



**MATJHABENG LOCAL MUNICIPALITY
QUARTERLY BUDGET AND PERFORMANCE REPORT**

The attached report is submitted in terms of Section 52 (d) of the Municipal Finance Management Act (MFMA), Act 56 of 2003 for three months ended 30 June 2018

TABLE 1	Budget for the three months	Actual for the three months
Revenue	479 349 340	260 412 996
Intergovernmental Transfer	140 748 000	-
Total Income	620 097 340	260 412 996
Expenditure	580 705 415	576 026 630
Salaries	176 727 823	175 302 481
Water	109 856 301	3 000 000
Electricity	103 016 971	57 240 931
Other/Stationery, Telephone	191 104 320	340 483 218
Net Surplus/(Deficit) before Capital payments	39 391 925	(315 613 634)

(1)

MIG Payments	53 388 357
INEG Payments	-
WSIG Payments	-

(2)

Capital Assets procured - Equitable Share	164 843
Fleet & Equipment	-
Office Convention / Furniture	164 843

Net Surplus/(Deficit) after Capital payments	-369 166 834
---	---------------------

Table 1 indicates that the actual amount received is below the amount paid for the quarter by **R -369 166 834**. The Municipality incurred more expenditure than amount received for three months period ending June 2018 .

- Only **R576 026 630** was spend from the total budget of **R580 705 415**
- There was an over-spending of MIG payments of **R 23 084 357** for the quarter

TABLE 2	Actual for the three months
Total Billings	402 314 353
Less: Indigent Billing	11 456 244
Actual Collectable Billing	390 858 109
Actual Revenue Received	323 965 834
Consumer Revenue	236 104 048
Other	87 861 786
Grants & Subsidies	-

(1)

(2)

(3)

Pay rate for Fourth Quarter (Billing)	83%
Total income percentage - Fourth Quarter	67%

Notes

- The 'Actual Collectable Billing' figure reflects the amount invoiced to consumers for services consumed during the three months, excluding the poorest of the poor.
- The 'Consumer Revenue' relates to revenue actually received from consumers during the three months. 72% was collected on Consumer Revenue out of the Actual Collectable Billing
- 'Other Revenue' relates to items such as Interest on debtors, Rentals etc. billed for the reporting period.

Table 3 and Table 4 provides an analysis of the various revenue and expenditure figures.

MT Tsie
Compiled By

Date

Lindsey Williams
Reviewed By

Date

Thabo Panyani
Approved By

Date

MATJHABENG MUNICIPALITY

THREE MONTHS (April - June 2018) REVENUE AND EXPENDITURE RESULTS AGAINST BUDGET

TABLE 3

REVENUE RESULTS AGAINST BUDGET

Description	Budget for the three months	Actual for the three months	Notes
Intergovernmental Transfer	140 748 000	-	1
Operational Grants - Equitable Share/FMG/EPWP/EEDG	101 694 000	-	
Capital Grants - MIG/WSIG/INEG	39 054 000	-	
Consumer Revenue & Assessments Rates	370 398 914	236 104 048	2
Other Revenue & Interest	108 950 426	24 308 948	3
	620 097 340	260 412 996	

Table 5 A contains the actual revenue by source.

Notes

1. Intergovernmental Transfer consist of Operational Grants and Capital Grants
2. The consumer revenue and assessment rates have a variance of R 134 294 866 this is due to lack of payment from consumers.
3. The Other Revenue includes interest on arrear accounts. The other revenue has a variance of R 84 641 478 against the budget.

TABLE 4

EXPENDITURE RESULTS AGAINST BUDGET

Description	Budget for the three months	Actual for the three months	Notes
Salaries	176 727 823	175 302 481	1
Water	109 856 301	3 000 000	2
Electricity	103 016 971	57 240 931	3
Other Expenditure	191 104 320	340 483 218	4
Total	580 705 415	576 026 630	
MIG Payments	30 304 000	53 388 357	5

Notes

1. The actual amount paid for salaries is less than the budget amount for the three months with a variance of R 1 425 342
2. The variance of water against the budgeted amount is R 106 856 301
3. The variance in electricity against the budgeted amount is R 45 776 040 and this is due to financial constraints. The municipality has an arrangement with Eskom, the outstanding balance are settled with the EQS allocation by installments.
4. The budget for other expenditure is less than the actual with R 149 378 898 This expenditure is based on the cash flow.
5. MIG payments at end of June 2018 for a three month period amount to R 53 388 357

Table 5 B contains the Actual Expenditure by vote.

