

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



SECTION 52 REPORT: 2017/18

REPORTING PERIOD: THIRD 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	Third Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Financial Performance									
Property rates	25,815	26,472	34,805	7,506	26,013	26,656	(643)	-2.4%	34,805
Service charges	77,251	89,822	92,822	19,311	62,030	65,382	(3,352)	-5.1%	92,822
Investment revenue	1,319	3,701	2,500	540	1,540	1,536	5	0.3%	2,500
Transfers and subsidies	-	226,163	226,163	56,039	210,553	225,111	(14,558)	-6.5%	226,163
Other own revenue	286,701	45,865	88,454	8,308	29,598	53,600	(24,002)	-44.8%	88,454
Total Revenue (excluding capital transfers)	391,085	392,023	444,744	91,703	329,734	372,284	(42,550)	-11.4%	444,744
Employee costs	117,781	123,460	126,105	29,021	100,397	98,050	2,347	2.4%	126,105
Remuneration of Councillors	20,298	22,113	23,430	6,643	16,809	16,798	11	0.1%	23,430
Depreciation & asset impairment	47,998	51,200	51,200	-	-	-	-	-	51,200
Finance charges	1,426	3,124	2,124	112	403	1,208	(805)	-66.7%	2,124
Materials and bulk purchases	78,603	82,662	81,986	19,309	56,419	58,987	(2,568)	-4.4%	81,986
Transfers and subsidies	708	3,724	3,724	(571)	5,178	7,353	(2,175)	-29.6%	3,724
Other expenditure	229,263	100,105	142,317	22,587	81,798	88,081	(6,283)	-7.1%	142,317
Total Expenditure	496,076	386,388	430,886	77,100	261,004	270,476	(9,472)	-3.5%	430,886
Surplus/(Deficit)	(104,990)	5,635	13,857	14,603	68,730	101,808	(33,078)	-32.5%	13,857
Transfers and subsidies - capital (monetary allocations)	68,930	70,860	91,349	14,747	65,023	70,812	(5,790)	-8.2%	91,349
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers	(36,060)	76,495	105,207	29,350	133,753	172,620	(38,867)	-22.5%	105,207
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(36,060)	76,495	105,207	29,350	133,753	172,620	(38,867)	-22.5%	105,207
Capital expenditure & funds sources									
Capital expenditure	80,665	77,302	103,123	20,264	71,279	64,749	6,530	10.1%	103,123
Capital transfers recognised	68,895	62,158	80,131	23,305	64,610	56,119	8,491	15.1%	80,131
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	11,770	15,144	22,992	(3,041)	6,669	8,630	(1,961)	-22.7%	22,992
Total sources of capital funds	80,665	77,302	103,123	20,264	71,279	64,749	6,530	10.1%	103,123
Financial position									
Total current assets	87,618	107,614	92,914	41,007	184,235				92,914
Total non current assets	1,006,770	1,066,797	1,026,671	54,530	1,077,841				1,026,671
Total current liabilities	99,680	60,491	62,491	31,176	121,677				62,491
Total non current liabilities	89,811	98,733	106,433	(5,871)	86,141				106,433
Community wealth/Equity	904,896	1,015,187	950,660	70,186	1,054,258				950,660
Cash flows									
Net cash from (used) operating	98,321	93,102	106,587	34,474	107,232	114,816	7,584	6.6%	106,587
Net cash from (used) investing	(81,193)	(77,302)	(102,523)	(20,264)	(71,279)	(66,670)	4,610	-6.9%	(102,523)
Net cash from (used) financing	(8,149)	(8,497)	(9,041)	(3,908)	(5,845)	(2,258)	3,587	-158.8%	(9,041)
Cash/cash equivalents at the month end	20,944	32,968	15,968	10,302	51,052	66,833	15,781	23.6%	15,968
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	9,918	4,412	2,674	1,615	1,824	1,557	8,605	26,964	57,568
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 third quarter is R329, 734 million and the year to date budget of R372, 284 million and this reflects a negative variance of R42, 550 million that can be attributed to traffic fines that the municipality is currently applying the cash basis accounting method as opposed to accrual basis of accounting. The following are the secondary revenue item categories reflecting a negative and positive material variance:

- Interest earned – outstanding Debtors 21, 50% favorable variance,
- Rental on Facilities and Equipment: 11, 4% unfavorable
- Fines: 78, 20% unfavorable variance
- Other revenue: 18, 90% favorable variance

Operating Expenditure

The year to date operational expenditure as at end of third quarter amounts to R261, 004 million and the year to date budget is R270, 476 million and this reflects under performance variance of R9, 472 million that translates to 3, 5% overspending variance. The variance is attributed to non-incorporation of depreciation amount and under spending on bulk purchase, contracted services and other expenditure. The municipality has been waiting for the two system vendors to integrate their system so that we can interface the monthly depreciation amount from Asset management system to Munsoft. 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:

- Finance Charges: 66, 7% under performance variance
- Transfers and subsidies: 29, 6% over performance variance

Capital Expenditure

The year to date actual capital expenditure as at end of third quarter amounts to R71, 279 million and the year to date budget amounts to R64, 749 million and this gives rise to 10, 1% over performance variance.

Surplus/Deficit

Taking the above into consideration, the net operating surplus for the quarter is R65, 023 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 third quarter amounts to R57, 568 million and this shows an increase of R9, 387 million as compared to R48, 181 million as at end of 2016/17 financial year.

Consumer debtors is made up of service charges and property rates that amount to R59, 461 million and other debtors amounting to R1, 893 Million (credit).

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	Third Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue - Functional									
Governance and administration	253,047	170,084	183,920	33,242	171,238	172,256	(1,018)	-0.6%	183,920
Executive and council	-	35,581	35,581	-	35,581	35,581	(0)	0.0%	35,581
Finance and administration	253,047	128,101	141,936	33,242	129,255	130,273	(1,018)	-0.8%	141,936
Internal audit	-	6,402	6,402	0	6,402	6,402	(0)	0.0%	6,402
Community and public safety	45	12,846	18,446	22	12,471	16,871	(4,399)	-26.1%	18,446
Community and social services	45	6,377	11,977	22	6,003	10,402	(4,399)	-42.3%	11,977
Sport and recreation	-	6,469	6,469	-	6,468	6,468	(0)	0.0%	6,469
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	115,853	150,237	200,822	52,880	116,308	152,880	(36,573)	-23.9%	200,822
Planning and development	1,635	13,512	19,012	258	8,684	18,293	(9,609)	-52.5%	19,012
Road transport	114,218	135,883	180,968	52,622	107,623	133,745	(26,122)	-19.5%	180,968
Environmental protection	-	842	842	-	-	842	(842)	-100.0%	842
Trading services	91,070	129,716	132,905	20,307	94,740	101,090	(6,349)	-6.3%	132,905
Energy sources	84,564	106,984	107,173	18,279	73,520	79,027	(5,507)	-7.0%	107,173
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	6,506	22,732	25,732	2,028	21,220	22,063	(843)	-3.8%	25,732
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	460,016	462,883	536,093	106,451	394,757	443,097	(48,340)	-10.9%	536,093
Expenditure - Functional									
Governance and administration	258,940	147,263	187,526	37,794	131,931	133,860	(1,929)	-1.4%	187,526
Executive and council	35,425	35,981	42,311	10,250	29,340	30,678	(1,338)	-4.4%	42,311
Finance and administration	215,183	104,880	137,765	26,015	96,324	97,093	(769)	-0.8%	137,765
Internal audit	8,333	6,402	7,450	1,529	6,268	6,090	178	2.9%	7,450
Community and public safety	12,895	15,633	14,759	2,353	8,380	8,979	(599)	-6.7%	14,759
Community and social services	5,518	6,541	5,737	1,205	3,937	4,171	(234)	-5.6%	5,737
Sport and recreation	7,378	9,092	9,021	1,149	4,443	4,809	(366)	-7.6%	9,021
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	103,151	117,737	114,087	12,060	44,293	47,910	(3,617)	-7.5%	114,087
Planning and development	18,070	20,850	17,708	3,299	11,717	13,013	(1,297)	-10.0%	17,708
Road transport	83,994	96,045	95,499	8,611	32,118	34,302	(2,185)	-6.4%	95,499
Environmental protection	1,087	842	880	150	459	594	(135)	-22.8%	880
Trading services	121,089	105,754	114,515	24,893	76,400	79,727	(3,328)	-4.2%	114,515
Energy sources	98,785	86,949	87,442	18,535	57,564	61,170	(3,607)	-5.9%	87,442
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	22,304	18,805	27,073	6,358	18,836	18,557	279	1.5%	27,073
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	496,076	386,388	430,886	77,100	261,004	270,476	(9,472)	-3.5%	430,886
Surplus/ (Deficit) for the year	(36,060)	76,495	105,207	29,350	133,753	172,620	(38,867)	-22.5%	105,207

