

Ubuntu Municipality



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

MID YEAR REPORT 2019/2020

December 2019

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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Table of Contents

Glossary..... 2

PART 1 – IN-YEAR REPORT..... 4

Section 1 – Mayor’s Report..... 4

Section 2 – Resolutions..... 4

Section 3 – Executive Summary..... 4

Section 4 – In-Year budget statement Tables..... 7

PART 2 – SUPPORTING DOCUMENTATION..... 14

Section 5 – Debtors Analysis..... 14

Section 6 – Creditors Analysis..... 15

Section 7 – Investment Portfolio analysis..... 16

Section 8 – Allocation of Grants Receipt & Expenditure..... 27

Section 9 – Expenditure on Councilor allowances and employee benefits..... 21

Section 10 – Material Variances on SDBIP..... 22

Section 11 – Capital program performance..... 22

Section 13 – Municipal manager’s quality certification..... 24

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 and/or	Key Performance Indicators. Measures of service output 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 is 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. There is a payment plan and strategy in place to deal with the Eskom rising debt. An interim payment plan for two years is in place. Alternative means is needed to ensure the municipality improve its cash inflow to address the Eskom and other creditors.
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. This was also highlighted by the Auditor General.
6. Performance management needs to be adhered and appropriately executed.

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

Section 2 – Resolutions

This report will be tabled on 30 January 2020 in the ordinary council meeting, but has been submitted to me before 25 January 2020.

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 The municipality does not have entities and therefore does not require consolidations.

Revenue by source

Property rates

- o The municipality adopted a new Valuation Roll for the 2020 book year, all property rates for the year amounting to R21,197 m has been levied. This is more than what was budget (R9, 636 m), reason being that data integrity also took place simultaneously. Budget needs to be revised upwards.

Electricity service charges

- o The municipality levied less electricity charges than anticipated, this can be attributed to load shedding and a general decline in economic activity in the jurisdiction. Budget needs to be revised downwards.

Water service charges

- o The municipality levied more water than what was anticipated, this can be attributed to data integrity and improved internal control. The Budget needs to be revised upwards.

Sanitation service charges

- o The municipality levied more sewerage than what was anticipated, this can be attributed to data integrity and improved internal control. The Budget needs to be revised upwards.

Refuse removal service charges

- o The municipality levied more refuse than what was anticipated, this can be attributed to data integrity and improved internal control. The Budget needs to be revised upwards.



The municipality through council resolution wrote off R22, 433 m of indigents. The apportionment to the correct years will take place during January billing run.

Operating Expenditure by type

Employee Related Cost

- Expenditure on employee benefits is in order with the budget.

Bulk Purchases

- Bulk purchases (especially electricity) is materially understated and needs to be adjusted in January 2020 before commencement of adjustment budget.

Other Materials (Repairs and Maintenance)

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

Contracted Services

- There is a general overstatement of contracted services, movement to general expenditure of these expenditure needs to take place in the mapping in MSCOA.

Transfers & Subsidies

- Candles, paraffin and pauper funerals needs to mapped from general expenditure to this.

Other Expenditures

- Under statement of other expenditure is due to overstatement in Contracted services.

Capital Expenditure

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

Cash Flows

A net cash inflow from operating activities of R7, 457 m has been realized for the first semester, however if we have to exclude the Equitable share of R25 950 m already received we can see that the municipality is having severe cash flow issues that makes the going concern a high-risk issue.

There is also a low payment in investing activities.

The cash and cash equivalent at end of first semester is R7, 597 m.

3.3 Material variances from SDBIP

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

 7

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 Indicators are attached to this report and contains detailed narratives.

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.



8

Northern Cape: Ubuntu(NC071) - Table C1 Monthly Budget Summary for period ending (M06) 31 December 2019