A

TABLE 5A -- [S71(1)(a), S71(2)(a), S71(3)]	Budget for the Year	Budget for the three months	Actual for the three months
ACTUAL REVENUE PER REVENUE SOURCE [S71(1)(a)]			
Intergovernmental Transfers	562 992 000	140 748 000	-
Operational Grants - Equitable Share/FMG/EPWP/EEDG	406 776 000	101 694 000	-
Capital Grants - MIG/WSIG/INEG	156 216 000	39 054 000	-
Consumer Revenue and Assessment rates	1 481 595 656	370 398 914	236 104 048
Assessment Rates	279 252 170	69 813 043	57 403 941
Water	343 076 599	85 769 150	31 569 737
Electricity	627 540 121	156 885 030	120 398 048
Sewerage	147 747 698	36 936 925	17 219 863
Refuse Removal	83 979 068	20 994 767	9 512 459
Other Revenue & Interest	435 801 703	108 950 426	24 308 948
Fines	20 071 683	5 017 921	701 165
Market	25 000 000	6 250 000	2 638 307
Rentals	30 000 000	7 500 000	1 476 821
Other	228 419 263	57 104 816	16 086 184
Interest - Debtors	128 854 652	32 213 663	3 312 410
Interest - Investments	3 456 105	864 026	94 061
TOTAL	2 480 389 359	620 097 340	260 412 996

B

TABLE 5B [S71(1)(c), S71(2)(a), S71(3)]	Budget for the Year	Budget for the three months	Actual for the three months
ACTUAL EXPENDITURE PER VOTE [S71(1)(c)]			
Council General	85 815 756	21 453 939	30 877 597
Office of the Executive Mayor	15 666 613	3 916 653	3 632 764
Office of the Speaker	2 488 970	622 243	3 038 319
Municipal Manager	81 847 081	20 461 770	21 811 365
Corporate Service	58 915 653	14 728 913	12 562 840
Financial Services	312 471 225	78 117 806	53 379 579
Human Resources	15 926 093	3 981 523	3 116 276
Community Services	194 353 673	48 588 418	80 372 630
Protection Services	162 687 725	40 671 931	34 091 852
Economic Development	19 123 633	4 780 908	3 704 591
Engineering Services	1 350 015 456	337 503 864	325 511 203
Housing Services	23 509 781	5 877 445	3 927 614
TOTAL	2 322 821 659	580 705 415	576 026 630

C

SALARIES - April - June 2018				
SALARIES	Budget for the Year	Budgeted for 3 months	Actual for the three months	Projected Expenditure for rest of year
Council General	55 230 646	13 807 662	11 537 903	46 151 612
Office of the Executive Mayor	8 630 903	2 157 726	2 398 478	9 593 912
Office of the Speaker	1 582 182	395 546	400 099	1 600 396
Municipal Manager	52 987 141	13 246 785	8 515 916	34 063 664
Corporate Service	45 828 861	11 457 215	10 206 745	40 826 980
Financial Services	50 778 586	12 694 647	14 069 388	56 277 552
Human Resources	14 256 253	3 564 063	3 069 294	12 277 176
Community Services	217 631 389	54 407 847	42 981 174	171 924 696
Protection Services	121 618 309	30 404 577	27 303 908	109 215 632
Economic Development	13 187 503	3 296 876	3 094 163	12 376 652
Engineering Services	109 373 451	27 343 363	47 680 062	190 720 248
Housing Services	15 806 069	3 951 517	4 045 351	16 181 404
TOTAL	706 911 293	176 727 823	175 302 481	701 209 924

D

OVERTIME - April - June 2018				
OVERTIME	Budget for the Year	Budgeted for 3 months	Actual for the three months	Projected Expenditure for rest of year
Council General				-
Office of the Executive Mayor				-
Office of the Speaker	642 750	160 688	221 713	886 852
Municipal Manager	314 286	78 572	57 240	228 959
Corporate Service	455 321	113 830	169 468	677 872
Financial Services	1 130 237	282 559	323 574	1 294 296
Human Resources	8 038	2 010	58 089	232 356
Community Services	15 486 812	3 871 703	5 413 177	21 652 706
Protection Services	6 041 548	1 510 387	1 553 612	6 214 450
Economic Development	17 093	4 273	5 048	20 193
Engineering Services	16 855 522	4 213 881	9 290 483	37 161 934
Housing Services	133 929	33 482	36 200	144 800
TOTAL	41 085 536	10 271 384	17 128 605	68 514 418

The municipal budget is compiled in line with the National Treasury GFS classifications. The objective of this is to ensure a standardised budget structure that all municipalities will use.