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

Vote Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Third Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue by Vote									
Vote 1 - Executive & Council	–	31,540	31,540	–	31,540	31,540	(0)	0.0%	31,540
Vote 2 - Municipal Manager	–	15,805	15,805	–	14,716	15,805	(1,088)	-6.9%	15,805
Vote 3 - Budget & Treasury	253,036	70,368	85,500	33,206	72,565	72,513	52	0.1%	85,500
Vote 4 - Corporate Services	12	33,797	33,842	36	33,841	33,824	18	0.1%	33,842
Vote 5 - Community Services	62,691	89,322	122,251	17,441	61,084	89,217	(28,134)	-31.5%	122,251
Vote 6 - Technical Services	142,642	200,885	220,489	55,510	161,753	174,250	(12,497)	-7.2%	220,489
Vote 7 - Developmental Planning	1,635	8,435	13,935	258	6,526	13,216	(6,691)	-50.6%	13,935
Vote 8 - Executive Support	–	12,731	12,731	–	12,731	12,731	0	0.0%	12,731
Total Revenue by Vote	460,016	462,883	536,093	106,451	394,757	443,097	(48,340)	-10.9%	536,093
Expenditure by Vote				–					
Vote 1 - Executive & Council	31,808	31,940	38,267	9,478	26,668	27,730	(1,062)	-3.8%	38,267
Vote 2 - Municipal Manager	27,365	15,826	23,102	4,459	18,093	18,318	(225)	-1.2%	23,102
Vote 3 - Budget & Treasury	128,458	39,702	59,430	8,857	45,818	46,428	(610)	-1.3%	59,430
Vote 4 - Corporate Services	40,771	39,326	38,589	8,780	23,765	24,217	(451)	-1.9%	38,589
Vote 5 - Community Services	55,374	71,741	79,098	13,819	43,037	42,906	131	0.3%	79,098
Vote 6 - Technical Services	183,344	165,483	165,601	26,359	85,166	90,978	(5,812)	-6.4%	165,601
Vote 7 - Developmental Planning	12,074	9,604	10,737	1,845	6,462	7,647	(1,185)	-15.5%	10,737
Vote 8 - Executive Support	16,881	12,767	16,063	3,503	11,993	12,253	(260)	-2.1%	16,063
Total Expenditure by Vote	496,076	386,388	430,887	77,100	261,004	270,476	(9,472)	-3.5%	430,887
Surplus/ (Deficit) for the year	(36,060)	76,495	105,207	29,350	133,753	172,620	(38,867)	-22.5%	105,207

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	Third Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue By Source									
Property rates	25,815	26,472	34,805	7,506	26,013	26,656	(643)	-2.4%	34,805
Service charges - electricity revenue	70,745	81,206	81,206	17,283	54,554	57,228	(2,674)	-4.7%	81,206
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	6,506	8,616	11,616	2,028	7,476	8,154	(678)	-8.3%	11,616
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	1,319	1,935	1,000	192	643	726	(83)	-11.4%	1,000
Interest earned - external investments	2,889	3,701	2,500	540	1,540	1,536	5	0.3%	2,500
Interest earned - outstanding debtors	6,469	6,260	14,260	1,692	7,864	10,025	(2,160)	-21.5%	14,260
Dividends received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	50,885	30,000	55,016	2,462	6,203	28,480	(22,278)	-78.2%	55,016
Licences and permits	5,255	5,171	4,500	1,452	3,459	3,239	220	6.8%	4,500
Agency services	-	-	-	-	-	-	-	-	-
Transfers and subsidies	213,105	226,163	226,163	56,039	210,553	225,111	(14,558)	-6.5%	226,163
Other revenue	8,098	2,499	13,678	110	9,029	11,131	(2,102)	-18.9%	13,678
Gains on disposal of PPE	-	-	-	2,400	2,400	-	2,400	0.0%	-
Total Revenue (excluding capital transfers)	391,085	392,023	444,744	91,703	329,734	372,284	(42,550)	-11.4%	444,744
Expenditure By Type									
Employee related costs	117,781	123,460	126,105	29,021	100,397	98,050	2,347	2.4%	126,105
Remuneration of councillors	20,298	22,113	23,430	6,643	16,809	16,798	11	0.1%	23,430
Debt impairment	21,128	26,372	26,372	-	-	-	-	-	26,372
Depreciation & asset impairment	47,998	51,200	51,200	-	-	-	-	-	51,200
Finance charges	1,426	3,124	2,124	112	403	1,208	(805)	-66.7%	2,124
Bulk purchases	65,729	69,165	70,165	16,817	47,303	50,325	(3,022)	-6.0%	70,165
Other materials	12,873	13,497	11,821	2,492	9,116	8,661	455	5.3%	11,821
Contracted services	43,080	25,350	65,237	13,998	46,362	50,603	(4,241)	-8.4%	65,237
Transfers and subsidies	708	3,724	3,724	(571)	5,178	7,353	(2,175)	-29.6%	3,724
Other expenditure	161,695	48,384	50,709	8,589	35,435	37,478	(2,043)	-5.5%	50,709
Loss on disposal of PPE	3,360	-	-	-	-	-	-	-	-
Total Expenditure	496,076	386,388	430,886	77,100	261,004	270,476	(9,472)	-3.5%	430,886
Surplus/(Deficit)	(104,990)	5,635	13,857	14,603	68,730	101,808	(33,078)	-32.5%	13,857
Transfers and subsidies - capital (monetary allocations)	68,930	70,860	91,349	14,747	65,023	70,812	(5,790)	-8.2%	91,349
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers	(36,060)	76,495	105,207	29,350	133,753	172,620			105,207
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	(36,060)	76,495	105,207	29,350	133,753	172,620			105,207
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(36,060)	76,495	105,207	29,350	133,753	172,620			105,207
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(36,060)	76,495	105,207	29,350	133,753	172,620			105,207

Table C4 provides budget performance details for revenue by source and expenditure by type. On revenue, the only revenue accounts that have material variance is rental of facilities and equipment (under performance variance of 11, 4%); interest earned on outstanding debtors (under performance variance of 21, 5%), fines (under performance variance of 78, 2%); and other revenue (under performance variance of 18, 9%). On expenditure, the only expenditure accounts that have material variance is finance charges (with under performance variance of 66, 7%), and transfers and subsidies (with under performance variance of 29, 6%).

