

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



SECTION 52 REPORT: 2017/18

REPORTING PERIOD: FIRST QUARTER

PART 1: IN - YEAR REPORT

PURPOSE

To report to the Council and submit to National and Provincial Treasury on the quarterly financial performance of the Municipality as required by Section 52 of the Municipal Finance Management Act.

EXECUTIVE SUMMARY

Section 52 of the Municipal Finance Management Act deals with requirements for quarterly reporting and further states that the Mayor of the Municipality must within 30 days of the end of each quarter submit a report to council on implementation of the Budget and the financial state of the Municipality.

IN YEAR BUDGET STATEMENT TABLES

Table C1 – Budget Statement Summary

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Financial Performance									
Property rates	27,963	26,472	–	11,106	11,106	6,618	4,488	68%	26,472
Service charges	77,251	89,822	–	22,436	22,436	16,070	6,365	40%	89,822
Investment revenue	2,703	3,701	–	689	689	930	(241)	-26%	3,701
Transfers and subsidies	214,632	226,163	–	94,908	94,908	93,639	1,270	1%	226,163
Other own revenue	65,583	45,865	–	8,655	8,655	12,006	(3,352)	-28%	45,865
Total Revenue (excluding capital transfers)	388,132	392,023	–	137,794	137,794	129,264	8,530	7%	392,023
Employee costs	116,681	123,460	–	19,563	19,563	29,019	(9,456)	-33%	123,460
Remuneration of Councillors	20,404	22,113	–	5,083	5,083	5,528	(445)	-8%	22,113
Depreciation & asset impairment	46,416	51,200	–	–	–	11,853	(11,853)	-100%	51,200
Finance charges	1,426	3,124	–	196	196	603	(407)	-67%	3,124
Materials and bulk purchases	73,257	82,662	–	17,069	17,069	17,691	(622)	-4%	82,662
Transfers and subsidies	521	3,724	–	3,194	3,194	931	2,263	243%	3,724
Other expenditure	181,606	100,105	–	34,736	34,736	22,455	12,281	55%	100,105
Total Expenditure	440,313	386,388	–	79,840	79,840	88,079	(8,239)	-9%	386,388
Surplus/(Deficit)	(52,181)	5,635	–	57,954	57,954	41,184	16,769	41%	5,635
Transfers and subsidies - capital (monetary allocations)	68,895	70,860	–	23,906	23,906	12,358	11,548	93%	70,860
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributic	16,714	76,495	–	81,859	81,859	53,542	28,318	53%	76,495
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	16,714	76,495	–	81,859	81,859	53,542	28,318	53%	76,495
Capital expenditure & funds sources									
Capital expenditure	80,799	77,302	–	18,578	18,578	6,239	12,340	198%	77,302
Capital transfers recognised	68,874	62,158	–	17,989	17,989	5,440	12,549	231%	62,158
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	11,925	15,144	–	589	589	799	(210)	-26%	15,144
Total sources of capital funds	80,799	77,302	–	18,578	18,578	6,239	12,340	198%	77,302
Financial position									
Total current assets	84,878	107,614	–		107,031				107,614
Total non current assets	1,022,382	1,066,797	–		1,042,902				1,066,797
Total current liabilities	87,782	60,491	–		65,927				60,491
Total non current liabilities	91,981	98,733	–		92,012				98,733
Community wealth/Equity	927,497	1,015,187	–		991,994				1,015,187
Cash flows									
Net cash from (used) operating	99,278	93,102	–	33,764	33,764	79,780	46,016	58%	93,102
Net cash from (used) investing	(80,359)	(77,302)	–	(17,396)	(17,396)	(6,239)	11,157	-179%	(77,302)
Net cash from (used) financing	(9,575)	(8,497)	–	(1,976)	(1,976)	(921)	1,055	-115%	(8,497)
Cash/cash equivalents at the month/year end	20,913	32,968	–	35,306	35,306	98,284	62,978	64%	28,217
Debtors & creditors analysis	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
Debtors Age Analysis									
Total By Income Source	9,076	5,840	2,550	1,771	1,149	994	5,771	22,152	49,302
Creditors Age Analysis									
Total Creditors	–	–	–	–	–	–	–	–	–

The above C1 Sum table summarizes the following activities:-

Revenue:

The actual year to date operational revenue as at end of first quarter is R137, 794 million and the year to date budget of R129, 264 million and this reflects a positive variance of R8, 530 million that can be attributed to property rates, service charges electricity and refuse removal that have positive variance of material figure. The following are the secondary revenue item categories reflecting a negative and material variance:

- Interest earned - external investments: 26% unfavorable variance,
- Interest earned – outstanding Debtors 116% favorable variance,
- Rental on Facilities and Equipment: 70% unfavorable
- License and Permits: 8% unfavorable variance
- Fines: 68% unfavorable variance
- Other revenue: 46% unfavorable variance

Operating Expenditure

The year to date operational expenditure as at end of first quarter amounts to R79, 840 million and the year to date budget is R88, 079 million. This reflects an unfavorable variance of R8, 239 million that translates to 9% underspending variance. The variance is attributed to non-incorporation of depreciation amount for first quarter and over spending on contracted services. The municipality is however, in a process of linking the Asset Management system with core financial system so that the depreciation calculated on the initial system can be interfaced to the financial system and this will assist in doing away with the practice of calculating depreciation only at year end.

All other expenditure line items are performing almost in line with the year to date budget since the variance thereof is less than 10% except for the following:

- Employee related cost: 33% under performance variance
- Other materials: 33% under performance variance
- Finance Charges: 67% under performance variance
- Transfers and subsidies: 243% over performance variance

With regards to the over performance variance on contracted services, the municipality needs to reduce the level of reliance on consultants as outlined in the Treasury Instruction letter number 01.

Capital Expenditure

The year to date actual capital expenditure as at end of first quarter amounts to R18, 578 million and the year to date budget amounts to R6, 239 million and this gives rise to 198% over performance variance.

Surplus/Deficit

Taking the above into consideration, the net operating surplus for the quarter is R81, 859 million that is mainly attributed to receipt of unconditional grant - equitable share and over performance on MIG in the reporting period.

Debtors

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of First quarter amounts to R49, 302 million and this shows an increase of R1, 613 million as compared to R47, 688 million as at end of 2016/17 financial year.

Consumer debtors is made up of service charges and property rates that amount to R45, 284 million and other debtors amounting to R4, 018 Million.

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	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue - Functional									
Governance and administration	238,946	170,084	-	97,628	97,628	65,087	32,540	50%	170,084
Executive and council	-	35,581	-	21,084	21,084	14,825	6,259	42%	35,581
Finance and administration	238,946	128,101	-	70,141	70,141	47,594	22,547	47%	128,101
Internal audit	-	6,402	-	6,402	6,402	2,668	3,735	140%	6,402
Community and public safety	12,713	12,846	-	9,860	9,860	5,345	4,516	84%	12,846
Community and social services	45	6,377	-	4,756	4,756	2,649	2,107	80%	6,377
Sport and recreation	12,668	6,469	-	5,104	5,104	2,695	2,409	89%	6,469
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	115,298	150,237	-	25,684	25,684	42,288	(16,604)	-39%	150,237
Planning and development	1,635	13,512	-	2,709	2,709	5,216	(2,506)	-48%	13,512
Road transport	113,662	135,883	-	22,975	22,975	36,721	(13,746)	-37%	135,883
Environmental protection	-	842	-	-	-	351	(351)	-100%	842
Trading services	90,069	129,716	-	28,528	28,528	28,901	(374)	-1%	129,716
Energy sources	83,563	106,984	-	23,764	23,764	20,894	2,870	14%	106,984
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	6,506	22,732	-	4,763	4,763	8,007	(3,244)	-41%	22,732
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	457,027	462,883	-	161,699	161,699	141,621	20,078	14%	462,883
Expenditure - Functional									
Governance and administration	229,690	147,263	-	46,083	46,083	38,837	7,247	19%	147,263
Executive and council	33,282	35,981	-	9,485	9,485	8,870	615	7%	35,981
Finance and administration	190,075	104,880	-	35,499	35,499	28,386	7,114	25%	104,880
Internal audit	6,333	6,402	-	1,099	1,099	1,581	(482)	-31%	6,402
Community and public safety	11,796	15,633	-	1,518	1,518	3,748	(2,230)	-60%	15,633
Community and social services	4,419	6,541	-	758	758	1,575	(816)	-52%	6,541
Sport and recreation	7,378	9,092	-	759	759	2,173	(1,414)	-65%	9,092
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	93,269	117,737	-	9,781	9,781	24,262	(14,482)	-60%	117,737
Planning and development	13,570	20,850	-	2,847	2,847	5,013	(2,165)	-43%	20,850
Road transport	78,612	96,045	-	6,853	6,853	19,042	(12,188)	-64%	96,045
Environmental protection	1,087	842	-	80	80	208	(128)	-62%	842
Trading services	105,557	105,754	-	22,458	22,458	21,232	1,226	6%	105,754
Energy sources	83,253	86,949	-	18,233	18,233	17,041	1,192	7%	86,949
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	22,304	18,805	-	4,225	4,225	4,191	34	1%	18,805
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	440,313	386,388	-	79,840	79,840	88,079	(8,239)	-9%	386,388
Surplus/ (Deficit) for the year	16,714	76,495	-	81,859	81,859	53,542	28,318	53%	76,495