Description	2018/19	Budget year 2019/20							YTD variance %
		Audited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	YTD Actual	YTD Budget	
Financial Performance									
Property rates	9 937	9 636	9 636	21 223	(1 336)	19 887	4 818	15 068	312.75
Service charges	24 556	26 991	29 315	8 300	(11 574)	(3 274)	14 657	(17 932)	(122.34)
Investment revenue	427	364	364	0	-	0	182	(182)	(99.95)
Transfers and subsidies	41 247	38 707	38 697	2 685	11 534	14 219	19 349	(5 130)	(26.51)
Other own revenue	22 798	37 859	41 567	1 056	2 707	3 764	20 783	(17 020)	(81.89)
Total Revenue (excluding capital transfers and contributions)	98 965	113 557	119 578	33 264	1 331	34 595	59 789	(25 194)	(42.14)
Employee costs	37 598	43 831	37 540	9 869	9 484	19 353	18 770	582	3.10
Remuneration of councillors	2 332	2 691	3 002	631	631	1 262	1 501	(239)	(15.91)
Depreciation & asset impairment	25 022	28 711	28 711	-	-	-	14 355	(14 355)	(100.00)
Finance charges	6 568	5 802	5 802	-	-	-	2 901	(2 901)	(100.00)
Materials and bulk purchases	18 238	19 522	19 522	73	4 877	4 950	9 761	(4 811)	(49.29)
Transfers and subsidies	-	82	82	-	-	-	41	(41)	(100.00)
Other expenditure	39 524	54 186	53 854	2 930	5 487	8 417	26 927	(18 510)	(68.74)
Total Expenditure	129 282	154 827	148 514	13 503	20 479	33 982	74 258	(40 276)	(54.24)
Surplus/(Deficit)	(30 316)	(41 270)	(28 936)	19 761	(19 148)	613	(14 469)	15 081	(104.23)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	4 000	14 975	14 975	-	-	-	7 488	(7 488)	(100.00)
Contributions recognised - capital and contributed assets	65	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(26 251)	(26 295)	(13 961)	19 761	(19 148)	613	(6 981)	7 594	(108.78)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(26 251)	(26 295)	(13 961)	19 761	(19 148)	613	(6 981)	7 594	(108.78)
Capital expenditure & funds sources									
Capital expenditure	1 169 058	14 975	15 175	10	1 305	1 316	7 588	(6 272)	(82.66)
Transfers recognised - capital	-	14 975	14 975	10	1 178	1 188	7 488	(6 299)	(84.13)
Borrowing	-	0	0	-	-	-	0	(0)	(100.00)
Internally generated funds	3 483	-	200	-	-	-	100	(100)	(100.00)
Total sources of capital funds	3 483	14 975	15 175	10	1 178	1 188	7 588	(6 399)	(84.34)
Financial position									
Total current assets	116 371	18 008	24 561	30 477	(29 609)	868	12 281	(11 413)	(92.93)
Total non current assets	539 130	642 320	616 651	13	1 305	1 318	305 325	(304 007)	(99.57)
Total current liabilities	104 509	1 530	83 604	11 971	(9 156)	2 815	41 802	(38 987)	(93.27)
Total non current liabilities	4 501	8 846	18 047	7	-	7	9 024	(9 017)	(99.92)
Community wealth/Equity	572 742	653 012	545 561	(1 248)	-	(1 248)	272 781	(274 029)	(100.46)
Cash flows									
Net cash from (used) operating	(84 454)	(39 549)	14 950	(13 503)	(20 479)	(33 982)	7 474	(41 456)	(554.66)
Net cash from (used) investing	-	-	6 000	-	-	-	6 000	(6 000)	(100.00)
Net cash from (used) financing	14 387	(14 316)	192	(2)	(40)	(42)	(7 062)	7 021	(99.41)
Cash/cash equivalents at the year end	(72 672)	(53 865)	21 141	(20 746)	(48 221)	(48 221)	6 412	(54 632)	(852.06)
Collection Rate									
Property rates	-	60.00	70.00	-	-	-	70.00	-	-
Service charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	73.84	76.48	-	-	-	76.48	-	-
Service charges - water revenue	-	76.37	39.72	-	-	-	39.72	-	-
Service charges - sanitation revenue	-	75.77	139.17	-	-	-	139.17	-	-
Service charges - refuse revenue	-	74.22	74.22	-	-	-	74.22	-	-
Interest earned - outstanding debtors	-	7.15	77.02	-	-	-	77.02	-	-

The municipality showed a Surplus of R 7 646 thousand for the January excluding depreciation and asset impairment. Community wealth has increased since the last audited year.

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

 9

Northern Cape: Ubuntu(NC071) - Table C2 Monthly Budgeted Financial Performance by Functional Classification for period ending (M06) 31 December 2019

