs						
National Government:		-	-	-	-	
Local Government Equitable Share					-	
Finance Management					-	
EPWP Incentive					-	
Integrated National Electrification Programme					-	
Provincial Government:		-	-	-	-	
NCPT Grant					-	
COGTA grant					-	
Other transfers and grants [insert description]					-	
District Municipality:		-	-	-	-	
[insert description]					-	
Other grant providers:		-	-	-	-	
[insert description]					-	
Total operating expenditure of Approved Roll-overs		-	-	-	-	
Capital expenditure of Approved Roll-overs						
National Government:		1 234	-	1 234	-	
Municipal Infrastructure Grant (MIG)		387		387	-	
INEP					-	
WSIG		847		847	-	
Provincial Government:		-	-	-	-	
District Municipality:		-	-	-	-	
Other grant providers:		-	-	-	-	
Total capital expenditure of Approved Roll-overs		1 234	-	1 234	-	
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		1 234	-	1 234	-	

All approved grants has been spend 100% at half year end.

Section 9 – Councilor’s allowances and employee benefits

9.1 Supporting Table SC8

NC071 Ubuntu - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration R thousands	Ref	Budget Year 2018/19								
		2017/18 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C					D	
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		1 522	1 524	1 524	92	339	762	(423)	-56%	
Pension and UIF Contributions		300	194	194	7	29	97	(68)	-70%	
Medical Aid Contributions		-	-	-	4	12	-	12	#DIV/0!	
Motor Vehicle Allowance		517	432	432	35	131	216	(85)	-39%	
Cellphone Allowance		-	81	81	22	73	41	32	79%	
Housing Allowances		-	-	-	-	-	-	-	-	
Other benefits and allowances		85	-	-	-	-	-	-	-	
Sub Total - Councillors		2 424	2 231	2 231	160	584	1 116	(531)	-48%	-
% increase	4		-8.0%	-8.0%						
Senior Managers of the Municipality										
Basic Salaries and Wages		1 418	2 450	2 450	78	229	1 225	(996)	-81%	
Pension and UIF Contributions		257	568	568	15	45	284	(239)	-84%	
Medical Aid Contributions		-	-	-	4	12	-	12	#DIV/0!	
Overtime		-	-	-	-	-	-	-	-	
Performance Bonus		-	-	-	-	-	-	-	-	
Motor Vehicle Allowance		247	236	236	10	30	118	(88)	-75%	
Cellphone Allowance		-	-	-	22	73	-	73	#DIV/0!	
Housing Allowances		-	-	-	-	-	-	-	-	
Other benefits and allowances		85	-	-	51	173	-	173	#DIV/0!	
Payments in lieu of leave		-	-	-	-	-	-	-	-	
Long service awards		-	-	-	-	-	-	-	-	
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	
Sub Total - Senior Managers of Municipality		2 007	3 254	3 254	180	562	1 627	(1 065)	-65%	-
% increase	4		62.2%	62.2%						
Other Municipal Staff										
Basic Salaries and Wages		17 812	21 546	21 546	2 053	5 205	10 773	(5 567)	-52%	
Pension and UIF Contributions		3 563	3 985	3 985	349	999	1 993	(993)	-50%	
Medical Aid Contributions		313	387	387	15	46	193	(147)	-76%	
Overtime		793	-	-	76	230	-	230	#DIV/0!	
Performance Bonus		-	1 903	1 903	-	-	951	(951)	-100%	
Motor Vehicle Allowance		368	435	435	3	18	217	(199)	-92%	
Cellphone Allowance		11	33	33	(21)	(70)	17	(87)	-520%	
Housing Allowances		379	518	518	35	35	259	(223)	-86%	
Other benefits and allowances		160	883	883	74	326	442	(116)	-26%	
Payments in lieu of leave		-	1 515	1 515	33	65	757	(692)	-91%	
Long service awards		793	-	-	-	-	-	-	-	
Post-retirement benefit obligations		626	1 371	1 371	-	-	686	(686)	-100%	
Sub Total - Other Municipal Staff		24 816	32 575	32 575	2 616	6 855	16 287	(9 432)	-58%	-
% increase	4		31.3%	31.3%						
Total Parent Municipality		29 247	38 060	38 060	2 956	8 002	19 030	(11 029)	-58%	-

Councilor's upper limits were only gazette on 21 December 2018 and will be implemented as soon as concurrence from MEC is received.

Only the CFO was fulltime appointed for the semester therefore the decrease.

Other municipal staff were over budgeted due to technical provision and will be rectified in adjustment budget.

Section 10 – Capital program performance

10.1 Supporting Table SC12

NC071 Ubuntu - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M06 December									
Month	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	935	1 239	124	0	0	124	124	100.0%	0%
August	935	1 239	124	1 006	1 006	248	(758)	-306.2%	7%
September	935	1 239	124	564	1 570	372	(1 199)	-322.7%	11%
October	935	1 239	124	499	2 069	495	(1 574)	-317.8%	14%
November	935	1 239	124	3	2 072	619	(1 453)	-234.6%	14%
December	935	1 239	124	18	2 090	743	(1 347)	-181.3%	14%
January	935	1 239	124			867	-		
February	935	1 239	124			991	-		
March	935	1 239	124			1 115	-		
April	935	1 239	124			1 238	-		
May	935	1 239	124			1 362	-		
June	935	1 239	124			1 486	-		
Total Capital expenditure	11 224	14 862	1 486	2 090					

In table C5 it was detected that the MIG grant contributes to the skew representation of performance.

10.2 Supporting Table SC13 (a)(b)(c)

NC071 Ubuntu - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M06 December

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		11 202	14 862	14 862	184	2 182	7 431	5 249	70.6%	14 862
Roads Infrastructure		8 461	9 862	9 862	-	-	4 931	4 931	100.0%	9 862
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	1 000	1 000	-	-	500	500	100.0%	1 000
Water Supply Infrastructure		2 741	4 000	4 000	184	184	2 000	1 816	90.8%	4 000
Sanitation Infrastructure		-	-	-	-	1 997	-	(1 997)	#DIV/0!	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	1	-	(1)	#DIV/0!	-
Community Facilities		-	-	-	-	1	-	(1)	#DIV/0!	-
Other assets		22	-	-	-	73	-	(73)	#DIV/0!	-
Total Capital Expenditure on new assets	1	11 224	14 862	14 862	184	2 256	7 431	5 175	69.6%	14 862

Please refer to Table C5 for analysis.

Section 16 – Municipal manager’s quality certification

QUALITY CERTIFICATE	
I	as acting municipal manager of Ubuntu Municipality , hereby certify that –
(mark as appropriate)	
<input type="checkbox"/>	The monthly budget statements
<input type="checkbox"/>	The quarterly report on the implementation of the budget and financial state of the municipality
<input type="checkbox"/>	The mid-year budget and performance assessment
For the month of December 2018 of 2018/2019 financial year has been prepared in accordance with the Municipal Finance Management Act and Regulations made under that Act.	
Print Name	_____
Municipal or Acting Municipal Manager of Ubuntu Local Municipality (NC071)	
Signature	_____