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

Vote Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue by Vote									
Vote 1 - Executive & Council	-	31,540	-	21,084	21,084	13,142	7,943	0	31,540
Vote 2 - Municipal Manager	-	15,805	-	10,675	10,675	6,585	4,090	0	15,805
Vote 3 - Budget & Treasury	238,934	70,368	-	27,803	27,803	23,541	4,261	18%	70,368
Vote 4 - Corporate Services	12	33,797	-	19,490	19,490	14,079	5,411	38%	33,797
Vote 5 - Community Services	74,839	89,322	-	18,220	18,220	29,883	(11,663)	-39%	89,322
Vote 6 - Technical Services	141,606	200,885	-	51,145	51,145	45,985	5,160	11%	200,885
Vote 7 - Developmental Planning	1,635	8,435	-	551	551	3,101	(2,550)	-82%	8,435
Vote 8 - Executive Support	-	12,731	-	12,731	12,731	5,305	7,427	140%	12,731
Total Revenue by Vote	457,027	462,883	-	161,700	161,700	141,621	20,079	14%	462,883
Expenditure by Vote									
Vote 1 - Executive & Council	29,665	31,940	-	8,775	8,775	7,898	877	11%	31,940
Vote 2 - Municipal Manager	23,365	15,826	-	4,564	4,564	4,190	375	9%	15,826
Vote 3 - Budget & Treasury	109,200	39,702	-	21,518	21,518	11,864	9,653	81%	39,702
Vote 4 - Corporate Services	38,771	39,326	-	7,149	7,149	9,097	(1,948)	-21%	39,326
Vote 5 - Community Services	50,474	71,741	-	8,753	8,753	12,819	(4,067)	-32%	71,741
Vote 6 - Technical Services	164,382	165,483	-	24,697	24,697	36,507	(11,811)	-32%	165,483
Vote 7 - Developmental Planning	7,574	9,604	-	1,892	1,892	2,365	(473)	-20%	9,604
Vote 8 - Executive Support	16,881	12,767	-	2,492	2,492	3,337	(845)	-25%	12,767
Total Expenditure by Vote	440,313	386,388	-	79,840	79,840	88,078	(8,238)	-9%	386,388
Surplus/ (Deficit) for the year	16,714	76,495	-	81,859	81,859	53,542	28,317	53%	76,495

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 standard classification and vote respectively 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	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue By Source									
Property rates	27,963	26,472		11,106	11,106	6,618	4,488	68%	26,472
Service charges - electricity revenue	70,745	81,206		18,873	18,873	13,917	4,956	36%	81,206
Service charges - water revenue	-	-		-	-	-	-		-
Service charges - sanitation revenue	-	-		-	-	-	-		-
Service charges - refuse revenue	6,506	8,616		3,563	3,563	2,154	1,409	65%	8,616
Service charges - other	-	-		-	-	-	-		-
Rental of facilities and equipment	1,319	1,935		147	147	484	(337)	-70%	1,935
Interest earned - external investments	2,703	3,701		689	689	930	(241)	-26%	3,701
Interest earned - outstanding debtors	6,469	6,260		4,566	4,566	2,092	2,474	118%	6,260
Dividends received	-	-		-	-	-	-		-
Fines, penalties and forfeits	50,877	30,000		2,410	2,410	7,500	(5,090)	-68%	30,000
Licences and permits	4,743	5,171		1,187	1,187	1,293	(106)	-8%	5,171
Agency services	-	-		-	-	-	-		-
Transfers and subsidies	214,632	226,163		94,908	94,908	93,639	1,270	1%	226,163
Other revenue	2,175	2,499		345	345	638	(293)	-46%	2,499
Gains on disposal of PPE	-	-		-	-	-	-		-
Total Revenue (excluding capital transfers)	388,132	392,023	-	137,794	137,794	129,264	8,530	7%	392,023
Expenditure By Type									
Employee related costs	116,681	123,460		19,563	19,563	29,019	(9,456)	-33%	123,460
Remuneration of councillors	20,404	22,113		5,083	5,083	5,528	(445)	-8%	22,113
Debt impairment	53,215	26,372		-	-	-	-		26,372
Depreciation & asset impairment	46,416	51,200		-	-	11,853	(11,853)	-100%	51,200
Finance charges	1,426	3,124		196	196	603	(407)	-67%	3,124
Bulk purchases	60,384	69,165		14,269	14,269	13,540	729	5%	69,165
Other materials	12,873	13,497		2,800	2,800	4,151	(1,351)	-33%	13,497
Contracted services	43,080	25,350		18,426	18,426	6,826	11,600	170%	25,350
Transfers and subsidies	521	3,724		3,194	3,194	931	2,263	243%	3,724
Other expenditure	81,945	48,384		16,310	16,310	15,629	681	4%	48,384
Loss on disposal of PPE	3,367	-		-	-	-	-		-
Total Expenditure	440,313	386,388	-	79,840	79,840	88,079	(8,239)	-9%	386,388
Surplus/(Deficit)	(52,181)	5,635	-	57,954	57,954	41,184	16,769	41%	5,635
Transfers and subsidies - capital (monetary allocations)	68,895	70,860		23,906	23,906	12,358	11,548	93%	70,860
Transfers and subsidies - capital (monetary allocations)	-	-		-	-	-	-		-
Transfers and subsidies - capital (in-kind - all)	-	-		-	-	-	-		-
Surplus/(Deficit) after capital transfers	16,714	76,495	-	81,859	81,859	53,542			76,495
Taxation	-	-		-	-	-	-		-
Surplus/(Deficit) after taxation	16,714	76,495	-	81,859	81,859	53,542			76,495
Attributable to minorities	-	-		-	-	-	-		-
Surplus/(Deficit) attributable to municipality	16,714	76,495	-	81,859	81,859	53,542			76,495
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	16,714	76,495	-	81,859	81,859	53,542			76,495

Table C4 provides budget performance details for revenue by source and expenditure by type. On revenue, the only revenue accounts that have immaterial variance is licences and permits (with under performance variance of 8%), and transfers and grants (with over performance variance of 1%). On expenditure, the only expenditure accounts that have immaterial variance is remuneration of councilors (with under performance variance of 8%), bulk purchase – electricity (with over performance variance of 5%), and other expenditure (with over performance variance of 4%).

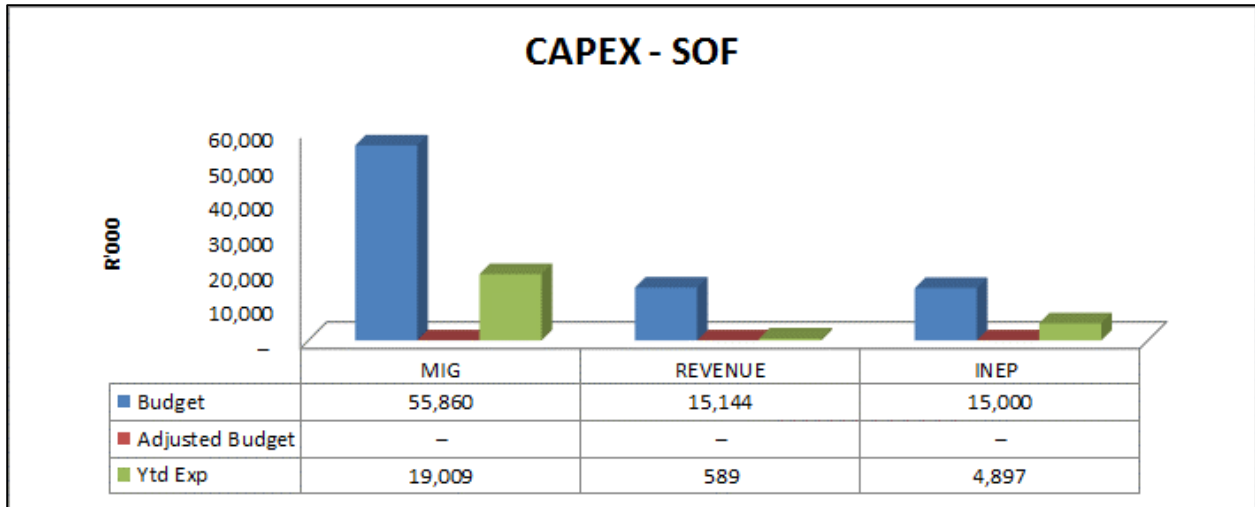
Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital Expenditure - Functional Classification									
Governance and administration	2,091	500	-	378	378	24	354	1451%	500
Executive and council	-	-					-		-
Finance and administration	2,091	500		378	378	24	354	1451%	500
Internal audit	-	-					-		-
Community and public safety	181	700	-	-	-	50	(50)	-100%	700
Community and social services	28	-					-		-
Sport and recreation	-	700				50	(50)	-100%	700
Public safety	153	-					-		-
Housing	-	-					-		-
Health	-	-					-		-
Economic and environmental services	67,376	62,944	-	15,509	15,509	5,294	10,215	193%	62,944
Planning and development	-	-					-		-
Road transport	67,376	62,944		15,509	15,509	5,294	10,215	193%	62,944
Environmental protection	-	-					-		-
Trading services	11,151	13,158	-	2,691	2,691	870	1,821	209%	13,158
Energy sources	11,151	13,158		2,691	2,691	870	1,821	209%	13,158
Water management	-	-					-		-
Waste water management	-	-					-		-
Waste management	-	-					-		-
Other	-	-					-		-
Total Capital Expenditure - Functional Classification	80,799	77,302	-	18,578	18,578	6,239	12,340	198%	77,302
Funded by:									
National Government	68,874	62,158		17,989	17,989	5,440	12,549	231%	62,158
Provincial Government							-		
District Municipality							-		
Other transfers and grants							-		
Transfers recognised - capital	68,874	62,158	-	17,989	17,989	5,440	12,549	231%	62,158
Public contributions & donations							-		
Borrowing							-		
Internally generated funds	11,925	15,144		589	589	799	(210)	-26%	15,144
Total Capital Funding	80,799	77,302	-	18,578	18,578	6,239	12,340	198%	77,302