Description	Ref	Budget year 2019/20										
		2018/19 Audited Outcome	Original Budget	Adjusted Budget	Q1 Sept Actual	M06 Dec Actual	Q2 Dec Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
Revenue - Functional												
Municipal governance and administration	60 888	71 350	55 517	22 403	12 272	12 645	35 048	27 758	7 290	26.26	55 517	
Executive and council	1 351	1 001	1 001	250			250	501	(251)	(50.07)	1 001	
Finance and administration	59 337	70 349	54 515	22 153	12 272	12 645	34 798	27 258	7 540	27.66	54 515	
Internal audit												
Community and public safety	687	700	700	3	1	4	6	350	(344)	(98.15)	700	
Community and social services	687	689	689	3	1	4	6	345	(338)	(98.12)	689	
Sport and recreation	0	11	11					5	(5)	(100.00)	11	
Public safety												
Housing												
Health												
Economic and environmental services	12 533	33 854	34 054	2 535	37	125	2 660	17 027	(14 367)	(84.38)	34 054	
Planning and development	14	84	84	2 435			2 436	42	2 394	5 704.29	84	
Road transport	12 519	33 771	33 971	99	37	125	224	16 985	(16 761)	(98.68)	33 971	
Environmental protection												
Trading services	29 122	22 627	44 282	8 324	1 476	(11 443)	(3 120)	22 141	(25 261)	(114.09)	44 282	
Energy sources	16 784	9 976	19 007	3 425	850	3 098	6 523	9 503	(2 981)	(31.36)	19 007	
Water management	9 133	4 659	19 012	3 131	68	(8 137)	(5 005)	9 506	(14 511)	(152.66)	19 012	
Waste water management	1 845	4 358	2 462	867	277	(3 036)	(2 169)	1 231	(3 400)	(276.22)	2 462	
Waste management	1 361	3 634	3 802	900	280	(3 368)	(2 468)	1 901	(4 369)	(229.82)	3 802	
Other	4											
Total Revenue - Functional	103 031	128 532	134 553	33 264	13 786	1 331	34 595	67 277	(32 682)	(48.58)	134 553	
Expenditure - Functional												
Municipal governance and administration	52 824	67 506	63 233	6 606	4 306	8 419	15 025	31 617	(16 591)	(52.48)	63 233	
Executive and council	5 719	2 741	5 658	1 610	382	1 193	2 803	2 829	(26)	(0.93)	5 658	
Finance and administration	47 105	64 764	57 574	4 996	3 924	7 226	12 222	28 787	(16 565)	(57.54)	57 574	
Internal audit												
Community and public safety	1 705	1 829	5 924	452	169	457	908	2 962	(2 054)	(69.34)	5 924	
Community and social services	1 638	1 818	1 866	424	163	447	872	933	(61)	(6.59)	1 866	
Sport and recreation	67	0	4 049	27	6	9	37	2 025	(1 988)	(98.20)	4 049	
Public safety		12	8					4	(4)	(100.00)	8	
Housing												
Health												
Economic and environmental services	23 632	21 383	18 492	3 796	1 417	4 074	7 870	9 246	(1 376)	(14.88)	18 492	
Planning and development	18 056	12 239	12 079	2 433	980	2 793	5 226	6 039	(813)	(13.46)	12 079	
Road transport	5 576	9 144	6 414	1 363	437	1 281	2 644	3 207	(563)	(17.55)	6 414	
Environmental protection												
Trading services	51 120	64 109	60 865	2 650	4 228	7 528	10 178	30 433	(20 254)	(66.55)	60 865	
Energy sources	36 041	44 047	43 664	314	3 498	5 227	5 541	21 832	(16 291)	(74.62)	43 664	
Water management	3 695	3 269	2 814	738	202	724	1 462	1 407	55	3.89	2 814	
Waste water management	5 404	8 079	6 933	869	277	764	1 633	3 467	(1 834)	(52.89)	6 933	
Waste management	5 980	8 714	7 454	730	251	813	1 543	3 727	(2 184)	(58.61)	7 454	
Other	4											
Total Expenditure - Functional	129 282	154 827	148 514	13 503	10 120	20 479	33 982	74 258	(40 276)	(54.24)	148 514	
	(26 251)	(26 295)	(13 961)	19 761	3 666	(19 148)	613	(6 981)	7 594	(108.78)	(13 961)	

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.

The main functions are **Governance and Administration, Community and Public Safety, Economic and Environmental Service, and Trading Services**

It is for this reason that Financial Performance is reported in standard classification, Table C2, and by municipal vote, Table C3.

4.1.3 Table C3: Monthly Budget Statement – Financial Performance (municipal vote classification)

The budget is approved by council on the municipal vote level. The municipal votes reflect the organizational structure of the municipality. On the next page (as part of Table C3) a table with the sub-votes is also prepared, Table C3C



4.1.4 Table C4: Monthly Budget Statement – Financial Performance (Revenue & Expenditure)

This table reflects the operating budget and actual figures of the financial performance. The revenue is specifically set out by source since council approves the revenue budget by source and expenditure budget by vote.

Northern Cape: Ubuntu(NC071) - Table C4 Monthly Budgeted Financial Performance (All) for period ending (M06) 31 December 2019

Description	Ref	2018/19 Audited Outcome	Budget year 2019/20								
			Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	Outstanding Adjustments	YTD Actual	YTD Budget	YTD Variance	YTD variance %
Revenue By Source											
Property rates		9 937	9 636	9 636	21 223	(1 336)	1 311	21 197	9 636	11 561	119.98
Service charges - electricity revenue		12 601	13 919	13 919	3 401	2 967	-	6 368	6 960	(591)	-8.50
Service charges - water revenue		9 133	4 750	9 133	3 131	(8 137)	11 884	6 878	4 566	2 312	50.63
Service charges - sanitation revenue		1 462	4 521	2 462	867	(3 036)	4 400	2 232	1 231	1 001	81.31
Service charges - refuse revenue		1 360	3 801	3 801	900	(3 368)	4 838	2 369	1 901	469	24.66
Rental of facilities and equipment		111	204	1 700	47	38		85	850	(765)	(90.01)
Interest earned - external investments		427	364	364	0			0	182	(182)	(99.95)
Interest earned - outstanding debtors		9 053	3 170	5 182	858	2 490		3 348	2 591	757	29.21
Dividends received		9		0	0	0		1	0	1	94 300.00
Fines, penalties and forfeits		11 432	33 402	33 402	0	3		3	16 701	(16 698)	(99.98)
Licences and permits											
Agency services		1 070	350	550	93	115		208	275	(67)	(24.35)
Transfers and subsidies		41 247	38 707	38 697	2 685	11 534		14 219	19 349	(5 130)	(26.51)
Other revenue		390	732	732	57	61		118	366	(248)	(67.67)
Gains		734									
Total Revenue (excluding capital transfers and contributions)		98 965	113 557	119 578	33 264	1 331	22 433	57 027	64 607	(7 580)	(11.73)
Expenditure By Type											
Employee related costs		37 598	43 831	37 540	9 869	9 484		19 353	18 770	582	3.10
Remuneration of councillors		2 332	2 691	3 002	631	631		1 262	1 501	(239)	(15.91)
Debt impairment		19 925	35 097	38 291					19 146	(19 146)	(100.00)
Depreciation and asset impairment		25 022	28 711	28 711					14 355	(14 355)	(100.00)
Finance charges		6 588	5 802	5 802					2 901	(2 901)	(100.00)
Bulk purchases		18 240	19 491	19 491	73	4 877		4 950	9 746	(4 796)	(49.21)
Other materials	(2)		31	31					16	(16)	(100.00)
Contracted services		6 893	6 970	6 970	1 352	3 715		5 066	3 485	1 582	45.39
Transfers and subsidies			82	82					41	(41)	(100.00)
Other expenditure		12 825	12 120	8 593	1 578	1 772		3 351	4 297	(946)	(22.02)
Losses		(118)									
Total Expenditure		129 282	154 827	148 514	13 503	20 479	-	33 982	74 258	(40 276)	(54.24)
Surplus/(Deficit)		(30 316)	(41 270)	(28 936)	19 761	(19 148)	22 433	23 045	(9 651)	32 696	(338.80)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		4 000	14 975	14 975					7 488	(7 488)	(100.00)
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers and contributions		(26 251)	(26 295)	(13 961)	19 761	(19 148)	22 433	23 045	(2 163)	25 208	(1 165.37)
Taxation											
Surplus/(Deficit) after taxation		(26 251)	(26 295)	(13 961)	19 761	(19 148)	22 433	23 045	(2 163)	25 208	(1 165.37)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(26 251)	(26 295)	(13 961)	19 761	(19 148)	22 433	23 045	(2 163)	25 208	(1 165.37)
Share of surplus/ (deficit) of associate											
Surplus/(Deficit) for the year		(26 251)	(26 295)	(13 961)	19 761	(19 148)	22 433	23 045	(2 163)	25 208	(1 165.37)