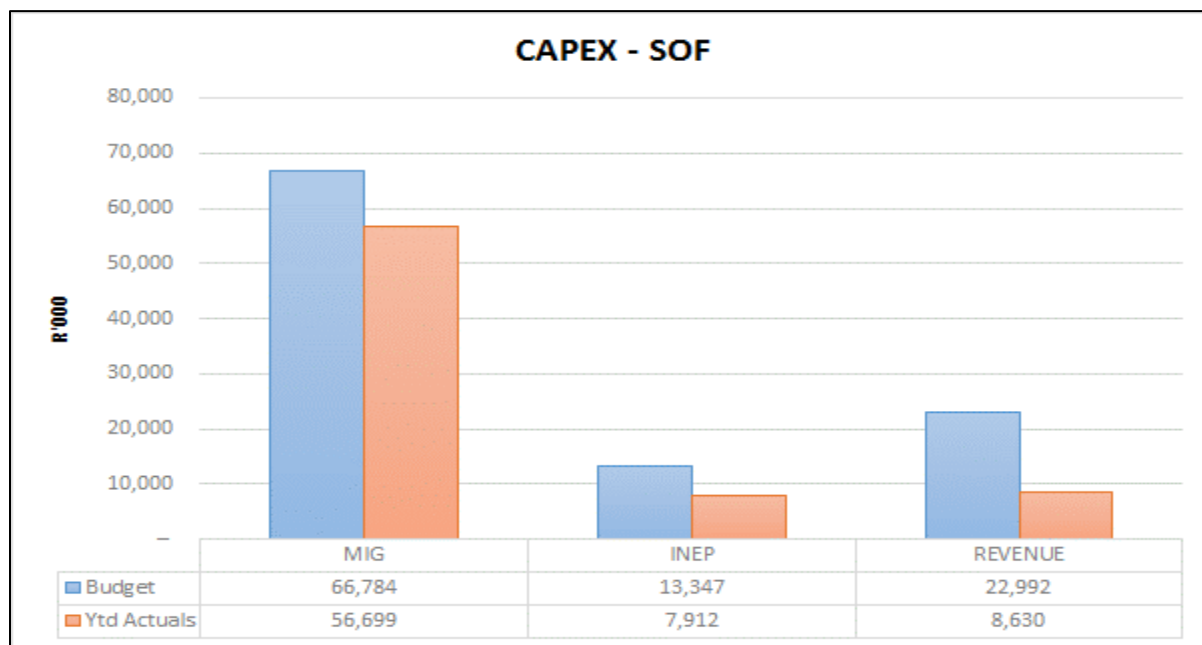
Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Third Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital Expenditure - Functional Classification									
Governance and administration	2,091	500	1,300	118	496	1,178	(682)	-57.9%	1,300
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	2,091	500	1,300	118	496	1,178	(682)	-57.9%	1,300
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	181	700	8,479	7,090	7,090	8,050	(960)	-11.9%	8,479
Community and social services	28	-	-	-	-	-	-	-	-
Sport and recreation	-	700	8,479	7,090	7,090	8,050	(960)	-11.9%	8,479
Public safety	153	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	67,241	62,944	80,021	11,602	55,782	44,258	11,524	26.0%	80,021
Planning and development	-	-	-	-	-	-	-	-	-
Road transport	67,241	62,944	80,021	11,602	55,782	44,258	11,524	26.0%	80,021
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	11,151	13,158	13,324	1,455	7,912	11,263	(3,351)	-29.8%	13,324
Energy sources	11,151	13,158	13,324	1,455	7,912	11,263	(3,351)	-29.8%	13,324
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	80,665	77,302	103,123	20,264	71,279	64,749	6,530	10.1%	103,123
Funded by:									
National Government	68,895	62,158	80,131	23,305	64,610	56,119	8,491	15.1%	80,131
Provincial Government	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	68,895	62,158	80,131	23,305	64,610	56,119	8,491	15.1%	80,131
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	11,770	15,144	22,992	(3,041)	6,669	8,630	(1,961)	-22.7%	22,992
Total Capital Funding	80,665	77,302	103,123	20,264	71,279	64,749	6,530	10.1%	103,123

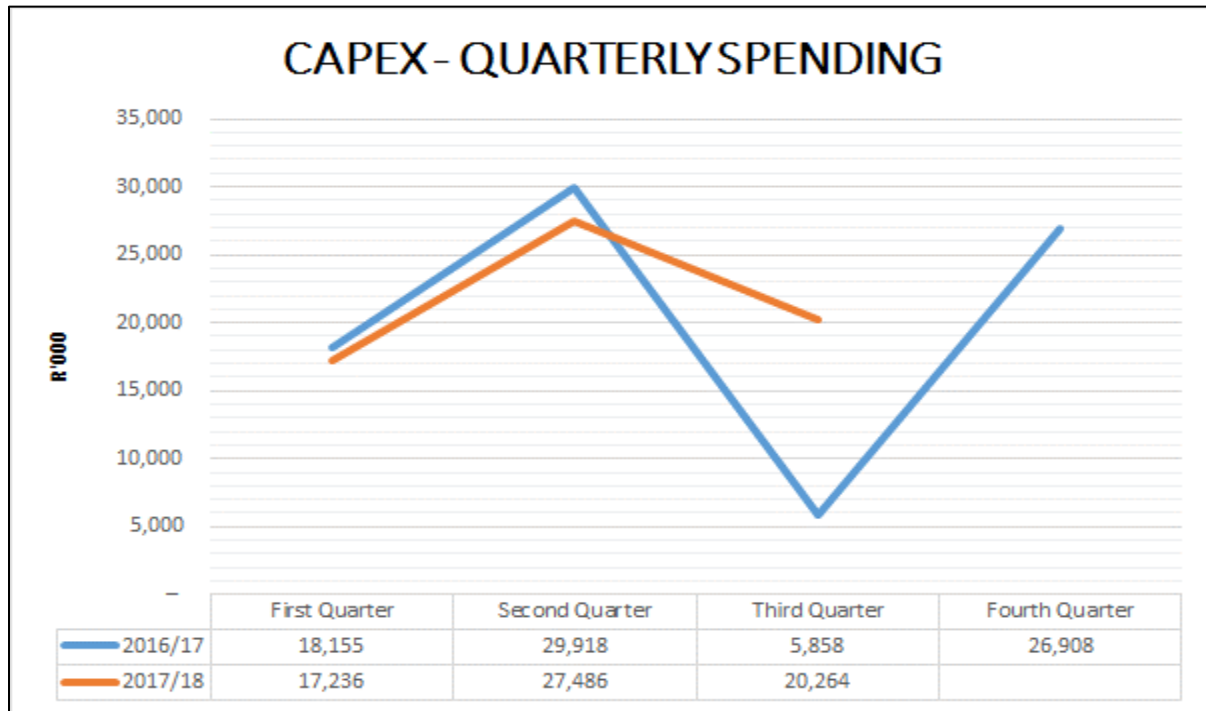
Table C5C: Monthly Capital Expenditure by Vote

Vote Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Third 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	-	500	1,300	118	496	1,178	(682)	-57.90%	1,300
Vote 5 - Community Services	28	500	500	-	-	500	(500)	-100.00%	500
Vote 6 - Technical Services	50,994	52,539	75,747	13,002	53,297	47,075	6,221	13.22%	75,747
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	51,021	53,539	77,547	13,119	53,793	48,754	5,039	10.34%	77,547
Single Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	1,508	-	-	-	-	-	-	-	-
Vote 5 - Community Services	153	700	400	285	285	650	(365)	-56.11%	400
Vote 6 - Technical Services	27,399	23,063	25,176	6,860	17,201	15,345	1,856	12.10%	25,176
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	583	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	29,643	23,763	25,576	7,145	17,487	15,995	1,491	9.32%	25,576
Total Capital Expenditure	80,665	77,302	103,123	20,264	71,279	64,749	6,530	10.09%	103,123

The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For third quarter, R20, 264 million spending was incurred on capital budget whilst the year to date actual is R71, 279 and year to Date budget is R64, 749 million and this gave rise to over performance variance of R6, 530 million that translates to 10, 09%.



