

# **ELIAS MOTSOALEDI LOCAL MUNICIPALITY**



## **MONTHLY BUDGET STATEMENT REPORT**

**October 2014**

## **PART 1: IN - YEAR REPORT**

### **PURPOSE**

To report to the Council and submit to National and Provincial Treasury on the monthly financial performance of the Municipality as required by Section 71 of the Municipal Finance Management Act.

### **EXECUTIVE SUMMARY**

Section 71 of the Municipal Finance Management Act deals with requirements for in-year reporting and further state that the Accounting Officer of the Municipality must by no later than 10 working days after end of each month submit to the Mayor and relevant Provincial Treasury, the monthly budget statement in the prescribed format on the state of the municipality's financial results.

### **IN YEAR BUDGET STATEMENT TABLES**

**Table C1 – Budget Statement Summary**

LIM472 Elias Motsoaledi - Table C1 Monthly Budget Statement Summary - M04 October									
Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Financial Performance</b>									
Property rates	23 842	30 000	-	1 819	6 616	10 000	(3 384)	-34%	30 000
Service charges	51 569	63 049	-	5 427	20 623	21 016	(393)	-2%	63 049
Investment revenue	3 036	2 800	-	724	2 250	933	1 317	141%	2 800
Transfers recognised - operational	146 803	170 641	-	476	66 743	56 880	9 863	17%	170 641
Other own revenue	13 659	13 628	-	2 119	5 956	4 543	1 414	31%	13 628
<b>Total Revenue excluding capital</b>	<b>238 910</b>	<b>280 118</b>	<b>-</b>	<b>10 565</b>	<b>102 188</b>	<b>93 373</b>	<b>8 816</b>	<b>9%</b>	<b>280 118</b>
Employee costs	76 842	97 177	-	7 120	27 985	32 392	(4 407)	-14%	97 177
Remuneration of Councillors	15 233	16 273	-	1 349	6 123	5 424	699	13%	16 273
Depreciation & asset impairment	-	35 000	-	-	-	11 667	(11 667)	-100%	35 000
Finance charges	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	49 729	50 013	-	4 731	21 535	16 671	4 864	29%	50 013
Transfers and grants	-	9 600	-	55	256	3 200	(2 944)	-92%	9 600
Other expenditure	74 854	83 433	-	7 054	26 980	27 811	(831)	-3%	83 433
<b>Total Expenditure</b>	<b>216 667</b>	<b>291 497</b>	<b>-</b>	<b>20 309</b>	<b>82 860</b>	<b>97 166</b>	<b>(14 286)</b>	<b>-15%</b>	<b>291 497</b>
<b>Surplus/(Deficit)</b>	<b>22 253</b>	<b>(11 379)</b>	<b>-</b>	<b>(9 744)</b>	<b>19 308</b>	<b>(3 793)</b>	<b>23 102</b>	<b>-609%</b>	<b>(11 379)</b>
Transfers recognised - capital	40 035	50 840	-	1 058	1 162	16 947	(15 785)	-83%	50 840
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers</b>	<b>62 288</b>	<b>39 461</b>	<b>-</b>	<b>(8 686)</b>	<b>20 470</b>	<b>13 154</b>	<b>7 317</b>	<b>56%</b>	<b>39 461</b>
Surplus/ (deficit)	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>62 288</b>	<b>39 461</b>	<b>-</b>	<b>(8 686)</b>	<b>20 470</b>	<b>13 154</b>	<b>7 317</b>	<b>56%</b>	<b>39 461</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>45 872</b>	<b>77 290</b>	<b>-</b>	<b>1 532</b>	<b>1 749</b>	<b>25 763</b>	<b>(24 015)</b>	<b>-93%</b>	<b>77 290</b>
Capital transfers recognised	37 808	50 840	-	928	1 019	16 947	(15 927)	-94%	50 840
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	8 284	26 450	-	604	730	8 817	(8 087)	-92%	26 450
<b>Total sources of capital funds</b>	<b>45 872</b>	<b>77 290</b>	<b>-</b>	<b>1 532</b>	<b>1 749</b>	<b>25 763</b>	<b>(24 015)</b>	<b>-93%</b>	<b>77 290</b>
<b>Financial position</b>									
Total current assets	96 884	72 269	-		125 882				72 269
Total non current assets	825 877	1 077 247	-		808 342				1 077 247
Total current liabilities	74 168	43 000	-		95 310				43 000
Total non current liabilities	27 077	40 000	-		30 512				40 000
<b>Community wealth/Equity</b>	<b>821 516</b>	<b>1 066 516</b>	<b>-</b>		<b>808 511</b>				<b>1 066 516</b>
<b>Cash flows</b>									
Net cash from (used) operating	68 580	72 559	-	(11 716)	(22 808)	18 140	40 948	228%	72 559
Net cash from (used) investing	(48 536)	(72 290)	-	(1 532)	(1 749)	(491)	1 258	-256%	(72 290)
Net cash from (used) financing	22	500	-	24	(2)	42	44	104%	500
<b>Cash/cash equivalents at the month/year end</b>	<b>35 400</b>	<b>20 769</b>	<b>-</b>	<b>-</b>	<b>49 295</b>	<b>37 690</b>	<b>(11 605)</b>	<b>-31%</b>	<b>74 623</b>
<b>Debtors &amp; creditors analysis</b>									
	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
<b>Debtors Age Analysis</b>									
Total By Income Source	8 682	4 231	3 133	1 938	7 415	1 224	7 883	22 381	56 888
<b>Creditors Age Analysis</b>									
Total Creditors	-	-	-	-	-	-	-	-	-

**The above C1 Sum table summarizes the following activities:-**

**Revenue:**

The actual revenue for the month of October 2014 is R10, 565 million and the year to date actual is R102, 188 million. With a year to date budget of R93, 373 million, this reflects a favourable variance of R8, 816 million and all revenue generating activities reflect a positive variance except the following line items:

- Property rates: 34% unfavourable variance
- Service charges – refuse removal: 35% unfavourable variance
- Service charges – other: 65% unfavourable variance
- Fines: 50% unfavourable variance
- License and permits: 16% unfavourable variance

**Operating Expenditure**

The Operational expenditure for the month amounts to R20, 309 million and the year to date actuals amounts to R82, 880 million and the year to date budget is R97, 166 million. This reflects an unfavourable variance of 15% that is partly attributed to depreciation and asset impairment as well as debt impairment that have 100% unfavourable variance. Cognizance should be taken that the two line items non-cash items and as a result, they do not therefore affect the cash flow position and/or performance of the Municipality.

**Capital Expenditure**

The capital expenditure for the month of October amounts to R1, 532 million and the year to date capital expenditure amounts to R1, 749 million of which the R1, 019 million spending pertain to MIG funded project/s while the R730 thousand pertain to internally funded project/s.

**Surplus/Deficit**

Taking the above into consideration, the net operating deficit for the month is R8, 686 million and the year to date results reflect a surplus amounting to R20, 470 million.

**Debtors**

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors for the month of October amounts to R56, 888 million of which R45, 731 million (80,39%) is consumer debtors and R11, 157 million (19, 61%) is sundry debtors.

**Creditors**

All creditors are paid within 30 days of receipt of invoice as required by MFMA and as a result, our creditor's age analysis does not have figures.