Non cash items like depreciation and debt impairment has not been accounted for. The majority of the expenditure except for what was mention in the summary is in line with the budget.

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

Northern Cape: Ubuntu(NC071) - Table C5 Monthly Budgeted Capital Expenditure by Functional Classification and Funding for period ending (M06) 31 December 2019

Description	Ref	2018/19 Audited Outcome	Budget year 2019/20			M06 Dec Actual	Q2 Dec Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
			Original Budget	Adjusted Budget	Q1 Sept Actual							
Capital Expenditure - Functional												
Municipal governance and administration		1 169 058	0	0	-	-	-	0	(0)	(100.00)	0	
Executive and council		56 332	0	0	-	-	0	0	(0)	(100.00)	0	
Finance and administration		1 112 725	0	0	-	-	0	0	(0)	(100.00)	0	
Internal audit		-	-	-	-	-	-	-	-	-	-	
Community and public safety		-	-	-	-	-	-	-	-	-	-	
Community and social services		-	-	-	-	-	-	-	-	-	-	
Sport and recreation		-	-	-	-	-	-	-	-	-	-	
Public safety		-	-	-	-	-	-	-	-	-	-	
Housing		-	-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	0	(0)	(100.00)	0	
Economic and environmental services		-	0	0	-	-	-	0	(0)	(100.00)	0	
Planning and development		-	-	-	-	-	-	0	(0)	(100.00)	0	
Road transport		-	0	0	-	-	-	0	(0)	(100.00)	0	
Environmental protection		-	14 975	14 975	10	387	1 305	1 316	7 488	(6 172)	(82.43)	14 975
Trading services		-	5 005	5 005	-	387	1 178	1 178	2 503	(1 325)	(52.94)	5 005
Energy sources		-	9 970	9 970	10	-	128	138	4 985	(4 847)	(97.23)	9 970
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	200	-	-	-	100	-	(100)	(100.00)	200
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	1 169 058	14 975	15 175	10	387	1 305	1 316	7 588	(6 272)	(82.66)	15 175
Funded by												
National Government		-	14 975	14 975	10	387	1 178	1 188	7 488	(6 299)	(84.13)	14 975
Provincial Government		-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	14 975	14 975	10	387	1 178	1 188	7 488	(6 299)	(84.13)	14 975
Transfers recognised - capital		-	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	0	0	-	-	-	0	0	(0)	(100.00)	0
Internally generated funds		3 483	-	200	-	-	-	100	-	(100)	(100.00)	200
Total Capital Funding		3 483	14 975	15 175	10	387	1 178	1 188	7 588	(6 399)	(84.34)	15 175

Low spending in capital expenditure is encountered. A vigorous implementation plan of the MIG and INEP is needed to avoid unspent grants.

4.1.6 Table C6: Monthly Budget Statement – Financial Position

Northern Cape: Ubuntu(NC071) - Table C6 Monthly Budget Statement - Financial Position (All) for period ending (M06) 31 December 2019