The above graph shows the components of sources of finance for capital budget. Of the total capital budget, R66, 784 million (VAT exclusive) is funded from Municipal Infrastructure grant, R13, 347 million (VAT exclusive) from INEP and R22, 992 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 third quarter show that the spending has significantly improved when comparing the results 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	4,400	6,005	4,400
Call investment deposits	15,657	28,568	11,568	45,047	11,568
Consumer debtors	20,636	34,600	30,600	57,568	30,600
Other debtors	42,835	36,846	42,846	71,357	42,846
Current portion of long-term receivables	-	-	-	-	-
Inventory	3,202	3,200	3,500	4,259	3,500
Total current assets	87,618	107,614	92,914	184,235	92,914
Non current assets					
Long-term receivables	-	-	-	-	-
Investments	-	-	-	-	-
Investment property	55,728	96,146	55,728	56,136	55,728
Investments in Associate	-	-	-	-	-
Property, plant and equipment	938,356	957,866	957,866	1,009,482	957,866
Agricultural	-	-	-	-	-
Biological assets	-	-	-	-	-
Intangible assets	291	-	291	291	291
Other non-current assets	12,396	12,786	12,786	11,932	12,786
Total non current assets	1,006,770	1,066,797	1,026,671	1,077,841	1,026,671
TOTAL ASSETS	1,094,388	1,174,411	1,119,584	1,262,076	1,119,584
LIABILITIES					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	6,900	8,608	5,608	5,733	5,608
Consumer deposits	5,633	5,089	5,089	5,745	5,089
Trade and other payables	82,244	45,253	50,253	100,709	50,253
Provisions	4,904	1,542	1,542	9,489	1,542
Total current liabilities	99,680	60,491	62,491	121,677	62,491
Non current liabilities					
Borrowing	-	16,500	19,500	-	19,500
Provisions	89,811	82,233	86,933	86,141	86,933
Total non current liabilities	89,811	98,733	106,433	86,141	106,433
TOTAL LIABILITIES	189,492	159,224	168,924	207,818	168,924
NET ASSETS	904,896	1,015,187	950,660	1,054,258	950,660
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	904,896	1,015,187	950,660	1,054,258	950,660
Reserves	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	904,896	1,015,187	950,660	1,054,258	950,660

The above table shows that community wealth amounts to R1, 054 billion, total liabilities R207, 818 million and the total assets R1, 262 billion. Non-current liabilities is mainly made up of provisions for long service award, landfill site and bonus.

Included in the trade and other payables is unspent conditional grants amounting to R6, 780 million relating to MIG, INEP, FMG and EPWP.

Total current assets appear to be fairly reasonable relative to total current liabilities and this as a result portray a much better picture of the municipality's current ratio.

Table C7: Monthly Budget Statement Cash Flow

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Third Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	20,966	21,177	26,104	4,963	13,974	16,042	(2,068)	-12.9%	26,104
Service charges	69,070	83,078	79,245	16,149	47,842	51,737	(3,896)	-7.5%	79,245
Other revenue	10,066	13,516	24,449	16,794	29,310	16,616	12,694	76.4%	24,449
Government - operating	214,632	226,163	226,163	56,188	226,163	226,163	(0)	0.0%	226,163
Government - capital	83,703	70,860	91,349	27,597	81,860	70,860	11,000	15.5%	91,349
Interest	10,410	5,579	5,352	425	1,392	3,002	(1,610)	-53.6%	5,352
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(308,578)	(320,424)	(338,227)	(87,077)	(286,643)	(262,926)	23,717	-9.0%	(338,227)
Finance charges	(1,426)	(3,124)	(4,124)	(157)	(448)	(1,208)	(760)	62.9%	(4,124)
Transfers and Grants	(521)	(3,724)	(3,724)	(408)	(6,218)	(5,470)	748	-13.7%	(3,724)
NET CASH FROM/(USED) OPERATING ACTIVITIES	98,321	93,102	106,587	34,474	107,232	114,816	7,584	6.6%	106,587
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	600	-	-	-	-	-	600
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	(529)	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(80,665)	(77,302)	(103,123)	(20,264)	(71,279)	(66,670)	4,610	-6.9%	(103,123)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(81,193)	(77,302)	(102,523)	(20,264)	(71,279)	(66,670)	4,610	-6.9%	(102,523)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	21	111	(433)	(877)	(112)	1,475	(1,587)	-107.6%	(433)
Payments									
Repayment of borrowing	(8,170)	(8,608)	(8,608)	(3,031)	(5,733)	(3,733)	2,000	-53.6%	(8,608)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(8,149)	(8,497)	(9,041)	(3,908)	(5,845)	(2,258)	3,587	-158.8%	(9,041)
NET INCREASE/ (DECREASE) IN CASH HELD	8,979	7,304	(4,977)	10,302	30,108	45,889			(4,977)
Cash/cash equivalents at beginning:	11,965	25,664	20,944		20,944	20,944			20,944
Cash/cash equivalents at month/year end:	20,944	32,968	15,968		51,052	66,833			15,968

Table C7 presents details pertaining to cash flow performance. As at end of the third quarter, the net cash inflow from operating activities is R107, 232 million whilst net cash outflow from investing activities is R71, 279 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R5, 845 million. The cash and cash equivalent held at end of the third quarter amounted to R51, 052 million and the net effect of the above cash flows is cash inflow movement of R30, 108 million. The cash and cash equivalent at end of the reporting period of R51, 052 million is made up of cash amounting to R6, 005 million and short term investment of R45, 047 million as presented in Table A6 under current assets

PART 2: SUPPORTING TABLES

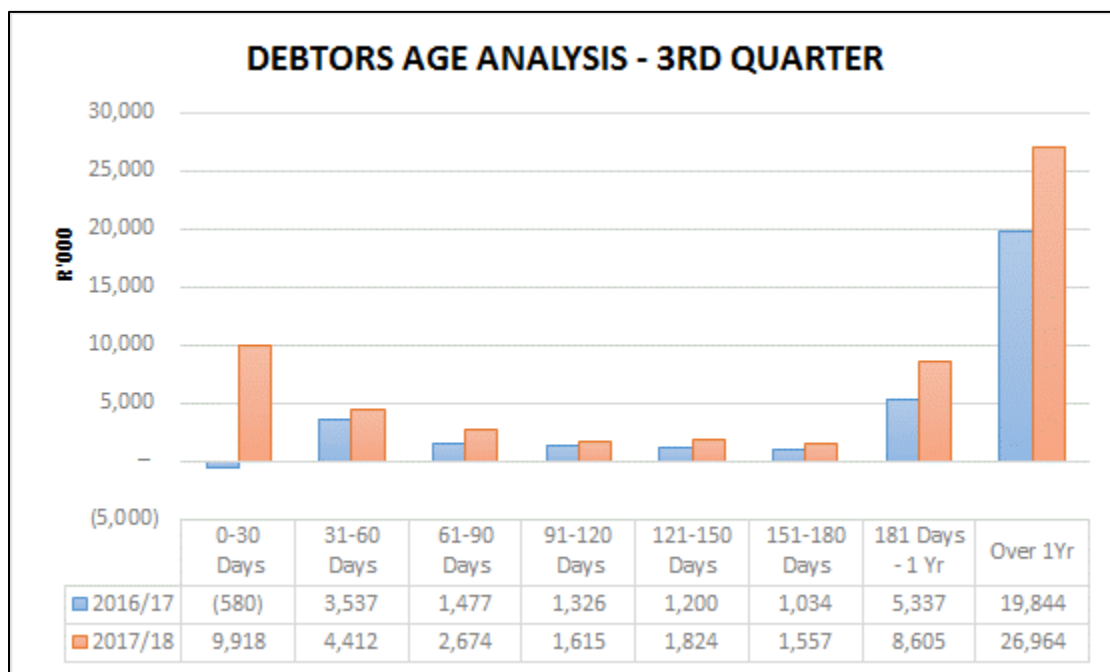
Supporting Table: SC 3 - Debtors Age Analysis