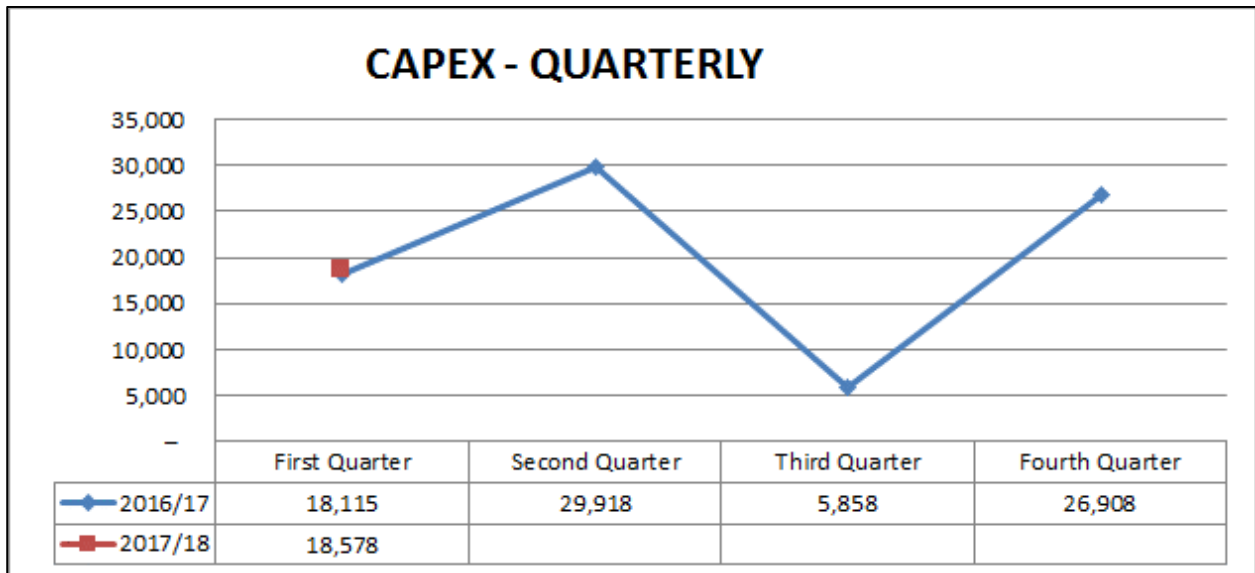
Table C5C: Monthly Capital Expenditure by Vote

Vote Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Multi-Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	1,508	500	-	378	378	24	354	1451%	500
Vote 5 - Community Services	-	500	-	-	-	-	-	-	500
Vote 6 - Technical Services	50,994	52,539	-	13,588	13,588	4,690	8,898	190%	52,539
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	52,502	53,539	-	13,967	13,967	4,714	9,252	196%	53,539
Single Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	181	700	-	-	-	50	(50)	-100%	700
Vote 6 - Technical Services	27,534	23,063	-	4,612	4,612	1,474	3,137	213%	23,063
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	583	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	28,297	23,763	-	4,612	4,612	1,524	3,087	203%	23,763
Total Capital Expenditure	80,799	77,302	-	18,578	18,578	6,239	12,340	198%	77,302

The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For first quarter, R18, 578 million spending was incurred on capital budget whilst the year to date budget thereof is R6, 239 million and this gave rise to over performance variance of R12, 340 million that translates to 198%.



The above graph shows the components of sources of finance for capital budget. Of the total capital budget, R55, 860 million (VAT inclusive) is funded from Municipal Infrastructure grant, R15, 000 million (VAT inclusive) from INEP and R15, 000 million from own revenue and the spending per source of finance is presented in the above graph.



The above graph compares the 2016/17 and 2017/18 quarterly capital expenditure performance and the results for first quarter show that the spending is more or less the same for the two financial years.

Table C6: Monthly Budget Statement Financial Position

Description	2016/17	Budget Year 2017/18			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	5,288	4,400		4,939	4,400
Call investment deposits	15,626	28,568		30,367	28,568
Consumer debtors	19,030	34,600		30,323	34,600
Other debtors	41,743	36,846		37,576	36,846
Current portion of long-term receivables	–	–		–	–
Inventory	3,193	3,200		3,826	3,200
Total current assets	84,878	107,614	–	107,031	107,614
Non current assets					
Long-term receivables	–	–		–	–
Investments	–	–		–	–
Investment property	96,285	96,146		96,703	96,146
Investments in Associate	–	–		–	–
Property, plant and equipment	913,874	957,866		933,976	957,866
Agricultural	–	–		–	–
Biological assets	–	–		–	–
Intangible assets	291	–		291	–
Other non-current assets	11,932	12,786		11,932	12,786
Total non current assets	1,022,382	1,066,797	–	1,042,902	1,066,797
TOTAL ASSETS	1,107,261	1,174,411	–	1,149,933	1,174,411
LIABILITIES					
Current liabilities					
Bank overdraft	–	–		–	–
Borrowing	6,900	8,608		7,120	8,608
Consumer deposits	5,141	5,089		5,234	5,089
Trade and other payables	72,468	45,253		48,933	45,253
Provisions	3,274	1,542		4,640	1,542
Total current liabilities	87,782	60,491	–	65,927	60,491
Non current liabilities					
Borrowing	–	16,500		4,400	16,500
Provisions	91,981	82,233		87,612	82,233
Total non current liabilities	91,981	98,733	–	92,012	98,733
TOTAL LIABILITIES	179,763	159,224	–	157,939	159,224
NET ASSETS	927,497	1,015,187	–	991,994	1,015,187
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	927,497	1,015,187		991,994	1,015,187
Reserves	–	–		–	–

The above table shows that community wealth amounts to R991, 994 million, total liabilities R157, 939 million and the total assets R1, 149 billion. Non-current liabilities is mainly made up of provisions for long service award, landfill site and bonus, and borrowing that is exclusively finance lease for yellow fleet.

Included in the trade and other payables is unspent conditional grants amounting to R21, 104 million relating to MIG, INEP, FMG and EPWP.