Description	Ref	2018/19	Budget year 2019/20										
			Original Budget	Adjusted Budget	Q1 Sept Actual	M06 Dec Actual	Q2 Dec Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast	
R thousands	1	Audited Outcome											
ASSETS													
Current assets													
Cash		(1 794)	18 008	1 614	727	(2 779)	(14 488)	(13 760)	807	(14 568)	(1 804.85)	1 614	
Call deposits and investments		2		0	3 700	(377)	3 701	7 401	0	7 401	#####	0	
Consumer debtors		97 992	0	7 079	28 110	306	(19 004)	7 106	3 540	3 566	100.75	7 079	
Other debtors		20 048	0	15 745	(61)	290	182	121	7 873	(7 751)	(98.46)	15 745	
Current portion of long-term receivables													
Inventory		123	0	123					61	(61)	(100.00)	123	
Total current assets		116 371	18 008	24 561	30 477	(2 560)	(29 609)	868	12 281	(11 413)	(92.93)	24 561	
Non current assets													
Long-term receivables				(6 000)					(6 000)	6 000	(100.00)	(6 000)	
Investments									14 819	(14 819)	(100.00)	29 638	
Investment property		29 638	624 867	29 638									
Investment in Associates													
Property, plant and equipment		509 492	15 175	592 986	13	387	1 305	1 318	298 493	(285 174)	(99.56)	592 986	
Biological													
Intangible			2 278	27					13	(13)	(100.00)	27	
Other non-current assets				0					0	(0)	(100.00)	0	
Total non current assets		539 130	642 320	616 651	13	387	1 305	1 318	305 325	(304 007)	(99.57)	616 651	
TOTAL ASSETS		655 501	660 329	641 212	30 490	(2 173)	(28 304)	2 186	317 606	(315 420)	(99.31)	641 212	
LIABILITIES													
Current liabilities													
Bank overdraft				0					0	(0)	(100.00)	0	
Borrowing		(91)			(102)	(42)	(43)	(145)	96	(241)	(251.54)	192	
Consumer deposits		14 316	0	192						(37 208)	(92.63)	80 335	
Trade and other payables		80 679	1 530	80 335	12 073	(5 797)	(9 113)	2 960	40 168	(1 539)	(100.00)	3 077	
Provisions		9 604	0	3 077					1 539	(38 987)	(93.27)	83 604	
Total current liabilities		104 509	1 530	83 604	11 971	(5 839)	(9 156)	2 815	41 802	(38 987)	(93.27)	83 604	
Non current liabilities													
Financial liabilities		337	1 619	7 233					3 617	(3 617)	(100.00)	7 233	
Provisions		4 164	7 228	10 814	7			7	5 407	(5 400)	(99.87)	10 814	
Total non current liabilities		4 501	8 846	18 047	7	-	-	7	9 024	(9 017)	(99.92)	18 047	
TOTAL LIABILITIES		109 010	10 377	101 651	11 978	(5 839)	(9 156)	2 822	50 826	(48 004)	(94.45)	101 651	
NET ASSETS	2	546 491	649 952	539 561	18 512	3 666	(19 148)	(636)	266 781	(267 416)	(100.24)	539 561	
COMMUNITY WEALTH/EQUITY													
Accumulated Surplus/(Deficit)		572 742	653 012	545 561	(1 248)			(1 248)	272 781	(274 029)	(0)	545 561	
Reserves													
TOTAL COMMUNITY WEALTH/EQUITY	2	572 742	653 012	545 561	(1 248)	-	-	(1 248)	272 781	(274 029)	(0)	545 561	

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.

Northern Cape: Ubuntu(NC071) - Table C7 Monthly Budgeted Cash Flows (All) for period ending (M06) 31 December 2019

Description	Ref	2018/19 Audited Outcome	Budget year 2019/20							Full Year Forecast	
			Original Budget	Adjusted Budget	Q1 Sept Actual	Q2 Dec Actual	YTD Actual	YTD Budget	YTD Variance		YTD variance %
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates			5 782	6 745	773	2 644	3 417	3 373	(3 373)	(100.00)	6 745
Service charges			20 151	20 520	4 246	3 986	8 231	10 260	(10 260)	(100.00)	20 520
Other revenue			8 296	11 333	4 628	3 077	7 705	5 666	(5 666)	(100.00)	11 333
Transfers and Subsidies - Operational	1			38 697	17 433	11 694	29 127	19 349	(19 349)	(100.00)	38 697
Transfers and Subsidies - Capital	1		14 975	15 175	3 000	2 005	5 005	7 588	(7 588)	(100.00)	15 175
Interest			2 266	3 991	-	-	-	1 996	(1 996)	(100.00)	3 991
Dividends											
Payments											
Suppliers and employees		(77 866)	(85 135)	(75 628)	(20 485)	(25 544)	(46 029)	(37 814)	3 832	(10.13)	(75 628)
Finance charges		(6 568)	(5 802)	(5 802)	-	-	-	(2 901)	2 901	(100.00)	(5 802)
Transfers and Grants	1		(82)	(82)	-	-	-	(41)	41	(100.00)	(82)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(84 454)	(39 549)	14 950	9 594	(2 137)	7 457	7 474	(41 456)	(554.66)	14 950
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE											
Decrease (increase) in non-current debtors (not used)				6 000				6 000	(6 000)	(100.00)	6 000
Decrease (increase) in non-current receivables											
Decrease (increase) in non-current investments											
Payments											
Capital assets					(176)	(1 367)	(1 813)				
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	6 000	(176)	(1 367)	(1 813)	6 000	(6 000)	(100.00)	6 000
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits		14 295	(14 316)	192		(40)	(42)	(7 062)	7 021	(99.41)	192
Payments											
Repayment of borrowing		91	0								
NET CASH FROM/(USED) FINANCING ACTIVITIES		14 387	(14 316)	192	-	(40)	(42)	(7 062)	7 021	(99.41)	192
NET INCREASE/ (DECREASE) IN CASH HELD		(70 067)	(53 865)	21 141	9 418	(3 545)	5 602	6 412	(40 436)	(630.64)	21 141
Cash/cash equivalents at the year begin:		(2 605)	0	0	1 860	11 101	1 860	0	1 860	10 939 282.35	0
Cash/cash equivalents at the year end:	2	(72 672)	(53 865)	21 141	11 101	7 597	7 597	6 412	(38 576)	(601.64)	21 141

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.