Table C2 – Financial Performance (Standard Classification)

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue - Standard</b>									
<b>Governance and administration</b>	173 798	207 929	-	4 606	78 562	69 310	9 262	13%	207 929
Executive and council	1 271	934	-	294	362	311	51	16%	934
Budget and treasury office	172 386	206 890	-	4 212	78 150	68 963	9 187	13%	206 890
Corporate services	142	105	-	0	49	35	14	40%	105
<b>Community and public safety</b>	5 403	7 686	-	581	1 825	2 562	(737)	-29%	7 686
Community and social services	46	1 353	-	37	143	451	(308)	-88%	1 353
Sport and recreation	2	25	-	-	-	8	(8)	-100%	25
Public safety	5 354	6 308	-	543	1 683	2 103	(420)	-20%	6 308
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	38 468	52 357	-	1 143	2 457	17 452	(14 996)	-86%	52 357
Planning and development	22	77	-	0	3	26	(22)	-87%	77
Road transport	38 446	52 280	-	1 143	2 453	17 427	(14 974)	-88%	52 280
Environmental protection	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	61 296	62 986	-	5 393	20 507	20 449	58	0%	62 986
Electricity	58 572	56 430	-	5 096	19 379	18 810	569	3%	56 430
Water	(22)	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	2 746	6 556	-	297	1 128	1 639	(511)	-31%	6 556
<b>Other</b>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>278 965</b>	<b>330 958</b>	<b>-</b>	<b>11 623</b>	<b>103 350</b>	<b>109 773</b>	<b>(6 423)</b>	<b>-6%</b>	<b>330 958</b>
<b>Expenditure - Standard</b>									
<b>Governance and administration</b>	110 631	140 374	-	8 247	35 836	46 791	(10 955)	-23%	140 374
Executive and council	47 011	35 248	-	2 653	10 416	11 749	(1 333)	-11%	35 248
Budget and treasury office	19 075	64 053	-	1 778	8 084	21 351	(13 268)	-62%	64 053
Corporate services	44 545	41 074	-	3 816	17 337	13 691	3 646	27%	41 074
<b>Community and public safety</b>	14 337	50 987	-	2 842	11 020	16 996	(5 976)	-35%	50 987
Community and social services	3 336	20 771	-	1 385	5 421	6 924	(1 503)	-22%	20 771
Sport and recreation	-	445	-	-	-	148	(148)	-100%	445
Public safety	11 001	29 771	-	1 456	5 599	9 924	(4 325)	-44%	29 771
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	31 515	30 947	-	3 368	9 770	10 316	(546)	-5%	30 947
Planning and development	9 491	12 158	-	801	3 241	4 053	(812)	-20%	12 158
Road transport	22 024	18 789	-	2 588	6 529	6 263	266	4%	18 789
Environmental protection	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	60 174	69 190	-	5 853	26 254	23 063	3 191	14%	69 190
Electricity	50 471	56 772	-	4 938	22 380	18 924	3 456	18%	56 772
Water	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	9 704	12 418	-	914	3 874	4 139	(265)	-8%	12 418
<b>Other</b>	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	<b>216 657</b>	<b>291 497</b>	<b>-</b>	<b>20 309</b>	<b>82 880</b>	<b>97 166</b>	<b>(14 286)</b>	<b>-15%</b>	<b>291 497</b>
<b>Surplus/ (Deficit) for the year</b>	<b>62 308</b>	<b>39 461</b>	<b>-</b>	<b>(8 686)</b>	<b>20 470</b>	<b>12 607</b>	<b>7 863</b>	<b>62%</b>	<b>39 461</b>

**Table C3 – Fin' Performance (Revenue and Expenditure by vote)**

Vote Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue by Vote</b>									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	890	934	-	294	362	311	51	16.4%	934
Vote 3 - Budget & Treasury	172 386	206 890	-	4 212	78 150	68 963	9 187	13.3%	206 890
Vote 4 - Corporate Services	142	105	-	0	49	35	14	40.2%	105
Vote 5 - Community Services	8 529	14 242	-	878	2 953	4 747	(1 794)	-37.8%	14 242
Vote 6 - Technical Services	96 996	108 710	-	6 239	21 832	36 237	(14 405)	-39.8%	108 710
Vote 7 - Strategic Deveopment	-	-	-	-	-	-	-	-	-
Vote 8 - Developmental Planning	22	77	-	0	3	28	(22)	-86.6%	77
<b>Total Revenue by Vote</b>	<b>278 965</b>	<b>330 958</b>	<b>-</b>	<b>11 623</b>	<b>103 350</b>	<b>110 319</b>	<b>(6 969)</b>	<b>-6.3%</b>	<b>330 958</b>
<b>Expenditure by Vote</b>									
Vote 1 - Executive & Council	24 932	25 556	-	1 788	8 808	8 519	290	3.4%	25 556
Vote 2 - Office of the Municipal Manager	6 299	9 690	-	865	1 607	3 230	(1 623)	-50.2%	9 690
Vote 3 - Budget & Treasury	19 075	64 053	-	1 778	8 084	21 351	(13 268)	-62.1%	64 053
Vote 4 - Corporate Services	44 545	41 074	-	3 816	17 337	13 691	3 646	26.6%	41 074
Vote 5 - Community Services	39 820	63 405	-	3 756	14 894	21 135	(6 241)	-29.5%	63 405
Vote 6 - Technical Services	72 494	75 560	-	7 506	28 909	25 187	3 722	14.8%	75 560
Vote 7 - Strategic Deveopment	4 571	6 223	-	376	1 791	2 074	(283)	-13.6%	6 223
Vote 8 - Developmental Planning	4 920	5 936	-	425	1 450	1 979	(529)	-26.7%	5 936
<b>Total Expenditure by Vote</b>	<b>216 657</b>	<b>291 497</b>	<b>-</b>	<b>20 309</b>	<b>82 880</b>	<b>97 166</b>	<b>(14 286)</b>	<b>-14.7%</b>	<b>291 497</b>
<b>Surplus/ (Deficit) for the year</b>	<b>62 308</b>	<b>39 461</b>	<b>-</b>	<b>(8 686)</b>	<b>20 470</b>	<b>13 154</b>	<b>7 317</b>	<b>55.6%</b>	<b>39 461</b>

Table C2 and C3 measure the monthly actuals and year to date actuals against the year to date budget. The aforementioned budget tables are presented by vote and standard classification for both revenue and expenditure. The variances are all reflected in the year-to-date variance column.

The financial results portrayed in the two tables are the same as those in other tables (i.e. it is only the description or basis of reporting that is based on financial or budget performance by vote or department, and National Treasury's standard classification.