E

TOP TWENTY (20) OUTSTANDING DEBTORS

DEBTORS - JUNE 2018			
		R	COMMENTS:
1	ANGLOGOLD ASHANTI LTD	21 750 443	LED to help establish the sewerage point for Harmony
2	LIGIA PAPER INDUSTRIES	18 216 196	Documentation was received from FDC that they will make arrangement for debt outstanding
3	LIGIA PAPER INDUSTRIES	12 150 124	Documentation was received from FDC that they will make arrangement for debt outstanding
4	PUBLIC WORKS (HEALTH/HO	11 388 878	Last payment received in May 2018, account send to Public Works for urgent payments
5	SEDIBENG WATERRAAD	10 950 034	No payments on account, matter referred to Legal department for urgent assistance
6	SEDIBENG WATER	10 135 741	No payments on account,matter referred to Legal department for urgent assistance
7	PHINDANA PROPERTIES 169	10 109 154	Client pay only arranged amount of R50 000.00 pm , account referred to CFO
8	TOSA TECHNICAL COLLEGE	8 828 764	No payments on rates and taxes , dispute registration of property , Account with legal department
9	REAHOLA HOUSING ASSOCIATION	6 808 686	No collection on account, account handed over to human settlement to give progress report
10	PRESIDENT STEYN GOLD MINE	6 160 252	LED to help establish the sewerage point for Harmony
11	PRESIDENT STEYN MYN	4 615 606	Busy with Harmonywith payment negotiations
12	ERF 2515 WELKOM (PTY)	4 489 454	Manager Revenue busywith Client
13	PUBLIC WORKS (HEALTH)	4 471 746	Account send to Nondaba Public Works for urgent payments on account
14	HARMONY GOLD MINING CO	4 133 753	Statement was sent to mine for payment
15	ERFDEEL MYN	4 081 845	LED to help establish the sewerage point for Harmony
16	AZTOPROX PTY LTD	3 759 787	Paid R125 000.00 on account, Dispute on electricity charges , account send to LGA
17	FLAMINGO LAKE DEVELOPMENT	3 437 777	Matjhabeng property write off proposal handed over to EXCO
18	EDEN CHRISTELIKE BEDIEN	3 252 588	Registered as NGO waiting for feedback from maanagement
19	ANGLOGOLD ASHANTI	3 129 642	On schedule 23 (A) that is with legal for possible write off debt as was taken back by council
20	ST ANDREWS SCHOOL WELKOM	3 020 484	Client issued letter whereby they applied to be exempt from paying rates, account with Legal Department
	TOTAL	R 154 890 955	

E

TOP TWENTY (20) OUTSTANDING CREDITORS

CREDITORS - JUNE 2018			
		R	COMMENTS:
1	Sedibeng Water	2 197 008 408	Sedibeng Water
2	Eskom	61 922 951	Eskom
3	Jager Technologies	17 454 427	Meter Readings
4	Compensation Commissioner	15 939 464	Compensation Commissioner
5	Manna Holdings	9 315 873	Valuation Roll
6	SALGA	7 686 129	Membership Levy
7	Fezi Auditors and Consultants	6 722 301	AFS and VAT
8	Royal Haskoning DHV	6 328 275	Upgradig Klippan Pumpstation
9	Sedtrade	3 226 140	Street Reaseling
10	Khabokedi Waste Management	4 393 333	Landfill Sites Maintenance
11	Business Connexion	3 899 970	IT
12	Sebenza Engineering Services	3 839 930	Refuse Removal Trucks
13	Lemontswa Trading	3 234 134	Supply of Water material
14	Practicon Trading Enterprise	3 168 120	Supply of PPE
15	Omphi Nobuhle General Trading	3 127 956	Supply of Water material
16	Bosch Munitech	3 043 544	Leak Detection
17	Auditor General	2 695 126	Auditor General
18	Zyka Management Services	2 586 236	Sewerline Repairs
19	Tuness Trading	2 242 174	Supply of PPE
20	Syntell Neyworks	1 801 093	Electricity Vendor
	TOTAL	R 2 359 635 584	