PART 2 – SUPPORTING DOCUMENTATION

Section 5 – Debtors Analysis

5.1 Supporting Table SC3

NC071 Ubuntu - Supporting Table SC3 Monthly Budget Statement - aged debtors - (Q02)M06 December (MID-YEAR)

Description	NT Code	Budget Year 2019/2020									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total			
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	1 768	836	800	1 423	450	1 654	6 626	16 988	30 544	27 141		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	589	621	510	234	256	381	1 260	3 923	7 756	6 035		
Receivables from Non-exchange Transactions - Property Rates	1400	2 017	1 889	1 805	1 639	105	224	2 697	14 048	24 423	18 713		
Receivables from Exchange Transactions - Waste Water Management	1500	509	508	457	295	289	399	1 767	9 283	13 507	12 033		
Receivables from Exchange Transactions - Waste Management	1600	530	500	468	304	311	433	1 946	10 948	15 439	13 941		
Receivables from Exchange Transactions - Property Rental Debtors	1700	15	15	13	13	13	13	48	1 020	1 152	1 109		
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		
Other	1900	6	6	5	2	2	5	22	217	265	248		
Total By Income Source	2000	5 434	4 374	4 059	3 910	1 426	3 090	14 366	56 428	93 086	79 220		
2017/18 - Totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	1 381	1 425	1 432	1 169	180	266	1 522	2 510	9 888	5 647		
Commercial	2300	1 038	993	724	557	203	200	2 173	7 246	13 135	10 380		
Households	2400	3 015	1 955	1 902	2 184	1 043	2 624	10 671	46 671	70 065	63 193		
Other	2500	-	-	-	-	-	-	-	-	-	-		
Total By Customer Group	2600	5 434	4 374	4 059	3 910	1 426	3 090	14 366	56 428	93 086	79 220		

Majority of the debt from households are from indigents. These accounts need 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 - (Q2) M06 December (MID-YEAR)

Description	NT Code	Budget Year 2019/2020									Total
		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		
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	2 232	-	2 302	2 227	49 071	-	11 452	-	-	67 284
Bulk Water	0200	69	-	-	-	-	-	-	-	-	69
PAYE deductions	0300	481	399	408	422	1 101	-	-	-	-	2 811
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	566	-	-	-	206	1 298	-	-	-	2 069
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	981	526	472	384	1 756	-	2 538	-	-	6 659
Auditor General	0800	1 807	1 289	431	117	27	3 083	-	-	-	6 753
Other	0900	394	-	-	-	-	-	-	-	-	394
Total By Customer Type	1000	6 530	2 214	3 613	3 150	52 161	4 381	13 990	-	-	86 040

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 - (Q2) M06 December (MID-YEAR)									
Investments by maturity Name of Institution & Investment ID	Ref	Period of Investment Yrs/Months	Type of Investment	Expiry date of investment	Accrued Interest for the Quarter 2	Yield for the (%)	Market value at beginning of Quarter 2	Change in market value	Market value at end of the Quarter 2
R thousands									
Municipality									
BIBLIOTEEK PROJEK		12	Deposits - Bar	2020/06/30	1		135	(135)	1
DEERNISFONDS IOT		12	Deposits - Bar	2020/06/30	-		1	(1)	0
EIEFONDSE		12	Deposits - Bar	2020/06/30	32		3 271	(819)	2 484
ELECTRICAL PROJECT		12	Deposits - Bar	2020/06/30	39		3 034	567	3 640
EPWP PROJEK		12	Deposits - Bar	2020/06/30	1		33	(33)	1
ESKOM PAYMENTS Strat		12	Deposits - Bar	2020/06/30	6		575	(578)	3
FMG GRANT		12	Deposits - Bar	2020/06/30	8		1 273	(1 279)	2
KERKSTRAAT SUBSIDIE		12	Deposits - Bar	2020/06/30	-		131	-	131
MIGFONDSE		12	Deposits - Bar	2020/06/30	7		632	(636)	3
PROJ CONSOLIDAT MSG		12	Deposits - Bar	2020/06/30	2		220	(68)	154
RETENTIONS		12	Deposits - Bar	2020/06/30	6		433	83	522
WSIG		12	Deposits - Bar	2020/06/30	-		4	-	4
Municipality sub-total					102		9 742	(2 898)	6 946
Entities									
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				102		9 742	(2 898)	6 946