Table C7: Monthly Budget Statement Cash Flow

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	19,328	21,177		4,108	4,108	3,530	578	16%	21,177
Service charges	62,251	83,078		15,445	15,445	9,461	5,984	63%	83,078
Other revenue	18,040	13,516		4,415	4,415	2,248	2,167	96%	13,516
Government - operating	213,105	226,163		94,987	94,987	94,948	39	0%	226,163
Government - capital	85,419	70,860		28,330	28,330	23,444	4,886	21%	70,860
Interest	10,410	5,579		507	507	811	(303)	-37%	5,579
Dividends	-	-					-		-
Payments									
Suppliers and employees	(307,328)	(320,424)		(110,639)	(110,639)	(53,632)	57,007	-106%	(320,424)
Finance charges	(1,426)	(3,124)		(196)	(196)	(410)	(214)	52%	(3,124)
Transfers and Grants	(521)	(3,724)		(3,194)	(3,194)	(621)	2,573	-415%	(3,724)
NET CASH FROM/(USED) OPERATING ACTIVITIES	99,278	93,102	-	33,764	33,764	79,780	46,016	58%	93,102
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	440	-					-		-
Decrease (Increase) in non-current debtors		-					-		-
Decrease (increase) other non-current receivables		-					-		-
Decrease (increase) in non-current investments		-					-		-
Payments									
Capital assets	(80,799)	(77,302)		(17,396)	(17,396)	(6,239)	11,157	-179%	(77,302)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(80,359)	(77,302)	-	(17,396)	(17,396)	(6,239)	11,157	-179%	(77,302)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		-					-		-
Borrowing long term/refinancing		-					-		-
Increase (decrease) in consumer deposits	21	111		99	99	60	39	66%	111
Payments									
Repayment of borrowing	(9,596)	(8,608)		(2,075)	(2,075)	(981)	1,094	-112%	(8,608)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(9,575)	(8,497)	-	(1,976)	(1,976)	(921)	1,055	-115%	(8,497)
NET INCREASE/ (DECREASE) IN CASH HELD	9,343	7,304	-	14,393	14,393	72,620			7,304
Cash/cash equivalents at beginning:	11,570	25,664			20,913	25,664			20,913
Cash/cash equivalents at month/year end:	20,913	32,968			35,306	98,284			28,217

Table C7 presents details pertaining to cash flow performance. As at end of First quarter, the net cash inflow from operating activities is R33, 764 million whilst net cash outflow from investing activities is R17, 396 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R1, 976 million. The cash and cash equivalent held at end of First quarter amounted to R35, 306 million and the net effect of the above cash flows is cash inflow movement of R14, 393 million. The cash and cash equivalent at end of the reporting period of R35, 306 million is made up of cash amounting to R4, 939 million and short term investments of R30, 367 million as presented in Table A6 under current assets.

PART 2: SUPPORTING TABLES

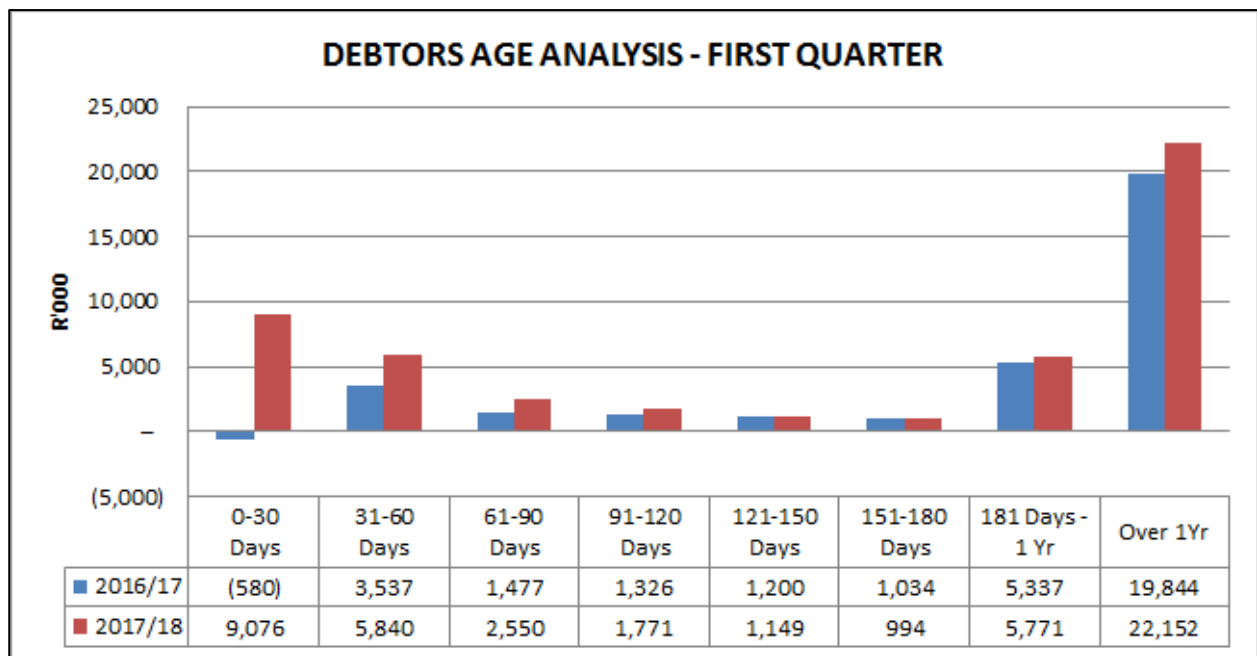
Supporting Table: SC 3 - Debtors Age Analysis

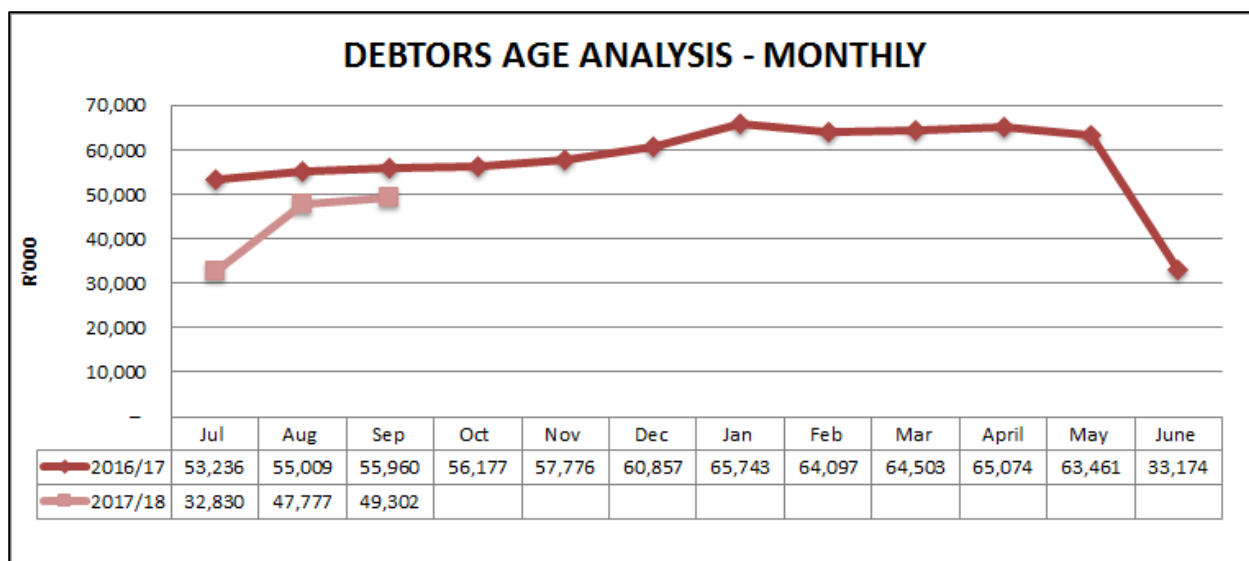
Description	Budget Year 2017/18										Actual Bad Debts Written Off	
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days 1 Yr	Over 1Yr	Total	Total over 90 days		
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	4,717	1,645	875	717	169	106	1,273	2,000	11,502	4,265	-	
Receivables from Non-exchange Transactions - Property Rates	2,429	1,764	734	607	489	406	1,558	11,922	19,908	14,981	-	
Receivables from Exchange Transactions - Waste Water Management	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	630	874	264	222	65	61	379	1,409	3,904	2,136	-	
Receivables from Exchange Transactions - Property Rental Debtors	16	11	56	2	18	22	201	815	1,140	1,057	-	
Interest on Arrear Debtor Accounts	480	984	429	220	360	375	1,953	4,029	8,830	6,937	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	-	
Other	804	562	192	4	46	25	408	1,977	4,018	2,461	-	
Total By Income Source	9,076	5,840	2,550	1,771	1,149	994	5,771	22,152	49,302	31,837	-	
2016/17 - totals only	(580)	3,537	1,477	1,326	1,200	1,034	5,337	19,844	33,174	28,740	-	
Debtors Age Analysis By Customer Group												
Organs of State	871	767	604	190	49	43	622	1,522	4,668	2,426	-	
Commercial	4,178	1,481	683	534	431	310	1,533	5,540	14,690	8,349	-	
Households	3,264	3,072	848	555	299	250	1,371	6,469	16,128	8,944	-	
Other	763	520	414	493	369	391	2,245	8,621	13,816	12,118	-	
Total By Customer Group	9,076	5,840	2,550	1,771	1,149	994	5,771	22,152	49,302	31,837	-	

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of first quarter amount to R49, 302 million. The debtors' book is made up as follows:

- Rates 40%
- Electricity 23%
- Rental 2%
- Refuse removal 8%
- Interest on Debtors 18%
- Other 8%

The debtors' age analysis is graphically presented below.