Description	Budget Year 2017/18										Actual Bad Debts Written Off	Impairment - Bad Debts i.t.o Council Policy	
	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	5,656	2,003	711	212	188	96	387	2,952	12,205	3,835	-	-	
Receivables from Non-exchange Transactions - Property Rates	2,533	1,247	898	805	791	741	3,708	14,360	25,082	20,404	-	-	
Receivables from Exchange Transactions - Waste Water Management	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	793	446	384	344	332	325	1,532	1,703	5,860	4,237	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	49	21	75	20	21	7	102	978	1,273	1,128	-	-	
Interest on Arrear Debtor Accounts	607	562	537	515	486	465	2,822	9,048	15,042	13,336	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	-	-	
Other	280	133	70	(281)	7	(77)	53	(2,078)	(1,893)	(2,376)	-	-	
Total By Income Source	9,918	4,412	2,674	1,615	1,824	1,557	8,605	26,964	57,568	40,564	-	-	
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	1,032	790	551	49	318	274	1,260	5,288	9,563	7,189	-	-	
Commercial	5,018	1,262	472	251	241	133	618	1,989	9,984	3,232	-	-	
Households	2,976	1,723	1,026	767	729	621	3,946	8,218	20,007	14,282	-	-	
Other	892	637	625	549	535	528	2,780	11,468	18,014	15,861	-	-	
Total By Customer Group	9,918	4,412	2,674	1,615	1,824	1,557	8,605	26,964	57,567,697	40,564	-	-	

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of third quarter amount to R57, 568 million. The debtors' book is made up as follows:

- Rates 44%
- Electricity 21%
- Rental 2%
- Refuse removal 10%
- Interest on Debtors 26%
- Other -3%

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 Third quarter) and noted from the graph is the ever increasing debt book in 2017/18 financial year

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

TOP TWENTY DEBTORS

Account No	Customer Name	Town	Owner Type	Amount	Last Pay	Payment & Date
9012345	BREED J & OOSTH	FARMS JS	OCCUPIER	991,767.77	0	
9005301	TWIN CITY TRADI	FARMS JS	OWNER	870,404.60	-256,014.08	23/03/2018
1501364	JAN JOUBERT T	GROBLERSDAL	OWNER	569,673.01	-420,105.01	3/4/2018
214913	MEAT SPOT	GROBLERSDAL	OCCUPIER	498,420.40	-50,000.00	7/3/2017
9000000	REPUBLIEK VAN S	FARMS JS	OWNER	389,323.03	0	
9900028	ELIAS MOTSOLED	GROBLERSDAL	OCCUPIER	379,189.20	-268,968.19	29/06/2013
9001077	ROYAL SQUARE IN	FARMS JS	OWNER	336,221.40	0	
9000804	NATIONAL GOVERN	FARMS JS	OWNER	286,731.13	0	
201885	SHOPRITE CHECKE	GROBLERSDAL	OCCUPIER	253,175.81	-306,918.15	3/4/2018
5001708	UNITRADE 518 (P	ROOSSENEKAL	OWNER	183,771.40	-500	13/11/2013
9002958	PROVINCIAL GOVE	FARMS JS	OWNER	180,506.44	-68,121.00	19/02/2015
9002065	GOVERNMENT OF K	FARMS JS	OWNER	163,558.64	0	
9000802		FARMS JS	OWNER	159,200.26	0	
9002067	NATIONAL GOVERN	FARMS JS	OWNER	157,989.57	0	
136	LIZINEX (PTY) L	GROBLERSDAL	OWNER	155,882.54	-170,962.81	28/03/2018
211693	BOXER SUPERSTOR	GROBLERSDAL	OCCUPIER	152,416.58	-159,135.04	12/4/2018
9001763	TSHEHLA TRUST	FARMS JS	OWNER	147,608.54	0	
5002109	VAN AARD F J (M	ROOSSENEKAL	OCCUPIER	145,361.21	-4,700.00	11/12/2012
2000270	PROVINSIALE HOS	FARMS JS	OCCUPIER	144,114.51	-306,628.43	9/4/2018
2200702	NAMIB FAMILY TR	GROBLERSDAL	OWNER	144,023.03	-7,817.39	19/03/2012

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 quarter 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 by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date	Accrued interest	Yield for the month (%)	Market Value - Opening	Change in market value	Market Value - Closing
VBS	2 Months	Current Investment	28-Feb-18	383	7.95%	30,094	(30,094)	-
VBS	1 Months	Current Investment	31-Jan-18	110	7.47%	10,033	(10,033)	-
Nedbank	1 Month	Current Investment	30-Apr-18	15	7.47%	-	15,000	15,015
Nedbank	2 Months	Current Investment	28-May-18	16	7.55%	-	15,000	15,016
Nedbank	3 Months	Current Investment	26-Jun-18	16	7.70%	-	15,000	15,016
TOTAL INVESTMENTS AND INTEREST				540		40,127	45,000	45,047

Supporting table SC5 presents all investments that indicate that the total amount of R45, 047 million had been invested as at end of third quarter. The opening balance for the quarter was R40, 127 million, and an amount of R40, 127 million was withdrawn in the reporting period whilst additional amount of R45 million was invested. Accrued interest for the quarter amounted to R540 thousand as per table C4.

Supporting Table: SC 6 - Transfers and Grant Receipts

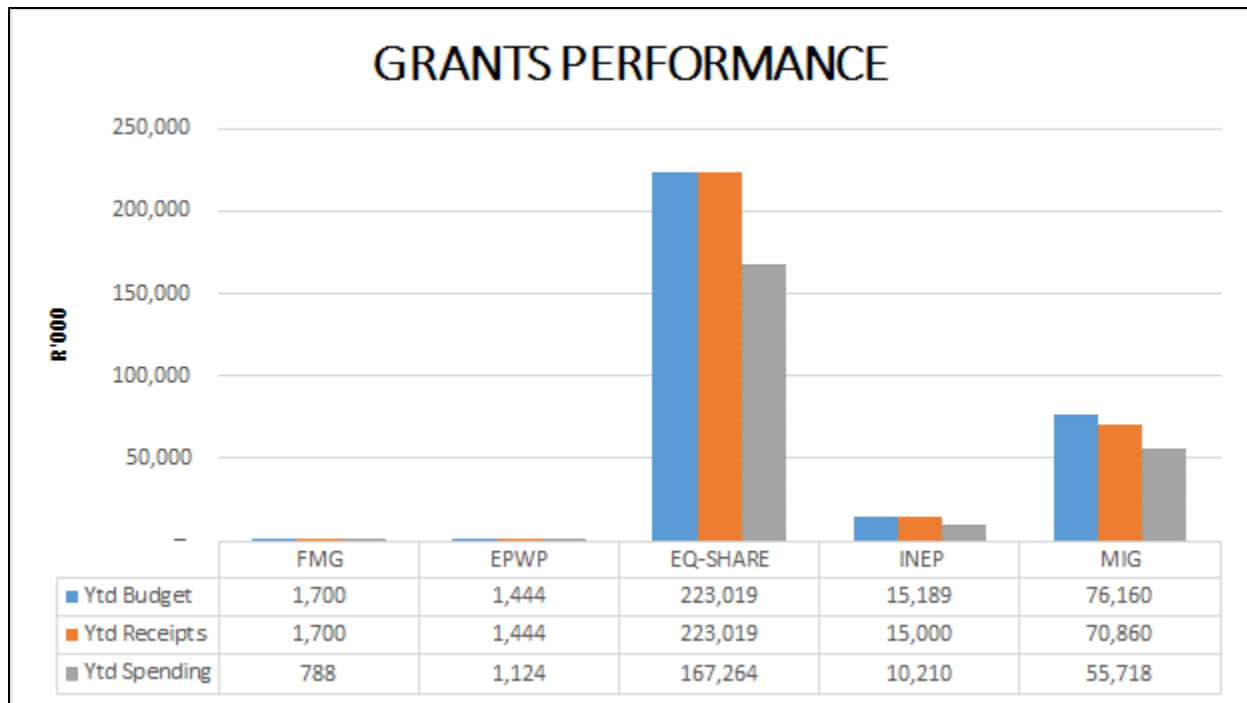
Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Third Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
RECEIPTS:									
Operating Transfers and Grants									
National Government:	213,105	226,163	226,163	56,188	226,163	225,729	-		226,163
Local Government Equitable Share	210,385	223,019	223,019	55,754	223,019	223,019	-		223,019
Finance Management	1,625	1,700	1,700	-	1,700	1,700			1,700
EPWP Incentive	1,095	1,444	1,444	434	1,444	1,010			1,444
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	213,105	226,163	226,163	56,188	226,163	225,729	-		226,163
Capital Transfers and Grants									
National Government:	85,419	70,860	74,860	31,597	85,860	74,860	11,000	14.7%	74,860
Municipal Infrastructure Grant (MIG)	72,419	55,860	59,860	31,597	70,860	59,860	11,000	18.4%	59,860
Intergrated National Electrification Grant	13,000	15,000	15,000	-	15,000	15,000	-		15,000
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	85,419	70,860	74,860	31,597	85,860	74,860	11,000	14.7%	74,860
TOTAL RECEIPTS OF TRANSFERS & GRANTS	298,524	297,023	301,023	87,785	312,023	300,589	11,000	3.7%	301,023