Section 8 – Allocations, grant receipts and expenditure

8.1 Supporting Table SC6

NC071 Ubuntu - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - (Q2)M06 December (MID-YEAR)									
Description	Ref	Budget Year 2019/20							
		2018/19 Audited Outcome	Original Budget	Adjusted Budget	Q2 Dec Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands									
RECEIPTS:	1,2								
Operating Transfers and Grants									
National Government:		34 135	38 037	38 037	14 418	17 553	14 418	-	-
Local Government Equitable Share		31 165	34 602	34 602	14 418	14 418	14 418	-	
Finance Management		1 970	2 435	2 435	-	2 435			
EPWP Incentive		1 000	1 000	1 000	-	700			
Integrated National Electrification Programme									
Water Service Infrastructure grant	3								
Provincial Government:		880	660	660	330	330	330	-	-
Sport and Recreation		880	660	660	330	330	330	-	
Other transfers and grants [insert description]	4								
District Municipality:		-	-	-	-	-	-	-	-
[insert description]									
Other grant providers:		-	-	-	-	-	-	-	-
[insert description]									
Total Operating Transfers and Grants	5	35 015	38 697	38 697	14 748	17 883	14 748	-	-
Capital Transfers and Grants									
National Government:		4 000	14 975	14 975	-	8 305	5 005	3 300	65.9%
Municipal Infrastructure Grant (MIG)			9 970	9 970	-	3 300		3 300	#DM/01
Regional Bulk Infrastructure									
Other capital transfers [insert description]		4 000	5 005	5 005	-	5 005	5 005	-	-
Provincial Government:		-	-	-	-	-	-	-	-
[insert description]									
District Municipality:		-	-	-	-	-	-	-	-
[insert description]									
Other grant providers:		-	-	-	-	-	-	-	-
[insert description]									
Total Capital Transfers and Grants	5	4 000	14 975	14 975	-	8 305	5 005	3 300	65.9%
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	39 015	53 672	53 672	14 748	26 188	19 753	3 300	16.7%

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 - (Q2)M06 December (MID-YEAR)										
Description	Ref	2018/19 Audited Outcome	Original Budget	Adjusted Budget	Q2 Dec Actual	Budget Year 2019/20				Full Year Forecast
						YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		34 135	38 041	38 037	14 326	28 855	2 950	25 905	878.2%	-
Local Government Equitable Share		31 165	34 602	34 602	11 534	25 952	-	25 952	#DIV/0!	
Finance Management		1 970	2 435	2 435	2 720	2 450	2 450	-		
EPWP Incentive		1 000	1 000	1 000	72	453	500	(47)	-9.3%	
Integrated National Electrification Programme		0								
0										
0										
Water Service Infrastructure grant			4							
Provincial Government:		880	660	660	330	330	330	-		
Sport and Recreation		880	660	660	330	330	330	-		
0										
0										
0										
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-		
[insert description]										
Other grant providers:		-	-	-	-	-	-	-		
[insert description]										
Total operating expenditure of Transfers and Grants:		35 015	38 701	38 697	14 656	29 185	3 280	25 905	789.8%	-
Capital expenditure of Transfers and Grants										
National Government:		4 000	14 975	14 975	387	1 178	7 488	(6 310)	-84.3%	-
Municipal Infrastructure Grant (MIG)			9 970	9 970			4 985	(4 985)	-100.0%	
0										
0										
0										
0										
Other capital transfers [insert description]		4 000	5 005	5 005	387	1 178	2 503	(1 325)	-52.9%	
Provincial Government:		-	-	-	-	-	-	-		
0										
District Municipality:		-	-	-	-	-	-	-		
0										
Other grant providers:		-	-	-	-	-	-	-		
0										
Total capital expenditure of Transfers and Grants		4 000	14 975	14 975	387	1 178	7 488	(6 310)	-84.3%	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		39 015	53 676	53 672	15 044	30 363	10 767	19 596	182.0%	-

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

No Roll Overs for current financial year.

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 - (Q2) M06 December (MID-YEAR)										
Summary of Employee and Councillor remuneration	Ref	2018/19	Budget Year 2019/20			Budget Year 2019/20		YTD variance	YTD variance %	Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Q2 Dec Actual	YearTD actual	YearTD budget			
R thousands	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		–	1 902	2 007	158	3 120	362	2 757	761%	
Pension and UIF Contributions		–	0	–	16	316	–	316	#DIV/0!	
Medical Aid Contributions		–	0	–	–	–	–	–	–	
Motor Vehicle Allowance		–	479	684	53	1 000	121	879	728%	
Cellphone Allowance		–	311	311	26	488	87	401	462%	
Housing Allowances		–	–	–	–	–	–	–	–	
Other benefits and allowances		–	0	–	–	–	–	–	–	
Sub Total - Councillors		–	2 691	3 002	252	4 924	570	4 354	764%	–
% increase	4		#DIV/0!	#DIV/0!						
Senior Managers of the Municipality										
Basic Salaries and Wages		–	2 988	3 111	206	2 117	778	1 339	172%	
Pension and UIF Contributions		–	217	109	28	356	27	329	1211%	
Medical Aid Contributions		–	0	0	–	9	0	9	#####	
Overtime		–	0	0	–	–	0	(0)	-100%	
Performance Bonus		–	99	49	–	–	12	(12)	-100%	
Motor Vehicle Allowance		–	120	60	15	200	15	185	1233%	
Cellphone Allowance		–	0	0	–	–	–	–	–	
Housing Allowances		–	0	0	–	–	0	(0)	-100%	
Other benefits and allowances		–	0	0	63	1 220	0	1 220	#####	
Payments in lieu of leave		–	0	0	–	–	0	(0)	-100%	
Long service awards		–	–	–	–	–	–	–	–	
Post-retirement benefit obligations	2	–	68	0	–	–	0	(0)	-100%	
Sub Total - Senior Managers of Municipality		–	3 492	3 329	313	3 902	832	3 070	369%	–
% increase	4		#DIV/0!	#DIV/0!						
Other Municipal Staff										
Basic Salaries and Wages		–	21 546	24 583	2 653	42 261	6 757	35 504	525%	
Pension and UIF Contributions		–	3 985	4 780	270	5 068	1 527	3 541	232%	
Medical Aid Contributions		–	387	496	–	7	234	(227)	-97%	
Overtime		–	–	66	–	–	417	(417)	-100%	
Performance Bonus		–	1 903	1 584	–	–	–	–	–	
Motor Vehicle Allowance		–	435	36	–	–	173	(173)	-100%	
Cellphone Allowance		–	33	4	–	–	–	–	–	
Housing Allowances		–	518	348	27	606	150	456	303%	
Other benefits and allowances		–	883	2 304	257	8 254	620	7 635	1232%	
Payments in lieu of leave		–	1 515	0	–	–	–	–	–	
Long service awards		–	–	0	–	–	–	–	–	
Post-retirement benefit obligations	2	–	1 371	9	–	–	9	(9)	-100%	
Sub Total - Other Municipal Staff		–	32 575	34 211	3 207	56 197	9 886	46 311	468%	–
% increase	4		#DIV/0!	#DIV/0!						
Total Parent Municipality		–	38 759	40 542	3 772	65 023	11 288	53 735	476%	–
Unpaid salary, allowances & benefits in arrears:										
TOTAL SALARY, ALLOWANCES & BENEFITS		–	38 759	40 542	3 772	65 023	11 288	53 735	476%	–
% increase	4		#DIV/0!	#DIV/0!						
TOTAL MANAGERS AND STAFF		–	36 067	37 540	3 520	60 099	10 718	49 381	461%	–