**Table C4: Financial Performance by Revenue Source and Expenditure Type**

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue By Source</b>									
Property rates	23 842	30 000	-	1 819	6 616	10 000	(3 384)	-34%	30 000
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	48 848	55 300	-	4 879	19 200	18 433	767	4%	55 300
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2 721	5 188	-	295	1 124	1 729	(605)	-35%	5 188
Service charges - other	-	2 561	-	253	300	854	(554)	-65%	2 561
Rental of facilities and equipment	758	1 055	-	65	1 046	352	695	198%	1 055
Interest earned - external investments	3 036	2 800	-	724	2 250	933	1 317	141%	2 800
Interest earned - outstanding debtors	407	5 000	-	979	2 362	1 667	695	42%	5 000
Dividends received	-	-	-	-	-	-	-	-	-
Fines	461	610	-	26	101	203	(102)	-50%	610
Licences and permits	4 893	5 648	-	517	1 580	1 883	(302)	-16%	5 648
Agency services	(22)	-	-	-	-	-	-	-	-
Transfers recognised - operational	148 803	170 641	-	476	66 743	56 880	9 863	17%	170 641
Other revenue	7 161	1 315	-	532	866	438	428	98%	1 315
<b>Total Revenue excluding capital transfers</b>	<b>238 910</b>	<b>280 118</b>	<b>-</b>	<b>10 565</b>	<b>102 188</b>	<b>93 373</b>	<b>8 816</b>	<b>9%</b>	<b>280 118</b>
<b>Expenditure By Type</b>									
Employee related costs	76 842	97 177	-	7 120	27 985	32 392	(4 407)	-14%	97 177
Remuneration of councillors	15 233	16 273	-	1 349	6 123	5 424	699	13%	16 273
Debt impairment	-	3 000	-	-	-	1 000	(1 000)	-100%	3 000
Depreciation & asset impairment	-	35 000	-	-	-	11 667	(11 667)	-100%	35 000
Finance charges	-	-	-	-	-	-	-	-	-
Bulk purchases	47 505	47 000	-	4 590	20 837	15 667	5 170	33%	47 000
Other materials	2 224	3 013	-	141	698	1 004	(306)	-31%	3 013
Contracted services	9 798	8 700	-	887	3 478	2 900	578	20%	8 700
Transfers and grants	-	9 600	-	55	256	3 200	(2 944)	-92%	9 600
Other expenditure	65 056	71 733	-	6 188	23 503	23 911	(408)	-2%	71 733
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>216 657</b>	<b>291 497</b>	<b>-</b>	<b>20 309</b>	<b>82 680</b>	<b>97 166</b>	<b>(14 286)</b>	<b>-15%</b>	<b>291 497</b>
<b>Surplus/(Deficit)</b>	<b>22 253</b>	<b>(11 379)</b>	<b>-</b>	<b>(9 744)</b>	<b>19 308</b>	<b>(3 793)</b>	<b>23 102</b>	<b>(0)</b>	<b>(11 379)</b>
Transfers recognised - capital	40 035	50 840	-	1 058	1 162	16 947	(15 785)	(0)	50 840
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers</b>	<b>62 288</b>	<b>39 461</b>	<b>-</b>	<b>(8 686)</b>	<b>20 470</b>	<b>13 154</b>	<b>-</b>	<b>-</b>	<b>39 461</b>
Taxation	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>	<b>62 288</b>	<b>39 461</b>	<b>-</b>	<b>(8 686)</b>	<b>20 470</b>	<b>13 154</b>	<b>-</b>	<b>-</b>	<b>39 461</b>
Attributable to minorities	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>62 288</b>	<b>39 461</b>	<b>-</b>	<b>(8 686)</b>	<b>20 470</b>	<b>13 154</b>	<b>-</b>	<b>-</b>	<b>39 461</b>
Surplus/ (deficit)	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>62 288</b>	<b>39 461</b>	<b>-</b>	<b>(8 686)</b>	<b>20 470</b>	<b>13 154</b>	<b>-</b>	<b>-</b>	<b>39 461</b>

Table C4 provides budget performance details for revenue by source and expenditure by type. For revenue, the main deviations from budget projections or targets are on property rates, refuse revenue, service charges other, fines, and license and permits. All other sources reflect a positive variance. In the case of expenditure, all year to date actuals reflects an under spending except the bulk purchase (33 % variance), remuneration of councillors (13% variance) and contracted services (20% variance).

Reasons for deviations will only be provided for material variances and a variance is deemed to be material if it's 10% and more. These reasons are provided in Supporting Table SC1.

**Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding**

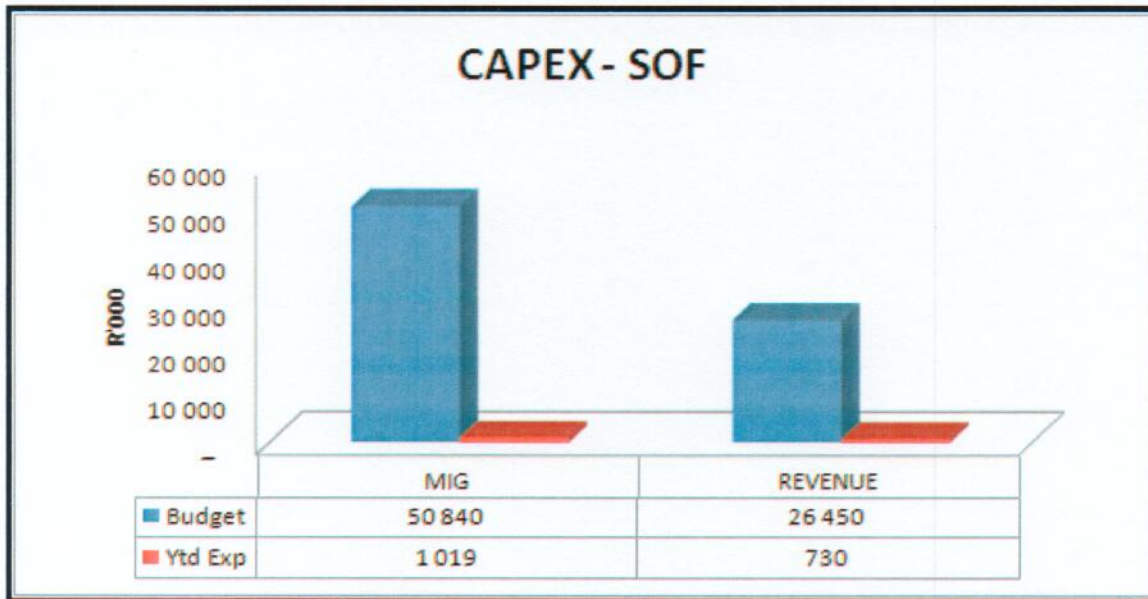
Vote Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital Expenditure - Standard Classification</b>									
<b>Governance and administration</b>	1 958	1 300	-	457	583	433	149	34%	1 300
Executive and council	-	-	-	-	-	-	-	-	-
Budget and treasury office	74	-	-	-	-	-	-	-	-
Corporate services	1 884	1 300	-	457	583	433	149	34%	1 300
<b>Community and public safety</b>	-	500	-	-	-	-	-	-	500
Community and social services	-	500	-	-	-	-	-	-	500
<b>Economic and environmental services</b>	37 451	66 940	-	928	1 019	21 813	(20 794)	-95%	66 940
Planning and development	-	1 500	-	-	-	-	-	-	1 500
Road transport	37 451	65 440	-	928	1 019	21 813	(20 794)	-95%	65 440
Environmental protection	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	6 463	7 950	-	147	147	2 650	(2 503)	-94%	7 950
Electricity	6 463	7 950	-	147	147	2 650	(2 503)	-94%	7 950
<b>Other</b>	-	600	-	-	-	-	-	-	600
<b>Total Capital Expenditure - Standard Classification</b>	45 872	77 290	-	1 532	1 749	24 897	(23 148)	-93%	77 290
<b>Funded by:</b>									
National Government	37 808	50 840	-	928	1 019	16 947	(15 927)	-94%	50 840
Transfers recognised - capital	37 808	50 840	-	928	1 019	16 947	(15 927)	-94%	50 840
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	8 264	26 450	-	604	730	8 817	(8 087)	-92%	26 450
<b>Total Capital Funding</b>	45 872	77 290	-	1 532	1 749	25 763	(24 015)	-93%	77 290



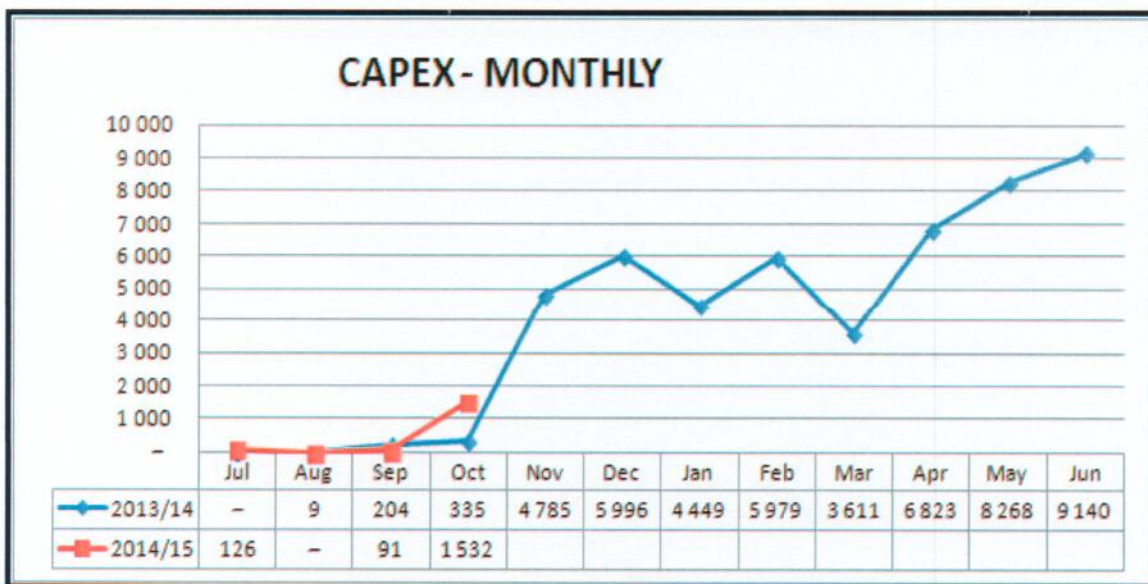
**Table C5C: Monthly Capital Expenditure by Vote**