F ACTUAL CAPITAL EXPENDITURE PER VOTE

TABLE 6 -- [S71(1)(d)]	Capex for three months
Council General	R 164 843
Office of the Executive Mayor	R -
Mayoral Committee	R -
Office of the Speaker	R -
Municipal Manager	R -
Corporate Services	R -
Financial Services	R -
Human Resources	R -
Community Services	R 9 110 479
Protection Services	R -
Economic Development	R 3 957 656
Engineering Services	R 41 262 469
Mechanical Workshop	R -
	R 54 495 447

G AMOUNT OF ANY ALLOCATIONS RECEIVED

TABLE 7 -- [S71(1)(e), S71(1)(f)]	Funds Received for three months	Funds Spent for three months
MIG/LDM/Sundry	R -	R 53 388 357
Equitable Share	R -	R -
MSIG	R -	R -
FMG	R -	R -
EPWP	R -	R 362 350
EEDG	R -	R -
WSIG	R -	R -
INEG	R -	R -
Total	-	53 750 707

Table 6

ACTUAL BILLING BY SOURCE AGAINST ACTUAL RECEIPTS FOR THE THREE MONTHS PERIOD AS AT JUNE 2018									
SOURCE	Apr-18 proj.	Actual	% Collected	May-18 proj.	Actual	% Collected	June-18 proj.	Actual	% Collected
Assessment rates	23 877 602	14 600 695	61,15%	24 118 709	24 258 766	100,58%	22 390 342	18 544 480	82,82%
Water	30 572 304	9 495 508	31,06%	34 404 465	11 981 149	34,82%	18 785 818	10 093 080	53,73%
Electricity	43 161 626	36 301 584	84,11%	40 612 404	49 032 017	120,73%	34 095 448	35 064 447	102,84%
Sanitation	15 256 576	3 812 193	24,99%	15 193 168	9 646 918	63,50%	6 559 259	3 760 752	57,34%
Refuse removal	9 536 753	2 776 391	29,11%	9 518 371	4 058 223	42,64%	3 112 100	2 677 845	86,05%
Fines	1 672 640	162 257	9,70%	1 672 640	179 457	10,73%	1 672 640	359 451	21,49%
Market	2 083 333	881 893	42,33%	2 083 333	945 059	45,36%	2 083 333	811 355	38,95%
Rentals	2 500 000	486 851	19,47%	2 500 000	448 836	17,95%	2 500 000	541 134	21,65%
Other	19 034 939	4 534 483	23,82%	19 034 939	6 124 473	32,17%	19 034 939	5 427 228	28,51%
Interest	11 025 896	1 131 015	10,26%	11 025 896	1 079 770	9,79%	11 025 896	1 176 596	10,67%
TOTAL REVENUE	158 721 669	74 182 870	46,74%	160 163 926	107 754 668	67,28%	121 259 776	78 456 368	64,70%

The above tables represents the total collectable revenue. The amounts billed versus the actual receipts.
It excludes Government Grants so as get the correct percentage collected from consumers

QUARTERLY PROJECTIONS OF REV AND EXP BY STANDARD CLASSIFICATION (GFS Classification by NT)						
STANDARD CLASSIFICATION DESCRIPTION	Quarter ending 30 June 2018					
	PROJECTED OPEX R'000	PROJECTED REV R'000	PROJECTED CAPEX R'000	ACTUAL OPEX R'000	ACTUAL REV R'000	ACTUAL CAPEX R'000
A	B	C	D	E	F	G
Executive and Council	237 440 180	13 625 884	659 372	59 360 045	3 406 471	164 843
Finance and Admin	213 518 316	304 513 728	-	53 379 579	76 128 432	
Corporate	50 251 360	-	-	12 562 840		-
Human Resource	12 465 104	-	-	3 116 276		-
Planning and Dev	14 818 364	-	15 830 624	3 704 591		3 957 656
Housing	15 710 456	5 907 284	-	3 927 614	1 476 821	-
	30 528 820	5 907 284	15 830 624	23 311 321	1 476 821	3 957 656
Community & Social Services	4 411 104	-	1 922 828	1 102 776		480 707
Sports and Recreation	84 422 656	-	34 519 088	21 105 664		8 629 772
Environmental Health	2 754 292	-	-	688 573		-
Public Safety and Transport	136 367 408	2 804 660	-	34 091 852	701 165	-
Refuse Removal	229 902 468	38 049 836	-	57 475 617	9 512 459	-
	457 857 928	40 854 496	36 441 916	114 464 482	10 213 624	9 110 479
Admin	52 089 688	-	-	13 022 422	-	-
Water	603 917 792	126 278 948	612 308	150 979 448	31 569 737	153 077
Waste Management	239 799 380	68 879 452	134 278 776	59 949 845	17 219 863	33 569 694
Electricity	353 488 648	481 592 192	3 768 984	88 372 162	120 398 048	942 246
Mechanical Engineering	9 622 888	-	-	2 405 722	-	-
Road Transport	43 126 416	-	26 389 808	10 781 604	-	6 597 452
	1 302 044 812	676 750 592	165 049 876	325 511 203	169 187 648	41 262 469
GRAND TOTAL	2 291 641 416	1 041 651 984	217 981 788	576 026 630	260 412 996	54 495 447