DM 19

There are no material differences with regards to employee related costs and it is in line with the budget.

Section 10 – Capital program performance

10.1 Supporting Table SC12

Month	2018/19	Budget Year 2019/20							
	Audited Outcome	Original Budget	Adjusted Budget	Q2 Dec Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	-	1 248	1 239	-	-	1 239	1 239	100.0%	0%
August	-	1 248	1 239	-	-	2 477	2 477	100.0%	0%
September	-	1 248	1 239	421	112	3 716	3 603	97.0%	1%
October	-	1 248	1 239	158	270	4 954	4 684	94.6%	2%
November	-	1 248	1 239	330	600	6 193	5 593	90.3%	4%
December	-	1 248	1 239	445	1 045	7 431	6 386	85.9%	7%
January	-	1 248	1 239	-	-	8 670	-	-	-
February	-	1 248	1 239	-	-	9 908	-	-	-
March	-	1 248	1 239	-	-	11 147	-	-	-
April	-	1 248	1 239	-	-	12 385	-	-	-
May	-	1 248	1 239	-	-	13 624	-	-	-
June	-	1 248	1 239	-	-	14 862	-	-	-
Total Capital expenditure	-	14 976	14 862	1 354					

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

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

Northern Cape: Ubuntu(NC071) - Table SC13b Monthly Budget Statement - Capital Expenditure on Renewal of existing assets by Asset Class (All) for period ending (M06) 31 December 2019

Description	M06 2018/19 Audited Outcome	2019/20					YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
		Original Budget	Adjusted Budget	Q1 Sept Actual	M06 Dec Actual	Q2 Dec Actual					
Capital Expenditure on Renewal of existing assets by Asset Class/Sub-class											
Infrastructure	752 744	14 975	9 970	-	387	1 178	1 178	4 985	(3 807)	(76.38)	9 970
Roads Infrastructure	300 392	-	-	-	-	-	-	-	-	-	-
Roads											
Road Structures	300 392										
Attenuation											
Electrical Infrastructure	57 558	5 005	-	-	387	1 178	1 178	-	1 178	-	-
LV Networks	57 558	5 005			387	1 178	1 178		1 178		
Capital Spares											
Water Supply Infrastructure	-	9 970	9 970	-	-	-	-	4 985	(4 985)	(100.00)	9 970
Distribution		9 970	9 970					4 985	(4 985)	(100.00)	9 970
Sanitation Infrastructure	394 794	-	-	-	-	-	-	-	-	-	-
Outfall Sewers	394 794										
Community Assets	247 402	-	-	-	-	-	-	-	-	-	-
Community Facilities	247 402										
Halls	247 402										
Furniture and Office Equipment	1 005	0	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	1 005	0									
Total Capital Expenditure on renewal of existing assets	1 001 151	14 975	9 970	-	387	1 178	1 178	4 985	(3 807)	(76.38)	9 970

Please refer to Table C5 for analysis.

Section 16 – Municipal manager’s quality certification

QUALITY CERTIFICATE

I Dibere Mapasa as acting municipal manager of **Ubuntu Municipality**, hereby certify that –

(mark as appropriate)

- The monthly budget statements
- The quarterly report on the implementation of the budget and financial state of the municipality
- The mid-year budget and performance assessment

For the month of **December 2019** of **2019/2020 financial year** has been prepared in accordance with the Municipal Finance Management Act and Regulations made under that Act.

Print Name D. Mapasa

Municipal or Acting Municipal Manager of **Ubuntu Local Municipality (NC071)**

Signature 