Vote Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital expenditure - Municipal Vote</b>									
<b>Expenditure of multi-year capital appropriation</b>									
<b>Vote 4 - Corporate Services</b>	-	1 300	-	457	583	433	149	34%	1 300
4.1 - Corporate Services 505	-	1 300	-	457	583	433	149	34%	1 300
<b>Vote 5 - Community Services</b>	-	500	-	-	-	167	(167)	-100%	500
5.7 - Parks & Cemetery 405 & 425	-	500	-	-	-	167	(167)	-100%	500
<b>Vote 6 - Technical Services</b>	42 001	43 379	-	495	587	14 460	(13 873)	-96%	43 379
6.1 - Electricity 260	4 773	1 150	-	147	147	383	(236)	-82%	1 150
6.6 - Technical Services 645	37 228	42 229	-	348	440	14 076	(13 637)	-97%	42 229
<b>Total multi-year capital expenditure</b>	<b>42 001</b>	<b>45 179</b>	<b>-</b>	<b>952</b>	<b>1 169</b>	<b>15 060</b>	<b>(13 891)</b>	<b>-92%</b>	<b>45 179</b>
<b>Capital expenditure - Municipal Vote</b>									
<b>Expenditure of single-year capital appropriation</b>									
<b>Vote 3 - Budget &amp; Treasury</b>	74	-	-	-	-	-	-	-	-
3.1 - Budget & Treasury 800	74	-	-	-	-	-	-	-	-
<b>Vote 4 - Corporate Services</b>	1 884	-	-	-	-	-	-	-	-
4.1 - Corporate Services 505	1 884	-	-	-	-	-	-	-	-
<b>Vote 6 - Technical Services</b>	1 914	30 611	-	579	579	10 204	(9 624)	-94%	30 611
6.1 - Electricity 260	1 690	4 200	-	-	-	1 400	(1 400)	-100%	4 200
6.6 - Technical Services 645	224	26 411	-	579	579	8 804	(8 224)	-93%	26 411
<b>Vote 8 - Developmental Planning</b>	-	1 500	-	-	-	500	(500)	-100%	1 500
8.1 - Planning & LED 641	-	1 500	-	-	-	500	(500)	-100%	1 500
<b>Total single-year capital expenditure</b>	<b>3 872</b>	<b>32 111</b>	<b>-</b>	<b>579</b>	<b>579</b>	<b>10 704</b>	<b>(10 124)</b>	<b>(0)</b>	<b>32 111</b>
<b>Total Capital Expenditure</b>	<b>45 872</b>	<b>77 290</b>	<b>-</b>	<b>1 532</b>	<b>1 749</b>	<b>25 763</b>	<b>(24 015)</b>	<b>(0)</b>	<b>77 290</b>

The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and funding. For the month of October 2014, only R1, 532 million spending was incurred and the year to date capital expenditure amounts to R1, 749 million which shows an unfavourable variance of R24, 015 million against the year to date budget of R 25, 763 million and this constitutes an under spending variance of 93%.



The above graph shows the components of sources of finance for capital budget. Of the total capital budget of R77, 290 million, R50, 840 million is funded from Municipal Infrastructure grant and R26, 450 million from Own Revenue. The spending to date per sources of finance is R1, 019 million on MIG and R730 thousand on own revenue.



The above graph compares the 2013/14 and 2014/15 monthly capital expenditure performance. In addition, the graph shows adoption of 2013/14 spending pattern that was below par and poses concern regarding the material underspending of MIG allocation since only 0.54% of this allocation is spent as at end of October 2014.

Table C6: Monthly Budget Statement Financial Position

Description	2013/14	Budget Year 2014/15			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	2 883	5 769	-	223	5 769
Call investment deposits	32 332	15 000	-	49 072	15 000
Consumer debtors	9 276	30 000	-	22 332	30 000
Other debtors	50 101	16 500	-	52 118	16 500
Current portion of long-term receivables	-	-	-	-	-
Inventory	2 291	5 000	-	2 247	5 000
<b>Total current assets</b>	<b>96 884</b>	<b>72 269</b>	<b>-</b>	<b>125 992</b>	<b>72 269</b>
<b>Non current assets</b>					
Long-term receivables	-	-	-	-	-
Investments	-	-	-	-	-
Investment property	80 617	220 000	-	85 382	220 000
Investments in Associate	-	-	-	-	-
Property, plant and equipment	722 574	830 229	-	700 285	830 229
Agricultural	-	-	-	-	-
Biological assets	12	18	-	-	18
Intangible assets	22 674	27 000	-	22 674	27 000
Other non-current assets	-	-	-	-	-
<b>Total non current assets</b>	<b>825 877</b>	<b>1 077 247</b>	<b>-</b>	<b>808 342</b>	<b>1 077 247</b>
<b>TOTAL ASSETS</b>	<b>922 761</b>	<b>1 149 516</b>	<b>-</b>	<b>934 333</b>	<b>1 149 516</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	-	-	-	-	-
Borrowing	-	-	-	-	-
Consumer deposits	3 307	5 000	-	3 214	5 000
Trade and other payables	70 861	38 000	-	92 096	38 000
Provisions	-	-	-	-	-
<b>Total current liabilities</b>	<b>74 168</b>	<b>43 000</b>	<b>-</b>	<b>95 310</b>	<b>43 000</b>
<b>Non current liabilities</b>					
Borrowing	-	-	-	-	-
Provisions	27 077	40 000	-	30 512	40 000
<b>Total non current liabilities</b>	<b>27 077</b>	<b>40 000</b>	<b>-</b>	<b>30 512</b>	<b>40 000</b>
<b>TOTAL LIABILITIES</b>	<b>101 245</b>	<b>83 000</b>	<b>-</b>	<b>125 822</b>	<b>83 000</b>
<b>NET ASSETS</b>	<b>821 516</b>	<b>1 066 516</b>	<b>-</b>	<b>808 511</b>	<b>1 066 516</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)	821 516	1 066 516	-	808 511	1 066 516
Reserves	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>821 516</b>	<b>1 066 516</b>	<b>-</b>	<b>808 511</b>	<b>1 066 516</b>

The above table shows that community wealth amounts to R805, 511 million, total liabilities R125, 822 million and the total assets R 934, 333 million.