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R300, 589 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	Third 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	226,163	18,705	169,176	169,578	(402)	-0.2%	226,163
Local Government Equitable Share	211,912	223,019	223,019	18,585	167,264	167,264	-		223,019
Finance Management	1,625	1,700	1,700	-	788	1,213	(425)	-35.1%	1,700
EPWP Incentive	1,095	1,444	1,444	121	1,124	1,100	24	2.2%	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	226,163	18,705	169,176	169,578	(402)	-0.2%	226,163
Capital expenditure of Transfers and Grants									
National Government:	68,874	70,860	91,349	5,824	65,929	73,187	(7,258)	-9.9%	91,349
Municipal Infrastructure Grant (MIG)	56,064	55,860	76,160	5,635	55,718	62,187	(6,468)	-10.4%	76,160
Intergrated National Electrification Grant	12,811	15,000	15,189	189	10,210	11,000	(790)	-7.2%	15,189
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	68,874	70,860	91,349	5,824	65,929	73,187	(7,258)	-9.9%	91,349
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	283,507	297,023	317,512	24,530	235,104	242,764	(7,660)	-3.2%	317,512

A total amount of R235, 104 million has been spent on grants during the third quarter and the year to date budget thereof amount to R242, 764 million and this resulted in under spending variance of R7, 660 million that translates to 3, 2%. Of the total spending amounting to R235, 104 million, R169, 176 million is spent on operational grants whilst R65, 929 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 third quarter. The grants expenditure is shown below in percentages:

- Financial Management Grant 46%
- Expanded Public Work Programme 78%
- Equitable Share 75%
- Municipal Infrastructure Grant 73%
- Integrated National Electrification Grant 67%

Supporting Table: SC8 - Councilor Allowances and Employee Related Costs

Employee and Councillor remuneration	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Third Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	12,363	14,748	14,757	3,470	9,485	10,386	(901)	-8.7%	14,757
Pension and UIF Contributions	1,691	1,670	1,670	505	1,368	1,267	102	8.0%	1,670
Medical Aid Contributions	250	285	285	75	214	212	2	1.0%	285
Motor Vehicle Allowance	4,672	4,788	4,788	1,372	3,710	3,563	147	4.1%	4,788
Cellphone Allowance	1,146	612	1,670	1,220	2,031	1,370	661	48.2%	1,670
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	9	-	-	-	5	(5)	-100.0%	-
Sub Total - Councillors	20,122	22,113	23,171	6,643	16,809	16,804	6	0.0%	23,171
% increase		10%	15%	0%					15%
Senior Managers of the Municipality									
Basic Salaries and Wages	5,416	4,745	4,325	1,152	3,450	3,312	139	4.2%	4,325
Pension and UIF Contributions	317	1,021	921	72	218	533	(315)	-59.1%	921
Medical Aid Contributions	6	228	198	22	67	122	(54)	-44.7%	198
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	457	840	815	195	581	600	(20)	-3.3%	815
Cellphone Allowance	5	14	59	14	37	41	(5)	-10.9%	59
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	130	75	292	8	265	269	(4)	-1.4%	292
Payments in lieu of leave	-	-	165	-	82	124	(41)	-33.4%	165
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	6,331	6,923	6,775	1,463	4,701	5,001	(300)	-6.0%	6,775
% increase		9%	7%	0%					7%
Other Municipal Staff									
Basic Salaries and Wages	68,064	78,939	74,581	18,671	61,399	58,655	2,745	4.7%	74,581
Pension and UIF Contributions	14,452	14,523	16,183	3,851	12,624	12,478	146	1.2%	16,183
Medical Aid Contributions	4,235	4,340	5,059	1,251	3,829	3,818	11	0.3%	5,059
Overtime	2,835	1,595	2,784	652	1,949	1,984	(35)	-1.8%	2,784
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	7,995	8,062	9,481	2,213	7,314	7,291	23	0.3%	9,481
Cellphone Allowance	116	636	845	148	413	555	(142)	-25.6%	845
Housing Allowances	152	145	214	41	135	154	(19)	-12.5%	214
Other benefits and allowances	7,651	7,333	8,489	332	6,963	7,077	(113)	-1.6%	8,489
Payments in lieu of leave	54	802	1,067	282	640	604	36	6.0%	1,067
Long service awards	3,741	162	627	117	430	433	(3)	-0.7%	627
Post-retirement benefit obligations	962	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff	110,255	116,537	119,330	27,558	95,696	93,049	2,647	2.8%	119,330
% increase		6%	8%	0%					8%
Total Parent Municipality	136,708	145,573	149,276	35,663	117,206	114,854	2,353	2.0%	149,276
		6%	9%	0%					9%
TOTAL SALARY, ALLOWANCES & BENEFITS	136,708	145,573	149,276	35,663	117,206	114,854	2,353	2.0%	149,276
% increase		6%	9%	0%					9%
TOTAL MANAGERS AND STAFF	116,586	123,460	126,105	29,021	100,397	98,050	2,347	2.4%	126,105

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid for third quarter amounts to R35, 663 million and the expenditure for remuneration of councilors for the quarter amounts to R6, 643 million, while the third quarter expenditure on senior managers is R1, 463 million and that of other municipal staff is R27, 558 million. The year to date actuals for both remuneration of councilors and employee related cost is R117, 206 million whilst the year to date budget thereof is R114, 854 million and this gives rise to over spending variance of R2, 353 million and that translates to 2%.