The initial graph compares debtors' age analysis for 2016/17 financial year and 2017/18 (as at end of First quarter) whilst the latter shows monthly movement of debtors for both the current financial year and the 2016/17 financial year.

Below is list of top twenty debtors that contribute significantly to the ever growing debt book.

TOP TWENTY DEBTORS

ACCOU	ACCOUNT HOLDER NAME	OUT BALAN	REMARKS
9900067	WATER PURIFICATION PLANT (SDM)	1,313,248.45	COMMUNICATION TO BE MADE TO SDM TO PAY IMMEDIATELY TO AVOID CUT-OFF
9012345	BREED J & OOSTHUIZEN J F	891,889.87	HANDED OVER
200106	ANABEL AND T INVESTMENTS (WALTLOO MEAT & CHICKEN)	522,496.04	PAYMENT ARRANGEMENT MADE
214913	MEAT SPOT	466,388.09	HANDED OVER
9000000	REPUBLIEK VAN SUID-AFRIKA	354,044.32	COMMITMENT MADE BY NATION PUBLIC WORKS TO SETTLE BY END OF OCTOBER 2017
506535	BUMAZI PROPERTIES C/O BFW METERING	326,574.23	CURRENT
9001077	ROYAL SQUARE INV 361 CC	312,072.28	HANDED OVER
211693	BOXER SUPERSTORE'ATT KERSHNEE	277,119.46	CURRENT
9000804	NATIONAL GOVERNMENT REPUBLIC OF SOUTH AFRICA	266,136.62	COMMITMENT MADE BY NATION PUBLIC WORKS TO SETTLE BY END OF OCTOBER 2017
1501364	JAN JOUBERT TR (JO JO TANKS)	245,081.89	CURRENT
201885	SHOPRITE CHECKERS (PTY) LTD	230,536.32	CURRENT
1200305	BUNGELA LAMOLA BOTTLE STORE	184,170.24	ARRANGEMENT MADE
5001708	UNITRADE 518 (PTY) LTD	164,952.65	HANDED OVER
9002958	PROVINCIAL GOVERNMENT OF LIMPO	161,819.85	COMMITMENT MADE BY PROVINCIAL PUBLIC WORKS TO SETTLE BY END OF OCTOBER 2017
2000270	PROVINSIALE HOSPITAAL	142,970.00	CURRENT
9001763	TSHEHLA TRUST MAMAILE GEORGE	137,006.53	HANDED OVER
9000276	DEPARTMENT OF PUBLIC WORKS-PROVINCIAL	135,587.23	COMMITMENT MADE BY NATION PUBLIC WORKS TO SETTLE BY END OF OCTOBER 2017
9002067	NATIONAL GOVERNMENT OF THE REP	134,759.78	COMMITMENT MADE BY NATION PUBLIC WORKS TO SETTLE BY END OF OCTOBER 2017
5002109	VAN AARD F J (MAPOCH HOTEL)	133,153.11	HANDED OVER
200758	DEPARTMENT OF PUBLIC WORKS-PROVINCIAL	127,312.20	CURRENT
TOTAL		6,527,319.16	

Supporting Table: SC 4 - Creditors Age Analysis

Description	Budget Year 2017/18									Prior year totals for chart
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type										
Bulk Electricity	-	-	-	-	-	-	-	-	-	-
Bulk Water	-	-	-	-	-	-	-	-	-	-
PAYE deductions	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	-	-	-	-	-	-	-	-	-	-
Auditor General	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	-	-	-	-	-	-	-	-	-	-

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.

Supporting Table: SC 5 - Investment Portfolio

Investments Description	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
VBS	Months	Short term	20-Sep-17	80	7.65%	20,181	(20,261)	-
VBS	Months	Short term	30-Sep-17	-	7.85%	(83)	83	-
VBS	Months	Short term	20-Oct-17	132	7.95%	20,187	-	20,319
NEDBANK	Months	Short term	6-Nov-17	49	7.47%	-	10,000	10,049
TOTAL INVESTMENTS AND INTEREST				261		40,285	(10,178)	30,368

Supporting table SC5 presents all investments that indicate that the total amount of R30, 368 million had been invested as at end of First quarter. The opening balance in the last month of the quarter was R40, 285 million, and an amount of R20, 261 million was withdrawn in the reporting period whilst additional amount of R10 million was reinvested. Accrued interest for the quarter amounted to R689 thousand as per table C4.

Supporting Table: SC 6 - Transfers and Grant Receipts

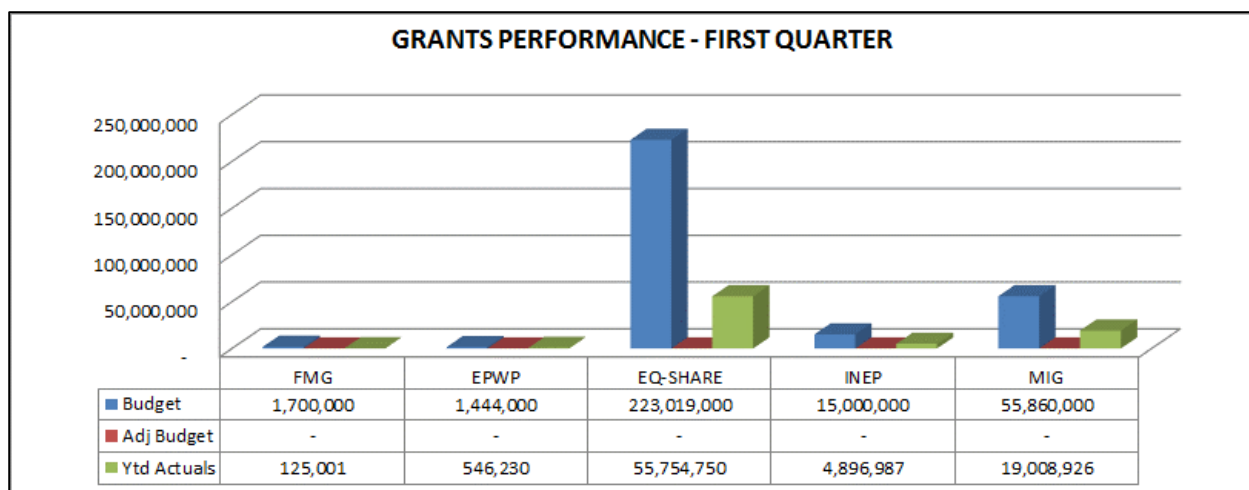
Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
RECEIPTS:									
Operating Transfers and Grants									
National Government:	213,105	226,163	-	94,987	94,987	94,987	-		226,163
Local Government Equitable Share	210,385	223,019	-	92,926	92,926	92,926	-		223,019
Finance Management	1,625	1,700	-	1,700	1,700	1,700			1,700
EPWP Incentive	1,095	1,444	-	361	361	361			1,444
Provincial Government:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
District Municipality:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
Other grant providers:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
Total Operating Transfers and Grants	213,105	226,163	-	94,987	94,987	94,987	-		226,163
Capital Transfers and Grants									
National Government:	85,419	70,860	-	28,330	28,330	28,330	-		70,860
Municipal Infrastructure Grant (MIG)	72,419	55,860	-	23,330	23,330	23,330	-		55,860
Intergrated National Electrification Grant	13,000	15,000	-	5,000	5,000	5,000	-		15,000
Provincial Government:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
District Municipality:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
Other grant providers:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
Total Capital Transfers and Grants	85,419	70,860	-	28,330	28,330	28,330	-		70,860
TOTAL RECEIPTS OF TRANSFERS & GRANTS	298,524	297,023	-	123,317	123,317	123,317	-		297,023

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R123, 317 million of which the major portion is attributed to equitable share. In the reporting period, all gazetted grants were received according to National Treasury's grants payment schedule.

Supporting Table: SC 7 Transfers and grants – Expenditure

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	214,632	226,163	-	56,426	56,426	37,589	18,837	50%	226,163
Local Government Equitable Share	211,912	223,019		55,755	55,755	37,170	18,585	50%	223,019
Finance Management	1,625	1,700		125	125	178	(53)	-30%	1,700
EPWP Incentive	1,095	1,444		546	546	241	306	127%	1,444
Provincial Government:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
District Municipality:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
Other grant providers:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
Total operating expenditure of Transfers and Grants:	214,632	226,163	-	56,426	56,426	37,589	18,837	50%	226,163
Capital expenditure of Transfers and Grants									
National Government:	68,874	70,860	-	23,906	23,906	5,440	18,466	339%	70,860
Municipal Infrastructure Grant (MIG)	56,064	55,860		19,009	19,009	4,570	14,439	316%	55,860
Intergrated National Electrification Grant	12,811	15,000		4,897	4,897	870	4,027	463%	15,000
Provincial Government:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
District Municipality:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
Other grant providers:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants	68,874	70,860	-	23,906	23,906	5,440	18,466	339%	70,860
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	283,507	297,023	-	80,332	80,332	43,029	37,303	87%	297,023

An amount of R80, 332 million has been spent on grants during the First quarter and the year to date budget amount to R43, 029 million and this resulted in over spending variance of R37, 303 million that translates to 87%. Of the total spending amounting to R80, 332 million, R56, 426 million is spent on operational grants whilst R23, 906 million is spent of capital grants.