**Table C7: Monthly Budget Statement Cash Flow**

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Ratepayers and other	83 043	107 021	-	6 277	29 257	26 755	2 502	9%	107 021
Government - operating	146 803	170 641	-	476	66 743	42 660	24 083	56%	170 641
Government - capital	54 134	50 840	-	1 058	1 162	12 710	(11 548)	-91%	50 840
Interest	8 437	8 105	-	782	2 191	2 026	165	8%	8 105
<b>Payments</b>									
Suppliers and employees	(223 685)	(254 448)	-	(20 255)	(122 406)	(63 612)	58 794	-92%	(254 448)
Finance charges	(152)	-	-	-	-	-	-	-	-
Transfers and Grants	-	(9 600)	-	(55)	(256)	(2 400)	(2 144)	89%	(9 600)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>68 660</b>	<b>72 659</b>	<b>-</b>	<b>(11 716)</b>	<b>(22 806)</b>	<b>18 140</b>	<b>40 948</b>	<b>226%</b>	<b>72 659</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	-	5 000	-	500	500	417	83	20%	5 000
<b>Payments</b>									
Capital assets	(48 536)	(77 290)	-	(1 532)	(1 749)	(908)	841	-93%	(77 290)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(48 536)</b>	<b>(72 290)</b>	<b>-</b>	<b>(1 032)</b>	<b>(1 249)</b>	<b>(491)</b>	<b>758</b>	<b>-154%</b>	<b>(72 290)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Increase (decrease) in consumer deposits	22	500	-	24	(2)	42	(44)	-104%	500
<b>Payments</b>									
Repayment of borrowing							-		
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>22</b>	<b>500</b>	<b>-</b>	<b>24</b>	<b>(2)</b>	<b>42</b>	<b>44</b>	<b>104%</b>	<b>500</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>20 066</b>	<b>769</b>	<b>-</b>	<b>(13 224)</b>	<b>(24 559)</b>	<b>17 690</b>			<b>769</b>
Cash/cash equivalents at beginning:	15 334	20 000			73 854	20 000			73 854
Cash/cash equivalents at month/year end:	35 400	20 769	-		49 295	37 690			74 623

Table C7 presents details pertaining to cash flow performance. For the month of October 2014, the net cash outflow from operating activities is R11, 716 million (year to date actuals R22, 808 million - inflow) whilst net cash outflow from investing activities is R1, 032 million (year to date actual R1, 249 million) that is mainly comprised of capital expenditure movement; and the net cash outflow from financing activities is R24 thousand (year to date actuals R2 thousand). The cash and cash equivalent held at the end of October 2014 amounted to R73, 854 million that is made up of cash amounting R5, 043 million and short term investments of R68, 812 million.

**PART 2: SUPPORTING TABLES**

**Supporting Table: SC 1 – Material variance explanations**

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Revenue By Source</b>			
Property rates	-34%	Revenue forgone including transactions that are supposed to be classified as grants paid out.	Finance is in a process of unbundling revenue forgone to ensure correct classification of transactions thereof
Service charges - other	-65%	Effluent charges and line items such as reconnection fees appear to be occurring at lower rate relative to the anticipated rate thereof.	Budget will be adjusted downwards.
Service charges - refuse revenue	-35%	Some areas/townships that enjoy this service type are not getting billed for it (e.g. Motetema township).	Revenue enhancement strategy is in a process of being rolled out and this campaign is aimed at augmenting revenue from basic services.
Fines	-50%	Low rate of traffic fines issued relative to budget.	Budget will be adjusted downwards.
<b>Expenditure By Type</b>			
Depreciation & asset impairment	-100%	Non calculation of monthly actual depreciation.	Asset register will be uploaded on to the financial system and the monthly depreciation would then be generated automatically by the system
Transfers and grants	-92%	This is caused by some of pertinent transactions being classified as revenue forgone as opposed to transfers and grants paid out.	The unbundling of revenue forgone will ensure that transactions that need to be classified as transfers and grants paid out would then be classified as such.
Debt impairment	-100%	Non writing of bad or uncollectable debts.	Bad or uncollectable debts will be identified and submission will then be made to Council for write off.
Bulk purchases	33%	Electricity bulk purchase appear to be lower than budget.	Budget will be adjusted upwards.
<b>Capital Expenditure</b>			
Grants funded projects	-94%	Most of the major projects have not yet started.	Bid documents for all the advertised projects are currently undergoing the SCM committees.
Own revenue funded projects	-92%	All major projects that are funded internally have not yet kick started as well.	Bid documents for all the advertised projects are currently undergoing the SCM committees.
<b>Cash Flow</b>			
Proceeds on disposal of PPE	20%	Non conducting of auctions of assets.	Only one auction has been conducted in the current financial year.
Government - capital	94%	Underspending on MIG.	The grant will accordingly be spent once the municipality appoints service providers on MIG funded projects.
Increase (decrease) in consumer deposits	104%	The budget was provided in favour of the increase in consumer deposit, however the actuals for the first quarter reflect a decrease.	The budget will be adjusted as per the actuals for six months period.

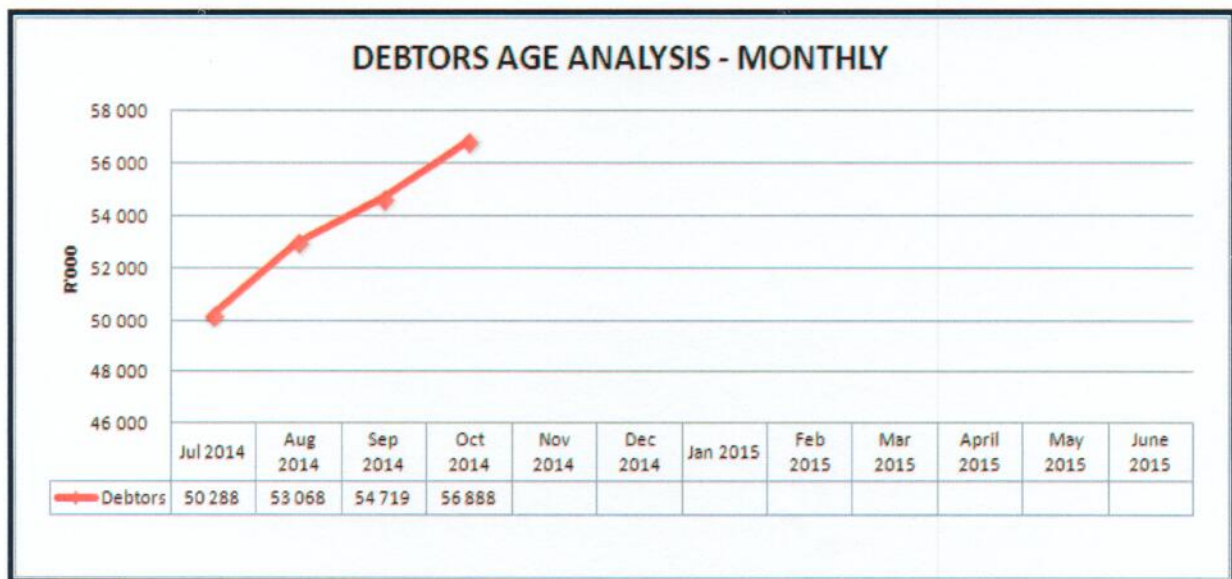
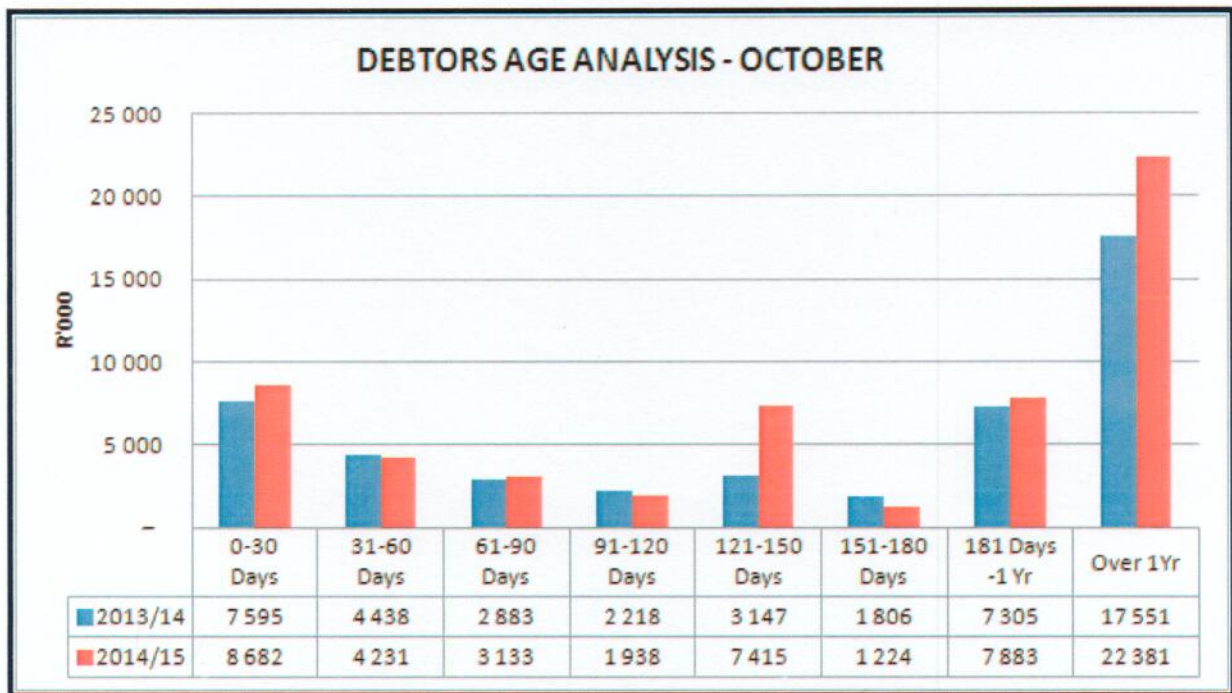
### Supporting Table: SC 3 - Debtors Age Analysis