Supporting Table: SC9 – Monthly Cash Flow

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	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	2017/18	2018/19	2019/20	
Cash Receipts By Source																
Property rates	1,611	755	1,742	1,797	1,913	1,387	2,000	1,387	1,382	1,765	1,765	3,673	21,177	22,384	23,638	
Service charges - electricity revenue	5,992	3,719	4,876	6,380	5,352	3,668	7,362	3,668	4,255	8,271	8,284	16,942	78,770	81,133	83,729	
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - refuse	354	216	288	340	320	273	350	273	241	410	410	833	4,308	4,553	4,808	
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment	28	15	31	28	19	20	59	20	37	153	153	1,371	1,935	2,046	2,160	
Interest earned - external investments	154	135	-	63	-	127	230	-	15	300	308	2,369	3,701	3,912	4,132	
Interest earned - outstanding debtors	114	26	78	134	86	49	97	49	32	128	156	928	1,878	1,985	2,096	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits	25	2	4	28	4	2	2	2	3	390	413	3,626	4,500	4,757	5,023	
Licences and permits	-	805	-	417	404	-	732	729	362	431	431	789	5,100	5,391	5,693	
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer receipts - operating	94,626	361	-	-	649	74,339	-	-	56,188	-	-	0	226,163	238,214	247,841	
Other revenue	1,369	812	1,324	3,060	8,160	1,065	12,994	1,040	817	165	165	(28,990)	1,981	2,094	2,211	
Cash Receipts by Source	104,272	6,847	8,343	12,249	16,906	80,930	23,827	7,169	63,330	12,013	12,085	1,542	349,514	366,469	381,331	
Other Cash Flows by Source																
Transfer receipts - capital	28,330	-	-	5,000	-	20,933	-	-	27,597	-	-	(11,000)	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	563	(131)	233	(102)	(9)	310	14	12	(879)	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	17,812	16,776	102,096	23,725	7,160	91,237	12,027	12,097	(10,337)	420,485	435,624	467,839	
Cash Payments by Type																
Employee related costs	9,543	9,580	9,600	9,680	9,411	15,354	9,799	9,603	9,553	9,705	9,717	11,918	123,460	130,069	137,325	
Remuneration of councillors	1,694	1,694	1,694	1,694	1,694	1,695	1,694	1,801	2,599	1,843	1,843	1,848	21,794	23,036	24,326	
Interest paid	-	74	123	51	44	-	67	-	45	398	395	1,929	3,124	790	645	
Bulk purchases - Electricity	7,038	71	7,159	5,724	4,839	5,654	5,735	5,727	5,355	7,250	7,300	7,312	69,165	69,937	73,853	
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other materials	688	1,642	470	604	1,973	1,226	1,564	-	978	807	1,330	2,216	13,497	14,795	15,623	
Contracted services	6,156	6,036	6,234	4,957	4,829	3,429	2,948	3,978	4,722	2,003	1,858	(21,800)	25,350	23,279	23,118	
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and subsidies paid - other	1,727	742	725	792	979	846	102	106	100	310	310	(3,015)	3,724	3,936	4,156	
General expenses	24,438	4,706	4,063	3,717	4,779	9,701	3,219	12,387	4,257	3,261	2,762	(28,585)	48,703	46,114	47,108	
Cash Payments by Type	51,284	24,544	30,067	27,218	28,548	37,904	25,128	33,602	27,608	25,577	25,515	(28,178)	308,817	311,956	326,154	
Other Cash Flows/Payments by Type																
Capital assets	935	5,145	13,433	10,261	1,742	21,616	7,885	3,644	6,618	4,221	4,180	(2,379)	77,302	84,306	91,111	
Repayment of borrowing	490	490	678	293	334	-	-	-	3,447	750	750	1,375	8,608	6,000	6,000	
Other Cash Flows/Payments	-	3,389	3,043	-	-	3,197	-	-	4,016	1,400	1,000	2,411	18,455	18,576	26,322	
Total Cash Payments by Type	52,710	33,569	47,221	37,773	30,624	62,716	33,012	37,246	41,688	31,948	31,445	(26,772)	413,181	420,837	449,586	
NET INCREASE/(DECREASE) IN CASH HELD	79,950	(26,717)	(38,841)	(19,961)	(13,849)	39,380	(9,287)	(30,086)	49,548	(19,921)	(19,348)	16,434	413,181	420,837	18,253	
Cash/cash equivalents at the month/year beginning:	20,913	100,863	74,147	35,306	15,345	1,496	40,876	31,589	1,503	51,052	31,131	11,782	20,913	28,217	43,004	
Cash/cash equivalents at the month/year end:	100,863	74,147	35,306	15,345	1,496	40,876	31,589	1,503	51,052	31,131	11,782	28,217	28,217	43,004	61,256	

Supporting table SC9 provides detailed monthly cash flow statement that presents the receipts by source and payments by type. As at end of third quarter, cash receipts reflect an amount of R91, 237 million and the total cash payment is R41, 688 million that give the net effect of cash and equivalent of R51, 052 million after taking into account the opening balance of R1, 503 million. This is a supporting table for table C7 – Cash Flow Statement.

Supporting Table: SC 12 Capital Expenditure Trend

Month/Quarter	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Third Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
Monthly expenditure performance									
July	5,226	1,624	1,624	935	935	1,624	689	42.4%	1.2%
August	4,483	4,590	4,590	3,028	3,963	6,214	2,251	36.2%	5.1%
September	8,406	7,000	7,000	13,273	17,236	13,214	(4,021)	-30.4%	22.3%
First Quarter	18,115	13,214	13,214	17,236	17,236	13,214	(4,021)	-30.4%	22.3%
October	16,242	8,227	8,227	3,283	20,519	21,442	923	4.3%	26.5%
November	10,577	9,672	9,672	9,287	29,806	31,114	1,308	4.2%	38.6%
December	3,099	10,917	10,917	14,916	44,722	42,030	(2,691)	-6.4%	57.9%
Second Quarter	29,918	28,816	28,816	27,486	44,722	42,030	(2,691)	-6.4%	57.9%
January	1,128	6,450	6,450	7,885	52,607	48,480	(4,126)	-8.5%	68.1%
February	2,237	8,552	14,647	3,644	56,251	63,127	6,877	10.9%	72.8%
March	2,493	6,630	12,083	8,166	64,417	75,211	10,794	14.4%	83.3%
Third Quarter	5,858	21,632	33,180	19,695	64,417	75,211	10,794	14.4%	83.3%
April	3,626	4,221	8,870			84,080	-		
May	3,992	4,180	8,815			92,896	-		
June	19,290	5,239	10,227			103,123	-		
Fourth Quarter	26,908	13,640	27,912	-	-	103,123	-		0.0%
Total Capital expenditure	80,799	77,302	103,123	64,417					

Supporting table SC12 provides information on the monthly trends for capital expenditure and this tables serves as a supporting table for table C5. In terms of this table the capital expenditure for third quarter amounts to R19, 695 million and the year to date actuals thereof amount to R64, 417 million. The year to date capital budget is R75, 211 million that gives rise to under spending variance of R10, 794 million or 17, 4%.

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

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Third Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on new assets									
Infrastructure	32,884	32,281	48,394	12,195	34,304	24,653	(9,650)	-39.1%	48,394
Roads Infrastructure	21,733	19,123	35,070	10,740	26,392	14,301	(12,091)	-84.5%	35,070
Roads	21,733	19,123	35,070	10,740	26,392	14,301	(12,091)	-84.5%	35,070
Road Structures		-	-	-					
Road Furniture		-	-	-					
Capital Spares		-	-	-					
Storm water Infrastructure		-	-	-					
Electrical Infrastructure	11,151	13,158	13,324	1,455	7,912	10,352	2,441	23.6%	13,324
HV Switching Station		-	-	-					
HV Transmission Conductors	11,151	13,158	13,324	1,455	7,912	10,352	2,441	23.6%	13,324
MV Substations		-	-	-					
MV Switching Stations		-	-	-					
MV Networks		-	-	-					
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-					
Waste Transfer Stations		-	-	-					
Waste Processing Facilities		-	-	-					
Community Assets	-	300	300	-	-	250	250	100.0%	300
Community Facilities		300	300	-	-	250	250	100.0%	300
Libraries		-	-	-					
Cemeteries/Crematoria		-	-	-					
Public Open Space		300	300	-	-	250	250	100.0%	300
Nature Reserves		-	-	-					
Public Ablution Facilities		-	-	-					
Other assets	1,298	-	-	-	-	-	-	-	-
Operational Buildings	1,298	-	-	-	-	-	-	-	-
Municipal Offices	583	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-					
Workshops	715	-	-	-	-	-	-	-	-
Yards		-	-	-					
Stores		-	-	-					
Computer Equipment	1,168	300	800	89	308	150	(158)	-105.0%	800
Computer Equipment	1,168	300	800	89	308	150	(158)	-105.0%	800
Furniture and Office Equipment	340	200	500	29	189	100	(89)	-88.5%	500
Furniture and Office Equipment	340	200	500	29	189	100	(89)	-88.5%	500
Machinery and Equipment	2,100	600	1,200	717	859	550	(309)	-56.2%	1,200
Machinery and Equipment	2,100	600	1,200	717	859	550	(309)	-56.2%	1,200
Transport Assets	2,253	700	-	-	-	420	420	100.0%	-
Transport Assets	2,253	700	-	-	-	420	420	100.0%	-
Total Capital Expenditure on new assets	40,043	34,381	51,194	13,030	35,658	26,123	(9,535)	-36.5%	51,194