The above graph depicts the gazetted and/or budgeted amounts for all the grants and the expenditure thereof as at end of First quarter. The grants expenditure is shown below in percentages:

- Financial Management Grant 7,35%
- Expanded Public Work Programme 837, 83%
- Equitable Share 25, 00%
- Municipal Infrastructure Grant 34, 03%
- Integrated National Electrification Grant 32.65%

Supporting Table: SC8 - Councilor Allowances and Employee Related Costs

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Councillors (Political Office Bearers)									
Basic Salaries and Wages	12,363	14,748		3,009	3,009	2,458	551	22%	14,748
Pension and UIF Contributions	1,691	1,670		433	433	278	154	55%	1,670
Medical Aid Contributions	250	285		66	66	48	18	39%	285
Motor Vehicle Allowance	4,672	4,788		1,169	1,169	798	371	47%	4,788
Cellphone Allowance	1,146	612		406	406	102	304	298%	612
Housing Allowances	-	-		-	-	-	-	-	-
Other benefits and allowances	-	9		-	-	2	(2)	-100%	9
Sub Total - Councillors	20,122	22,113	-	5,083	5,083	3,685	1,397	38%	22,113
% increase		10%							10%
Senior Managers of the Municipality									
Basic Salaries and Wages	5,416	4,745		1,134	1,134	791	343	43%	4,745
Pension and UIF Contributions	317	1,021		80	80	170	(90)	-53%	1,021
Medical Aid Contributions	6	228		24	24	38	(14)	-36%	228
Overtime	-	-		-	-	-	-	-	-
Performance Bonus	-	-		-	-	-	-	-	-
Motor Vehicle Allowance	457	840		199	199	160	39	24%	840
Cellphone Allowance	5	14		10	10	2	7	300%	14
Housing Allowances	-	-		-	-	-	-	-	-
Other benefits and allowances	130	75		0	0	4	(4)	-96%	75
Payments in lieu of leave	-	-		-	-	85	(85)	-100%	-
Long service awards	-	-		-	-	-	-	-	-
Post-retirement benefit obligations	-	-		-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	6,331	6,923	-	1,447	1,447	1,251	196	16%	6,923
% increase		9%							9%
Other Municipal Staff									
Basic Salaries and Wages	68,064	78,939		12,212	12,212	13,157	(945)	-7%	78,939
Pension and UIF Contributions	13,958	14,523		2,499	2,499	2,421	79	3%	14,523
Medical Aid Contributions	4,235	4,340		710	710	723	(14)	-2%	4,340
Overtime	2,835	1,595		414	414	156	257	165%	1,595
Performance Bonus	-	-		-	-	-	-	-	-
Motor Vehicle Allowance	7,995	8,062		1,459	1,459	1,344	115	9%	8,062
Cellphone Allowance	113	636		72	72	106	(34)	-32%	636
Housing Allowances	152	145		26	26	24	2	9%	145
Other benefits and allowances	7,284	7,333		141	141	101	40	39%	7,333
Payments in lieu of leave	-	802		216	216	36	181	507%	802
Long service awards	3,741	162		212	212	30	182	607%	162
Post-retirement benefit obligations	594	-		-	-	-	-	-	-
Sub Total - Other Municipal Staff	108,969	116,537	-	17,960	17,960	18,097	(137)	-1%	116,537
% increase		7%							7%
Total Parent Municipality	135,422	145,573	-	24,490	24,490	23,033	1,456	6%	145,573
		7%							7%
TOTAL SALARY, ALLOWANCES & BENEFITS	135,422	145,573	-	24,490	24,490	23,033	1,456	6%	145,573
% increase		7%							7%
TOTAL MANAGERS AND STAFF	115,301	123,460	-	19,407	19,407	19,348	59	0%	123,460

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid for First quarter amounts to R24, 490 million and the expenditure for remuneration of councilors for the quarter amounts to R5, 083 million, while the year to date actual expenditure on senior managers is R1, 447 million and that of other municipal staff is R17, 960 million. The year to date budget for both remuneration of councilors and employee related cost is R23, 033 million giving rise to over spending variance of R1, 456 million and that translates to 6%.

Description	Budget Year 2017/18												2017/18 Medium Term Revenue &			
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Year	Year +1	Year +2	
	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	2017/18	2018/19	2019/20	
Cash Receipts By Source																
Property rates	1,611	755	1,742	1,765	1,765	1,765	1,765	1,765	1,765	1,765	1,765	2,951	21,177	22,384	23,638	
Service charges - electricity revenue	5,992	3,719	4,876	5,914	5,816	6,301	6,884	7,513	8,144	8,271	8,284	7,056	78,770	81,133	83,729	
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - refuse	354	216	288	350	410	410	410	410	410	410	410	230	4,308	4,553	4,808	
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment	28	15	31	153	153	153	153	153	153	153	153	635	1,935	2,046	2,160	
Interest earned - external investments	154	135	-	270	398	184	178	240	440	300	308	1,094	3,701	3,912	4,132	
Interest earned - outstanding debtors	114	26	78	134	131	159	143	144	106	128	156	558	1,878	1,985	2,096	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits	25	2	4	315	330	435	345	353	405	390	413	1,484	4,500	4,757	5,023	
Licences and permits	-	805	-	431	431	431	431	431	431	431	431	848	5,100	5,391	5,693	
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer receipts - operating	94,626	361	-	-	649	74,339	-	434	55,756	-	-	(2)	226,163	238,214	247,841	
Other revenue	1,369	812	1,324	165	165	165	165	165	165	165	165	(2,845)	1,981	2,094	2,211	
Cash Receipts by Source	104,272	6,847	8,343	9,497	10,247	84,343	10,474	11,607	67,775	12,013	12,085	12,010	349,514	366,469	381,331	
Other Cash Flows by Source																
Transfer receipts - capital	28,330	-	-	6,000	30,599	-	4,615	-	6,201	-	-	(4,886)	70,860	69,013	86,340	
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Increase in consumer deposits	58	5	37	2	12	6	4	20	10	14	12	(68)	111	142	168	
Receipt of non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Receipt of non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Change in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cash Receipts by Source	132,660	6,852	8,380	15,499	40,859	84,349	15,093	11,627	73,986	12,027	12,097	7,056	420,485	435,624	467,839	
Cash Payments by Type																
Employee related costs	9,543	9,580	9,600	9,725	9,719	16,328	10,029	9,808	9,775	9,705	9,717	9,932	123,460	130,069	137,325	
Remuneration of councillors	1,694	1,694	1,694	1,843	1,843	1,843	1,843	1,843	1,843	1,843	1,843	1,969	21,794	23,036	24,326	
Interest paid	-	74	123	196	194	190	188	186	400	398	395	781	3,124	790	645	
Bulk purchases - Electricity	7,038	71	7,159	5,200	5,300	5,513	5,700	5,950	6,012	7,250	7,300	6,671	69,165	69,937	73,853	
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other materials	688	1,642	470	522	3,105	215	1,225	545	1,122	807	1,330	1,826	13,497	14,795	15,623	
Contracted services	6,156	6,036	6,234	1,733	3,316	1,783	1,693	1,838	2,328	2,003	1,858	(9,630)	25,350	23,279	23,118	
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and subsidies paid - other	1,727	742	725	310	310	310	310	310	310	310	310	(1,952)	3,724	3,936	4,156	
General expenses	24,438	4,706	4,063	2,850	3,545	4,120	3,352	3,077	6,480	3,261	2,762	(13,950)	48,703	46,114	47,108	
Cash Payments by Type	51,284	24,544	30,067	22,379	27,333	30,303	24,340	23,557	28,270	25,577	25,515	(4,353)	308,817	311,956	326,154	
Other Cash Flows/Payments by Type																
Capital assets	935	5,145	13,433	8,227	9,672	10,917	6,450	8,552	6,630	4,221	4,180	(1,061)	77,302	84,306	91,111	
Repayment of borrowing	490	490	678	706	706	706	706	706	706	750	750	1,213	8,608	6,000	6,000	
Other Cash Flows/Payments	-	3,389	3,043	1,400	1,600	4,000	1,500	1,000	1,150	1,400	1,000	(1,027)	18,455	18,576	26,322	
Total Cash Payments by Type	52,710	33,569	47,221	32,712	39,311	45,925	32,996	33,815	36,756	31,948	31,445	(5,228)	413,181	420,837	449,586	
NET INCREASE/(DECREASE) IN CASH HELD	79,950	(26,717)	(38,841)	(17,213)	1,548	38,423	(17,903)	(22,188)	37,230	(19,921)	(19,348)	12,284	7,304	14,787	18,253	
Cash/cash equivalents at the month/year beginning:	20,913	100,863	74,147	35,306	18,092	19,640	58,063	40,160	17,973	55,202	35,281	15,933	20,913	28,217	43,004	
Cash/cash equivalents at the month/year end:	100,863	74,147	35,306	18,092	19,640	58,063	40,160	17,973	55,202	35,281	15,933	28,217	28,217	43,004	61,256	

Supporting table SC9 provides detailed monthly cash flow statement that presents out the receipts by source and payments by type. The first quarter cash receipts reflect an amount of R147, 892 million and the total cash payment is R133, 499 million. This is a supporting table for table C7 – Cash Flow Statement.