Description	Budget Year 2014/15									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total	Total over 90 days
<b>Debtors Age Analysis By Income Source</b>										
Trade and Other Receivables from Exchange Transactions - Water	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	5 120	2 067	904	511	499	181	2 289	3 109	14 682	6 590
Receivables from Non-exchange Transactions - Property Rates	1 877	1 203	1 046	929	7 183	558	3 057	12 434	28 287	24 161
Receivables from Exchange Transactions - Waste Water Management	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	295	118	59	34	48	23	131	1 208	1 918	1 445
Receivables from Exchange Transactions - Property Rental Debtors	64	38	661	3	0	0	2	76	845	82
Interest on Arrear Debtor Accounts	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-
Other	1 327	805	462	461	(316)	461	2 404	5 553	11 157	8 563
<b>Total By Income Source</b>	<b>8 682</b>	<b>4 231</b>	<b>3 133</b>	<b>1 938</b>	<b>7 415</b>	<b>1 224</b>	<b>7 883</b>	<b>22 381</b>	<b>56 888</b>	<b>40 841</b>
<b>2013/14 - totals only</b>	<b>7 595</b>	<b>4 438</b>	<b>2 883</b>	<b>2 218</b>	<b>3 147</b>	<b>1 806</b>	<b>7 305</b>	<b>17 551</b>	<b>46 943</b>	<b>31 307</b>
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	1 244	949	723	702	893	418	3 762	8 283	16 954	14 038
Commercial	3 432	1 138	629	250	330	163	636	1 819	8 397	3 197
Households	2 398	1 267	893	458	(471)	534	2 831	9 181	16 871	12 513
Other	1 808	877	1 088	529	8 883	110	654	3 137	14 867	11 094
<b>Total By Customer Group</b>	<b>8 682</b>	<b>4 231</b>	<b>3 133</b>	<b>1 938</b>	<b>7 415</b>	<b>1 224</b>	<b>7 883</b>	<b>22 381</b>	<b>56 888</b>	<b>40 841</b>

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of October 2014 amount to R56, 888 million. The debtors' book is made up as follows:

- Rates 49,72%
- Electricity 25,81%
- Rental 1, 49%
- Refuse removal 3,37%
- Other 19, 61%

The debtors' age analysis is graphically presented below.



The initial graph compares debtors' age analysis for 2013/14 (June 2014) and 2014/15 (as at end of October 2014) whilst the latter shows monthly movement of debtors in the current financial year.

**Supporting Table: SC 4 - Creditors Age Analysis**

Description	Budget Year 2014/15								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	
<b>Creditors Age Analysis By Customer Type</b>									
Bulk Electricity	-	-	-	-	-	-	-	-	-
Bulk Water	-	-	-	-	-	-	-	-	-
PAYE deductions	-	-	-	-	-	-	-	-	-
VAT (output less input)	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-
Trade Creditors	-	-	-	-	-	-	-	-	-
Auditor General	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	-	-	-	-	-	-	-	-	-

Supporting table SC4 provides creditors age analysis. In terms of section 65 of the MFMA all creditors must be paid within 30 days of receiving an invoice. All creditors for the month were paid within the stipulated period of thirty days and no creditors were outstanding for more than 30 days, hence the age analysis table is blank.



Top twenty creditors paid:

NUMBER	CREDITOR NAME	AMOUNT
37531	LUNGISHA TRADING 83 CC	R 397 472.40
04001	MOKWENA MOTORS T/A NONYANE MOTORS	R 267 660.00
37741	MASHUMI CONSTRUCTION	R 181 350.00
37757	NETELEK PTY LTD	R 167 517.40
00777	VISION PRINT GRAPHICS & DESIGN	R 167 010.00
37623	MNRHUNGWA (PTY) LTD	R 166 784.00
37770	BAHLOTSE TRADING (PTY) LTD	R 161 172.33
37539	SEROLE TRAVEL AGENCY	R 132 934.15
32409	MAKGONATSOHLE TRADING ENTERPRISE	R 120 064.00
35403	BONGILEMASHUMI C.C	R 112 950.00
37774	TSA HLOKA SEBOKA DI SITWA KE	R 109 790.00
37690	THUTOTHUTO SETSHABENG TRADING	R 97 770.00
37617	DITHEBELE LE MMAKOBO TRAVEL	R 89 446.00
37740	BTK INVESTMENTS	R 76 380.00
07989	MUNSOFT (PTY) LTD	R 54 264.00
37648	MALEKE HOLDING (PTY) LTD	R 53 549.00
37596	FACHS BUSINESS CONSULTING	R 49 664.00
37637	WEINVEST INVESTMENTS C.C	R 49 495.00
35518	MMIRAH EVENTS & FUCTIONS	R 47 276.65
<b>TOTAL</b>		<b>R 2 502 548.93</b>

The above table presents the top twenty creditors paid during the month of October 2014 and an amount of R2, 503 million was paid for these creditors.