(1)

The above table indicates the quarterly projections of revenue and expenditure per standard classification (GFS classification) for the quarter ending 30 June 2018. Column A contains the classification description, column B,C,D provides the projected operating expenditure, revenue and capital expenditure for the 3 months. Column E, F, G is the actual expenditure, revenue and capital expenditure.

1. All cost for Mayoral, councillor, committee and municipal manager expenses. The income include Equitable Share and interest income.

PAYMENT RATIO PER WARD - April - June 2018

Councillor	Ward	Registered Indigents	Billings	Income	% Payment to Billing
M Sebotsa	1	1218	9 641 544,24	3 931 223,08	41%
S E Tshabangu	2	335	2 956 100,27	179 289,09	6%
M P Kopela	3	457	20 089 549,50	21 011 914,14	105%
S J Liphoko	4	332	6 196 560,87	503 240,20	8%
P M I Molelekoa	5	436	7 897 921,15	2 569 261,23	33%
B H Mahlumba	6	413	2 969 891,97	306 504,98	10%
N E Monjovo	7	564	4 508 401,23	257 351,46	6%
M D Masienyane	8	520	14 594 851,06	8 777 276,81	60%
H S Badenhorst	9	222	32 077 963,23	26 013 394,65	81%
S Ramalefane	10	923	7 153 340,26	1 288 048,37	18%
V R Morris	11	464	6 866 616,94	1 145 028,87	17%
Z S Moshoeu	12	688	5 781 246,58	551 353,17	10%
T J Thelingoane	13	288	3 132 812,49	413 596,65	13%
M Chaka	14	958	5 320 432,00	152 293,89	3%
B Ntuli	15	560	6 725 653,51	969 599,47	14%
TS Meli	16	882	6 358 615,69	131 605,35	2%
T D Khalipha	17	366	4 149 277,01	93 126,28	2%
N Moloja	18	435	5 056 243,50	381 687,14	8%
P Ramatisa	19	868	5 787 003,63	585 346,86	10%
B Nkonka	20	673	6 719 741,60	395 365,85	6%
S Pholo	21	563	7 486 748,91	282 275,98	4%
I Poo	22	771	5 029 753,22	281 731,60	6%
K R Tlake	23	297	946 541,61	3 720,00	0%
M A Mphikeleli	24	0	1 054 279,42	12 420,00	1%
T D Nthako	25	652	17 471 019,10	10 666 217,33	61%
S J Tsatsa	26	1002	4 273 389,47	884 150,95	21%
M S Van Rooyen	27	223	20 214 944,47	17 067 787,18	84%
T Mosia	28	625	5 059 563,81	1 990 307,65	39%
D M Mafa	29	623	4 055 978,27	164 776,79	4%
M Molefi	30	482	5 751 499,37	475 478,42	8%
H A Mokhomo	31	162	4 043 687,95	734 593,75	18%
H T C Van Schalkwyk	32	441	103 740 230,95	97 377 618,37	94%
C Malherbe	33	254	14 004 637,79	12 934 835,21	92%
A Daly	34	378	77 570 607,47	17 481 769,87	23%
N R Manzana	35	371	13 145 338,90	10 213 686,20	78%
M J Khothule	36	768	19 050 184,14	16 343 406,71	86%

only approved indigents are captured on the system