Supporting Table: SC 12 Capital Expenditure Trend

Month	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
Monthly expenditure									
July	5,226	1,624		935	935	1,624	689	42%	1%
August	4,483	4,590		3,028	3,963	6,214	2,251	36%	5%
September	8,406	7,000		14,615	18,578	13,214	(4,021)	-30%	22%
October	16,242	8,227				21,442	-		
November	10,577	9,672				31,114	-		
December	3,099	10,917				42,030	-		
January	1,128	6,450				48,480	-		
February	2,237	8,552				57,032	-		
March	2,493	6,630				63,662	-		
April	83	4,221				67,883	-		
May	3,992	4,180				72,063	-		
June	22,833	5,239				77,302	-		
Total Capital expenditure	80,799	77,302	-	18,578					

Supporting table SC12 provides information on the monthly trends for capital expenditure and this table serves as a supporting table for table C5. In terms of this table the capital expenditure for first quarter amounts to R18, 578 million. The year to date capital budget is R13, 214 million that gives rise to over spending variance of R4, 021 million or 30%.

Supporting Table: SC 13(a) Capital Expenditure on New Assets

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on new assets									
Infrastructure	32,884	32,281	–	6,567	6,567	3,254	(3,313)	-102%	32,281
Roads Infrastructure	21,733	19,123	–	3,876	3,876	2,384	(1,492)	-63%	19,123
Roads	21,733	19,123		3,876	3,876	2,384	(1,492)	-63%	19,123
Road Structures	–	–							
Road Furniture	–	–							
Capital Spares	–	–							
Storm water Infrastructure	–	–							
Drainage Collection	–	–							
Storm water Conveyance	–	–							
Attenuation	–	–							
Electrical Infrastructure	11,151	13,158	–	2,691	2,691	870	(1,821)	-209%	13,158
Power Plants	–	–							
HV Substations	–	–							
HV Switching Station	–	–							
HV Transmission Conductors	11,151	13,158		2,691	2,691	870	(1,821)	-209%	13,158
MV Substations	–	–							
MV Switching Stations	–	–							
MV Networks	–	–							
LV Networks	–	–							
Capital Spares	–	–							
Solid Waste Infrastructure	–	–	–	–	–	–	–	–	–
Landfill Sites	–	–							
Waste Transfer Stations	–	–							
Waste Processing Facilities	–	–							
Waste Drop-off Points	–	–							
Waste Separation Facilities	–	–							
Electricity Generation Facilities	–	–							
Capital Spares	–	–							
Community Assets	–	300	–	–	–	–	–	–	300
Community Facilities	–	300							300
Halls	–	–							
Centres	–	–							
Crèches	–	–							
Clinics/Care Centres	–	–							
Fire/Ambulance Stations	–	–							
Testing Stations	–	–							
Museums	–	–							
Galleries	–	–							
Theatres	–	–							
Libraries	–	–							
Cemeteries/Crematoria	–	–							
Police	–	–							
Purfs	–	–							
Public Open Space	–	300							300
Nature Reserves	–	–							
Public Ablution Facilities	–	–							
Markets	–	–							
Stalls	–	–							
Abattoirs	–	–							
Airports	–	–							
Taxi Ranks/Bus Terminals	–	–							
Capital Spares	–	–							
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–
Indoor Facilities	–	–							
Outdoor Facilities	–	–							
Capital Spares	–	–							
Other assets	1,298	–	–	–	–	–	–	–	–
Operational Buildings	1,298	–	–	–	–	–	–	–	–
Municipal Offices	583	–							
Pay/Enquiry Points	–	–							
Building Plan Offices	–	–							
Workshops	715	–							
Yards	–	–							
Stores	–	–							
Laboratories	–	–							
Training Centres	–	–							
Manufacturing Plant	–	–							
Depots	–	–							
Capital Spares	–	–							
Housing	–	–							
Staff Housing	–	–							
Social Housing	–	–							
Capital Spares	–	–							
Computer Equipment	1,168	300	–	218	218	384	166	43%	300
Computer Equipment	1,168	300		218	218	384	166	43%	300
Furniture and Office Equipment	340	200	–	160	160	200	40	20%	200
Furniture and Office Equipment	340	200		160	160	200	40	20%	200
Machinery and Equipment	2,100	600	–	116	116	300	184	61%	600
Machinery and Equipment	2,100	600		116	116	300	184	61%	600
Transport Assets	2,253	700	–	–	–	–	–	–	700
Transport Assets	2,253	700							700
Total Capital Expenditure on new assets	40,043	34,381	–	7,062	7,062	4,139	(2,923)	-71%	34,381

Supporting Table: SC 13(b) Capital Expenditure on Renewal of Existing Assets

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on renewal of existing assets									
Infrastructure	38,131	38,474	-	11,422	11,422	1,820	(9,602)	-528%	38,474
Roads Infrastructure	38,131	38,474	-	11,422	11,422	1,820	(9,602)	-528%	38,474
Roads	38,131	38,474		11,422	11,422	1,820	(9,602)	-528%	38,474
Road Structures									
Road Furniture									
Capital Spares									
Storm water Infrastructure									
Drainage Collection									
Storm water Conveyance									
Attenuation									
Electrical Infrastructure									
Power Plants									
HV Substations									
HV Switching Station									
HV Transmission Conductors									
MV Substations									
MV Switching Stations									
MV Networks									
LV Networks									
Capital Spares									
Solid Waste Infrastructure									
Landfill Sites									
Waste Transfer Stations									
Waste Processing Facilities									
Waste Drop-off Points									
Waste Separation Facilities									
Electricity Generation Facilities									
Capital Spares									
Community Assets	1,694								
Community Facilities									
Halls									
Centres									
Crèches									
Clinics/Care Centres									
Fire/Ambulance Stations									
Testing Stations									
Museums									
Galleries									
Theatres									
Libraries									
Cemeteries/Crematoria									
Police									
Parks									
Public Open Space									
Nature Reserves									
Public Ablution Facilities									
Markets									
Stalls									
Abattoirs									
Airports									
Taxi Ranks/Bus Terminals									
Capital Spares									
Sport and Recreation Facilities	1,694								
Indoor Facilities									
Outdoor Facilities	1,694								
Capital Spares									
Other assets	932	500							500
Operational Buildings	932	500							500
Municipal Offices		500							500
Pay/Enquiry Points									
Building Plan Offices									
Workshops									
Yards									
Stores									
Laboratories									
Training Centres	932								
Manufacturing Plant									
Depots									
Capital Spares									
Housing									
Staff Housing									
Social Housing									
Capital Spares									
Computer Equipment									
Computer Equipment									
Furniture and Office Equipment									
Furniture and Office Equipment									
Machinery and Equipment									
Machinery and Equipment									
Transport Assets									
Transport Assets									
Total Capital Expenditure on renewal of existing assets	40,757	38,974		11,422	11,422	1,820	(9,602)	-528%	38,974