### Supporting Table: SC 5 - Investment Portfolio

Investments by maturity Name of institution & investment ID	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	Change in market value	Market value at end of the
	Yrs/Months							
Sanlam	1 Month	Short term	31-Oct-2014	1	0.26%	322	-	323
Nedbank	3 Months	Short term	28-Nov-2014	1 023	3.20%	31 918	-	32 940
Absa	3 Months	Short term	27-Oct-2014	89	1.56%	5 720	10 000	15 809
<b>TOTAL INVESTMENTS AND INTEREST</b>				<b>1 113</b>		<b>37 959</b>	<b>10 000</b>	<b>49 072</b>

Supporting table SC5 presents all investments that indicate that total amount of R 49, 072 million has been invested as at end of October 2014. The opening balance was R37, 959 million, accrued interest for the month amounted to R1, 113 million

### Supporting Table: SC 6 - Transfers and Grant Receipts

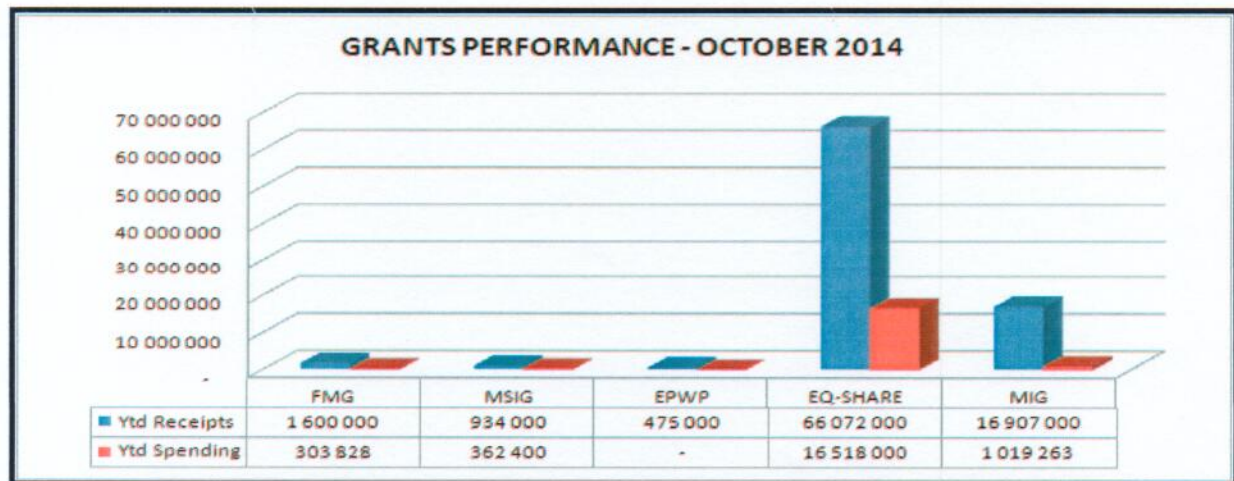
Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	<b>146 878</b>	<b>170 641</b>	<b>-</b>	<b>-</b>	<b>69 081</b>	<b>69 081</b>	<b>-</b>		<b>170 641</b>
Local Government Equitable Share	143 438	166 920	-	-	66 072	66 072	-		166 920
Finance Management	1 550	1 800	-	-	1 800	1 800	-		1 800
Municipal Systems Improvement	890	934	-	-	934	934	-		934
EPWP Incentive	1 000	1 187	-	-	475	475	-		1 187
<b>Total Operating Transfers and Grants</b>	<b>146 878</b>	<b>170 641</b>	<b>-</b>	<b>-</b>	<b>69 081</b>	<b>69 081</b>	<b>-</b>		<b>170 641</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>53 596</b>	<b>50 840</b>	<b>-</b>	<b>-</b>	<b>16 907</b>	<b>16 907</b>	<b>-</b>		<b>50 840</b>
Municipal Infrastructure Grant (MIG)	43 596	50 840	-	-	16 907	16 907	-		50 840
Integrated National Electrification Grant	10 000	-	-	-	-	-	-		
<b>Total Capital Transfers and Grants</b>	<b>53 596</b>	<b>50 840</b>	<b>-</b>	<b>-</b>	<b>16 907</b>	<b>16 907</b>	<b>-</b>		<b>50 840</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>200 474</b>	<b>221 481</b>	<b>-</b>	<b>-</b>	<b>85 988</b>	<b>85 988</b>	<b>-</b>		<b>221 481</b>

Supporting tables SC6 provide details of grants received. The year to date actual receipts amounts to R85, 988 million of which the major portion is attributed to equitable share (i.e. R66, 072 million) received. Other grants include amongst others, FMG, MSIG, EPWP and MIG. Cognizance should be taken that not all transfers and grants for the financial year 2014/15 have been received from National treasury except FMG and MSIG that have been fully received.

## Supporting Table: SC 7 Transfers and grants - Expenditure

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>EXPENDITURE</b>									
<b>Operating expenditure of Transfers and Grants</b>									
National Government:	146 878	170 641	-	5 977	22 690	66 485	(33 794)	-59.8%	170 641
Local Government Equitable Share	143 438	166 920	-	5 506	22 024	55 640	(33 616)	-60.4%	166 920
Finance Management	1 550	1 600	-	177	304	533	(230)	-43.0%	1 600
Municipal Systems Improvement	890	934	-	294	362	311	51	16.4%	934
EPWP Incentive	1 000	1 187	-				-		1 187
<b>Total operating expenditure of Transfers and Grants:</b>	<b>146 878</b>	<b>170 641</b>	<b>-</b>	<b>5 977</b>	<b>22 690</b>	<b>66 485</b>	<b>(33 794)</b>	<b>-59.8%</b>	<b>170 641</b>
<b>Capital expenditure of Transfers and Grants</b>									
National Government:	42 437	50 840	-	928	1 019	16 947	(15 927)	-94.0%	50 840
Municipal Infrastructure Grant (MIG)	38 442	50 840	-	928	1 019	16 947	(15 927)	-94.0%	50 840
Intergrated National Electrification Grant	3 995	-	-	-	-	-	-		-
<b>Total capital expenditure of Transfers and Grants</b>	<b>42 437</b>	<b>50 840</b>	<b>-</b>	<b>928</b>	<b>1 019</b>	<b>16 947</b>	<b>(15 927)</b>	<b>-94.0%</b>	<b>50 840</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>189 315</b>	<b>221 481</b>	<b>-</b>	<b>6 905</b>	<b>23 709</b>	<b>73 431</b>	<b>(49 722)</b>	<b>-67.7%</b>	<b>221 481</b>

An amount of R6, 905 million has been spent on grants during the month of October and the year to date actual expenditure amounts to R 23,709 million. R22, 690 million is spent from operational grants while R1, 019 million is spent from capital grant (MIG in particular).



The above graph depicts the year to date receipts on grants and the year to date expenditure thereof. The grants expenditure on funds already received (as opposed to budget) is further shown below in percentages:

- Financial Management Grant 19%
- Municipal Systems Improvement Grant 39%
- Expanded Public Work Programme 0%
- Equitable Share 25%
- Municipal Infrastructure Grant 0,54%

### Supporting Table: SC8 - Councilor Allowances and Employee Related Costs

Summary of Employee and Councilor remuneration	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b><u>Councillors (Political Office Bearers plus Other)</u></b>									
Basic Salaries and Wages	10 270	10 586	-	891	4 329	3 529	801	23%	10 586
Pension and UIF Contributions	953	1 417	-	83	327	472	(146)	-31%	1 417
Medical Aid Contributions	170	160	-	21	86	53	33	62%	160
Motor Vehicle Allowance	3 840	4 068	-	321	1 292	1 355	(63)	-5%	4 068
Other benefits and allowances	0	45	-	33	88	15	73	490%	45
<b>Sub Total - Councillors</b>	<b>15 233</b>	<b>16 273</b>	<b>-</b>	<b>1 349</b>	<b>6 123</b>	<b>5 424</b>	<b>699</b>	<b>13%</b>	<b>16 273</b>
<b>% increase</b>		<b>6.8%</b>							<b>6.8%</b>
<b><u>Senior Managers of the Municipality</u></b>									
Basic Salaries and Wages	3 335	5 131	-	375	1 468	1 710	(243)	-14%	5 131
Pension and UIF Contributions	-	400	-	20	85	133	(49)	-37%	400
Motor Vehicle Allowance	827	1 292	-	82	246	431	(185)	-43%	1 292
Other benefits and allowances	-	67	-	14	49	22	27	120%	67
Payments in lieu of leave	-	60	-	-	-	20	(20)	-100%	60
<b>Sub Total - Senior Managers of Municipality</b>	<b>4 162</b>	<b>6 949</b>	<b>-</b>	<b>490</b>	<b>1 847</b>	<b>2 316</b>	<b>(469)</b>	<b>-20%</b>	<b>6 949</b>
<b>% increase</b>		<b>67.0%</b>							<b>67.0%</b>
<b><u>Other Municipal Staff</u></b>									
Basic Salaries and Wages	49 972	60 245	-	4 705	18 901	20 082	(1 181)	-8%	60 245
Pension and UIF Contributions	9 902	13 223	-	934	3 696	4 408	(711)	-16%	13 223
Medical Aid Contributions	2 621	3 076	-	223	898	1 025	(127)	-12%	3 076
Overtime	1 172	775	-	178	418	258	159	62%	775
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3 718	4 451	-	391	1 629	1 484	145	10%	4 451
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	67	120	-	7	31	40	(9)	-22%	120
Other benefits and allowances	699	7 483	-	146	469	2 494	(2 025)	-81%	7 483
Payments in lieu of leave	4 528	855	-	44	91	285	(194)	-60%	855
<b>Sub Total - Other Municipal Staff</b>	<b>72 680</b>	<b>90 228</b>	<b>-</b>	<b>6 628</b>	<b>26 133</b>	<b>30 076</b>	<b>(3 943)</b>	<b>-13%</b>	<b>90 228</b>
<b>% increase</b>		<b>24.1%</b>							<b>24.1%</b>
<b>Total Parent Municipality</b>	<b>92 075</b>	<b>113 451</b>	<b>-</b>	<b>8 467</b>	<b>34 103</b>	<b>37 817</b>	<b>(3 714)</b>	<b>-10%</b>	<b>113 451</b>
		<b>23.2%</b>							<b>23.2%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>92 075</b>	<b>113 451</b>	<b>-</b>	<b>8 467</b>	<b>34 103</b>	<b>37 817</b>	<b>(3 714)</b>	<b>-10%</b>	<b>113 451</b>
<b>% increase</b>		<b>23.2%</b>							<b>23.2%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>76 842</b>	<b>97 177</b>	<b>-</b>	<b>7 118</b>	<b>27 980</b>	<b>32 392</b>	<b>(4 412)</b>	<b>-14%</b>	<b>97 177</b>

Table SC8 provides details for Remuneration of Councillors and Employee related cost. The total salaries, allowances and benefits paid for October 2014 amounts to R8, 467 million and the year to date actual expenditure amounted to R34, 103 million that is less by 14%.

Description	Budget Year 2014/15												2014/15 Medium Term Revenue			
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year	Budget Year+1	Budget Year+2	
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget				
<b>Cash Receipts By Source</b>																
Property rates	1 342	1 055	1 961	971								24 631	30 000	32 674	33 438	
Service charges - electricity revenue	4 572	3 825	5 813	4 100								36 990	55 300	57 170	58 255	
Service charges - refuse	273	223	308	243								4 141	5 188	6 475	6 824	
Service charges - other	63	63	(7)	253								2 189	2 561	2 884	3 039	
Rental of facilities and equipment	57	46	110	114								727	1 055	1 091	1 150	
Interest earned - external investments		444	1 082	724								550	2 800	3 273	3 449	
Interest earned - outstanding debtors	96	64	729	59								4 050	5 000	5 270	5 555	
Fines	24	34	18	26								509	610	1 065	1 122	
Licences and permits	-	531	532	517								4 067	5 648	5 810	6 124	
Transfer receipts - operating	66 140	84	42	476								103 898	170 641	216 460	220 780	
Other revenue	1 632	266	7 632	52								(3 267)	6 315	1 480	1 560	
<b>Cash Receipts by Source</b>	<b>74 201</b>	<b>6 676</b>	<b>18 220</b>	<b>7 535</b>	-	-	-	-	-	-	-	<b>178 485</b>	<b>285 118</b>	<b>333 651</b>	<b>341 297</b>	
<b>Other Cash Flows by Source</b>																
Transfer receipts - capital	-	-	-	1 058												
Proceeds on disposal of PPE	-	-	-	-												
Increase in consumer deposits	(3)	(22)	(1)	24												
<b>Total Cash Receipts by Source</b>	<b>74 198</b>	<b>6 654</b>	<b>18 220</b>	<b>8 617</b>	-	-	-	-	-	-	-	<b>233 769</b>	<b>341 458</b>	<b>396 452</b>	<b>400 342</b>	
<b>Cash Payments by Type</b>																
Employee related costs	6 941	6 937	6 368	7 120												
Remuneration of councillors	1 931	1 324	1 324	1 349												
Bulk purchases - Electricity	5 635	6 018	4 094	4 590												
Other materials	290	136	130	141												
Contracted services	872	872	867	867												
Grants and subsidies paid - other	94	53	55	55												
General expenses	9 563	6 282	595	17 523												
<b>Cash Payments by Type</b>	<b>25 326</b>	<b>21 623</b>	<b>13 452</b>	<b>31 644</b>	-	-	-	-	-	-	-	<b>161 452</b>	<b>253 497</b>	<b>294 858</b>	<b>307 160</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	126	-	91	1 532												
<b>Total Cash Payments by Type</b>	<b>25 452</b>	<b>21 623</b>	<b>13 544</b>	<b>33 176</b>	-	-	-	-	-	-	-	<b>236 993</b>	<b>330 787</b>	<b>391 082</b>	<b>397 749</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>48 746</b>	<b>(14 968)</b>	<b>4 676</b>	<b>(24 559)</b>	-	-	-	-	-	-	-	<b>(3 224)</b>	<b>10 671</b>	<b>5 370</b>	<b>2 592</b>	
Cash/cash equivalents at the month/year beginning	35 400	84 146	69 178	73 854	49 295	49 295	49 295	49 295	49 295	49 295	49 295	49 295	35 400	46 071	51 441	
Cash/cash equivalents at the month/year end	84 146	69 178	73 854	49 295	49 295	49 295	49 295	49 295	49 295	49 295	49 295	46 071	46 071	51 441	54 033	

Supporting table SC9 provides detailed monthly cash flow statement that spells out the receipts by source and payments by type. The monthly cash receipts reflect an amount of R 7, 535 million excluding the capital transfer receipts and the total cash payment for the month were R31, 644 million. This is a supporting table for table C7 – Cash Flow Statement.

**Supporting Table: SC 12 Capital Expenditure Trend**

Month	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
<b>Monthly expenditure performance trend</b>									
July		274		126	126	274	148	54.1%	0.16%
August	9	634		-	126	908	908	100.0%	0.16%
September	204	4 420		91	217	5 327	5 110	95.9%	0.28%
October	335	6 173		1 532	1 749	11 501	9 752	84.8%	2%
November	4 785	13 178		-		24 679	-		
December	5 996	4 883		-		29 562	-		
January	4 449	2 130		-		31 692	-		
February	5 979	6 039		-		37 731	-		
March	3 611	5 274		-		43 005	-		
April	6 823	13 008		-		56 013	-		
May	8 268	5 464		-		61 477	-		
June	5 413	15 813		-		77 290	-		
<b>Total Capital expenditure</b>	<b>45 872</b>	<b>77 290</b>	<b>-</b>	<b>1 749</b>					

Supporting table SC12 provides information on the monthly trends for capex. In terms of this table the capital expenditure for the month of October amounts to R1, 532 million. The capital budget spending still need to be given thorough consideration since the average monthly spending is lower than the projected monthly expenditure.

In terms of the year to date budget, the spending was anticipated to be at R 11, 501 million based on the original budget and only R1, 749 million has actually been spent to date. This reflects year to date variance of 84,8%.

Quality certificate

I, Ramatsoahlela Mvoko Mardi the Acting Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the monthly budget statement report and supporting documentation for the month of October 2014 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print name ... l.m. Mardi .....

Acting Municipal Manager of Elias Motsoaledi Local Municipality (LIM 472)

Signature ... (Signature) .....

Date ... 13/11/2014 .....

**Elias Motsoaledi  
Local Municipality**  
13 NOV 2014  
Municipal Manager