Supporting Table: SC 13(c) Repairs and Maintenance Expenditure

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Repairs and maintenance expenditure									
Infrastructure	4,633	6,700	-	1,146	1,146	1,500	354	24%	6,700
Roads Infrastructure	946	2,500	-	239	239	400	161	40%	2,500
Roads	946	2,500	-	239	239	400	161	40%	2,500
Road Structures	-	-	-	-	-	-	-	-	-
Road Furniture	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Drainage Collection	-	-	-	-	-	-	-	-	-
Storm water Conveyance	-	-	-	-	-	-	-	-	-
Attenuation	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	1,802	1,900	-	471	471	550	79	14%	1,900
Power Plants	-	-	-	-	-	-	-	-	-
HV Substations	-	-	-	-	-	-	-	-	-
HV Switching Station	-	-	-	-	-	-	-	-	-
HV Transmission Conductors	-	-	-	-	-	-	-	-	-
MV Substations	-	-	-	-	-	-	-	-	-
MV Switching Stations	-	-	-	-	-	-	-	-	-
MV Networks	1,802	1,800	-	471	471	500	29	6%	1,800
LV Networks	-	-	-	-	-	-	-	-	-
Capital Spares	-	100	-	-	-	50	50	100%	100
Solid Waste Infrastructure	1,885	2,300	-	436	436	550	114	21%	2,300
Landfill Sites	1,885	2,150	-	436	436	500	64	13%	2,150
Waste Transfer Stations	-	-	-	-	-	-	-	-	-
Waste Processing Facilities	-	-	-	-	-	-	-	-	-
Waste Drop-off Points	-	-	-	-	-	-	-	-	-
Waste Separation Facilities	-	-	-	-	-	-	-	-	-
Electricity Generation Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	150	-	-	-	50	50	100%	150
Community Assets	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Halls	-	-	-	-	-	-	-	-	-
Centres	-	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Purls	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Other assets	1,432	1,300	-	48	48	400	352	88%	1,300
Operational Buildings	1,432	1,300	-	48	48	400	352	88%	1,300
Municipal Offices	1,432	1,300	-	48	48	400	352	88%	1,300
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Intangible Assets	82	100	-	-	-	20	20	100%	100
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	82	100	-	-	-	20	20	100%	100
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	82	100	-	-	-	20	20	100%	100
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	5	5	-	(5)	0%	-
Computer Equipment	-	-	-	5	5	-	(5)	0%	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	2,405	1,711	-	-	-	466	466	100%	1,711
Machinery and Equipment	2,405	1,711	-	-	-	466	466	100%	1,711
Transport Assets	1,800	1,500	-	193	193	700	507	72%	1,500
Transport Assets	1,800	1,500	-	193	193	700	507	72%	1,500
Total Repairs and Maintenance Expenditure	10,353	11,311	-	1,391	1,391	3,086	1,694	55%	11,311

Supporting Table: SC 13(d) Depreciation and asset impairment

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Depreciation by Asset Class/Sub-class									
Infrastructure	41,257	45,835	-	-	-	7,639	7,639	100%	45,835
Roads Infrastructure	23,126	25,298	-	-	-	4,216	4,216	100%	25,298
Roads	23,126	25,298				4,216	4,216	100%	25,298
Road Structures		-				-	-		-
Road Furniture		-				-	-		-
Capital Spares		-				-	-		-
Storm water Infrastructure	4,525	5,746	-	-	-	958	958	100%	5,746
Drainage Collection		-				-	-		-
Storm water Conveyance	4,525	5,746				958	958	100%	5,746
Attenuation		-				-	-		-
Electrical Infrastructure	11,306	12,398	-	-	-	2,066	2,066	100%	12,398
Power Plants		-				-	-		-
HV Substations		-				-	-		-
HV Switching Station		-				-	-		-
HV Transmission Conductors	11,306	12,398				2,066	2,066	100%	12,398
MV Substations		-				-	-		-
MV Switching Stations		-				-	-		-
MV Networks		-				-	-		-
LV Networks		-				-	-		-
Capital Spares		-				-	-		-
Solid Waste Infrastructure	2,300	2,392	-	-	-	399	399	100%	2,392
Landfill Sites	2,300	2,392				399	399	100%	2,392
Waste Transfer Stations		-				-	-		-
Waste Processing Facilities		-				-	-		-
Waste Drop-off Points		-				-	-		-
Waste Separation Facilities		-				-	-		-
Electricity Generation Facilities		-				-	-		-
Capital Spares		-				-	-		-
Community Assets	2,145	2,231	-	-	-	372	372	100%	2,231
Community Facilities	2,145	2,231				372	372	100%	2,231
Halls		-				-	-		-
Centres		-				-	-		-
Crèches		-				-	-		-
Clinics/Care Centres		-				-	-		-
Fire/Ambulance Stations		-				-	-		-
Testing Stations		-				-	-		-
Museums		-				-	-		-
Galleries		-				-	-		-
Theatres		-				-	-		-
Libraries		-				-	-		-
Cemeteries/Crematoria	2,145	2,231				372	372	100%	2,231
Police		-				-	-		-
Parks		-				-	-		-
Public Open Space		-				-	-		-
Nature Reserves		-				-	-		-
Public Ablution Facilities		-				-	-		-
Markets		-				-	-		-
Stalls		-				-	-		-
Abattoirs		-				-	-		-
Airports		-				-	-		-
Taxi Ranks/Bus Terminals		-				-	-		-
Capital Spares		-				-	-		-
Other assets	115	120	-	-	-	20	20	100%	120
Operational Buildings	115	120	-	-	-	20	20	100%	120
Municipal Offices	115	120				20	20	100%	120
Pay/Enquiry Points		-				-	-		-
Building Plan Offices		-				-	-		-
Workshops		-				-	-		-
Yards		-				-	-		-
Stores		-				-	-		-
Laboratories		-				-	-		-
Training Centres		-				-	-		-
Manufacturing Plant		-				-	-		-
Depots		-				-	-		-
Capital Spares		-				-	-		-
Computer Equipment	20	21	-	-	-	3	3	100%	21
Computer Equipment	20	21				3	3	100%	21
Furniture and Office Equipment	25	26	-	-	-	4	4	100%	26
Furniture and Office Equipment	25	26				4	4	100%	26
Machinery and Equipment	2,000	2,080	-	-	-	347	347	100%	2,080
Machinery and Equipment	2,000	2,080				347	347	100%	2,080
Transport Assets	854	888	-	-	-	148	148	100%	888
Transport Assets	854	888				148	148	100%	888
Total Depreciation	46,416	51,200	-	-	-	8,533	8,533	100%	51,200

Supporting Table: SC 13(e) Capital Expenditure on upgrading of Existing Assets

Description	Budget Year 2017/18							
	Original Budget	Adjusted Budget	First Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on upgrading of existing assets								
Infrastructure	-	-	-	-	-	-	-	-
Roads Infrastructure	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-
Road Structures	-	-	-	-	-	-	-	-
Road Furniture	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-
Drainage Collection	-	-	-	-	-	-	-	-
Storm water Conveyance	-	-	-	-	-	-	-	-
Attenuation	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-
Power Plants	-	-	-	-	-	-	-	-
HV Substations	-	-	-	-	-	-	-	-
HV Switching Station	-	-	-	-	-	-	-	-
HV Transmission Conductors	-	-	-	-	-	-	-	-
MV Substations	-	-	-	-	-	-	-	-
MV Switching Stations	-	-	-	-	-	-	-	-
MV Networks	-	-	-	-	-	-	-	-
LV Networks	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-
Landfill Sites	-	-	-	-	-	-	-	-
Waste Transfer Stations	-	-	-	-	-	-	-	-
Waste Processing Facilities	-	-	-	-	-	-	-	-
Waste Drop-off Points	-	-	-	-	-	-	-	-
Waste Separation Facilities	-	-	-	-	-	-	-	-
Electricity Generation Facilities	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-
Halls	-	-	-	-	-	-	-	-
Centres	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-
Purfs	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-
Other assets	3,947	-	94	94	280	186	66%	3,947
Operational Buildings	3,947	-	94	94	280	186	66%	3,947
Municipal Offices	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-
Workshops	3,947	-	94	94	280	186	66%	3,947
Yards	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading of existing assets	3,947	-	94	94	280	186	66%	3,947

Supporting table SC13a, SC13b and SC13e provide details of capital expenditure in terms of asset classification based on new assets, renewal and upgrading of existing assets; while table SC13c provide details of expenditure performance on repairs and maintenance by asset classification and Table SC13d presents expenditure on depreciation and asset impairment. These tables present the capital programme, and assets management and performance of the Municipality.

The total expenditure for new capital projects amounts to R7, 062 million and the year to date budget is R4, 139 million which reflects over spending variance of R2, 923 million that translates to 71% variance. The year to date actuals on renewal of existing assets amounts R11, 422 million and with the year to date budget of R1, 820 million and this reflects over spending variance of R9, 602 million that translates to 528% variance.

The year to date actual expenditure on repairs and maintenance is R1, 391 million and the year to date budget is R3, 086 million, reflecting under spending variance of R1, 694 million that translates to 55%.

The year to date actual expenditure on upgrading of existing assets is R94 thousand and the year to date budget is R280 thousand, reflecting under spending variance of R186 thousand that translates to 66%.

The depreciation and asset impairment will only have actuals once the integration between Asset management system and core financial system is done and this is one of the requirements for implementation of mSCOA. This is basically mean that the municipality is not complying with some of mSCOA requirements.

Quality certificate

I, **RAMAKGAHLELA MINAH MAREDI**, the Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the quarterly budget statement report and supporting documentation for quarter ending September 2017 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Elias Motsoaledi
Municipal Manager of Elias Motsoaledi Local Municipality (LIM 472)
Signature *[Handwritten Signature]* 26 OCT 2017
Date *26/10/17* Municipal Manager