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	Third Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on renewal of existing assets									
Infrastructure	37,997	38,474	41,914	6,573	28,711	29,298	587	2.0%	41,914
Roads Infrastructure	37,997	38,474	41,914	6,573	28,711	29,298	587	2.0%	41,914
Roads	37,997	38,474	41,414	6,573	28,711	29,298	587	2.0%	41,414
Road Structures		-	-	-			-		-
Road Furniture		-	500	-			-		500
Capital Spares		-	-	-			-		-
Storm water Infrastructure	-	-	-	-	-	-	-		-
Electrical Infrastructure	-	-	-	-	-	-	-		-
HV Transmission Conductors	-	-	-	-			-		
MV Substations		-	-	-	-		-		
MV Switching Stations		-	-	-			-		
MV Networks		-	-	-			-		
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites		-	-	-			-		
Waste Transfer Stations		-	-	-			-		
Waste Processing Facilities		-	-	-			-		
Community Assets	1,694	-	-	-	-	-	-		-
Libraries		-	-	-			-		
Cemeteries/Crematoria		-	-	-			-		
Nature Reserves		-	-	-			-		
Public Ablution Facilities		-	-	-			-		
Sport and Recreation Facilities	1,694	-	-	-	-	-	-		-
Indoor Facilities		-	-	-			-		
Outdoor Facilities	1,694	-	-	-			-		
Capital Spares		-	-	-			-		
Other assets	932	500	500	-	-	500	500	100.0%	500
Operational Buildings	932	500	500	-	-	500	500	100.0%	500
Municipal Offices	-	500	500	-		500	500	100.0%	500
Building Plan Offices		-	-	-			-		-
Workshops		-	-	-			-		-
Training Centres	932	-	-	-			-		-
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 ass	40,622	38,974	42,414	6,573	28,711	29,798	1,087	3.6%	42,414

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

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Third Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Repairs and maintenance expenditure									
Infrastructure	4,633	6,700	7,850	1,346	6,390	8,152	1,761	21.6%	7,850
Roads Infrastructure	946	2,500	2,650	754	2,880	4,452	1,572	35.3%	2,650
Roads	946	2,500	2,650	754	2,880	4,452	1,572	35.3%	2,650
Road Structures		-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-
Electrical Infrastructure	1,802	1,900	1,900	286	1,253	1,488	235	15.8%	1,900
HV Switching Station		-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-
MV Networks	1,802	1,800	1,800	286	1,253	1,398	145	10.4%	1,800
Capital Spares		100	100	-	-	90	90	100.0%	100
Solid Waste Infrastructure	1,885	2,300	3,300	1,135	2,257	2,211	(46)	-2.1%	3,300
Landfill Sites	1,885	2,150	3,150	1,135	2,257	1,961	(296)	-15.1%	3,150
Waste Transfer Stations		-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-
Capital Spares		150	150	-	-	250	250	100.0%	150
Community Assets	-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-
Other assets	1,432	1,300	1,325	-	12	18	7	36.0%	1,325
Operational Buildings	1,432	1,300	1,325	-	12	18	7	36.0%	1,325
Municipal Offices	1,432	1,300	1,325	-	12	18	7	36.0%	1,325
Pay/Enquiry Points		-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-
Intangible Assets	82	100	100	15	29	57	28	49.3%	100
Servitudes		-	-	-	-	-	-	-	-
Licences and Rights	82	100	100	15	29	57	28	49.3%	100
Water Rights		-	-	-	-	-	-	-	-
Computer Software and Applications	82	100	100	29	29	57	28	49.3%	100
Computer Equipment	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-
Machinery and Equipment	2,405	1,711	2,118	-	3	6	2	43.9%	2,118
Machinery and Equipment	2,405	1,711	2,118	-	3	6	2	43.9%	2,118
Transport Assets	1,800	1,500	1,300	582	1,097	907	(190)	-20.9%	1,300
Transport Assets	1,800	1,500	1,300	582	1,097	907	(190)	-20.9%	1,300
Total Repairs and Maintenance Expenditure	10,353	11,311	12,693	1,943	7,532	9,140	1,609	17.6%	12,693

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

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Third Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Depreciation by Asset Class/Sub-class									
Infrastructure	34,968	45,835	45,835	-	-	-	-	-	45,835
Roads Infrastructure	34,480	25,298	25,298	-	-	-	-	-	25,298
Roads	34,480	25,298	25,298	-	-	-	-	-	25,298
Road Structures	-	-	-	-	-	-	-	-	-
Road Furniture	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	5,746	5,746	-	-	-	-	-	5,746
Storm water Conveyance	-	5,746	5,746	-	-	-	-	-	5,746
Electrical Infrastructure	-	12,398	12,398	-	-	-	-	-	12,398
HV Transmission Conductors	-	12,398	12,398	-	-	-	-	-	12,398
MV Substations	-	-	-	-	-	-	-	-	-
MV Switching Stations	-	-	-	-	-	-	-	-	-
MV Networks	-	-	-	-	-	-	-	-	-
LV Networks	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	488	2,392	2,392	-	-	-	-	-	2,392
Landfill Sites	488	2,392	2,392	-	-	-	-	-	2,392
Waste Transfer Stations	-	-	-	-	-	-	-	-	-
Waste Processing Facilities	-	-	-	-	-	-	-	-	-
Waste Drop-off Points	-	-	-	-	-	-	-	-	-
Community Assets	2,129	2,231	2,231	-	-	-	-	-	2,231
Community Facilities	2,129	2,231	2,231	-	-	-	-	-	2,231
Libraries	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	2,129	2,231	2,231	-	-	-	-	-	2,231
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Other assets	2,978	120	120	-	-	-	-	-	120
Operational Buildings	2,978	120	120	-	-	-	-	-	120
Municipal Offices	2,978	120	120	-	-	-	-	-	120
Workshops	-	-	-	-	-	-	-	-	-
Intangible Assets	205	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	205	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	205	-	-	-	-	-	-	-	-
Computer Equipment	953	21	21	-	-	-	-	-	21
Computer Equipment	953	21	21	-	-	-	-	-	21
Furniture and Office Equipment	1,518	26	26	-	-	-	-	-	26
Furniture and Office Equipment	1,518	26	26	-	-	-	-	-	26
Machinery and Equipment	1,323	2,080	2,080	-	-	-	-	-	2,080
Machinery and Equipment	1,323	2,080	2,080	-	-	-	-	-	2,080
Transport Assets	3,924	888	888	-	-	-	-	-	888
Transport Assets	3,924	888	888	-	-	-	-	-	888
Total Depreciation	47,998	51,200	51,200	-	-	-	-	-	51,200

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

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Third 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	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
HV Switching Station	-	-	-	-	-	-	-	-	-
HV Transmission Conductors	-	-	-	-	-	-	-	-	-
MV Substations	-	-	-	-	-	-	-	-	-
MV Switching Stations	-	-	-	-	-	-	-	-	-
MV Networks	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Landfill Sites	-	-	-	-	-	-	-	-	-
Waste Transfer Stations	-	-	-	-	-	-	-	-	-
Waste Processing Facilities	-	-	-	-	-	-	-	-	-
Waste Drop-off Points	-	-	-	-	-	-	-	-	-
Waste Separation Facilities	-	-	-	-	-	-	-	-	-
Community Assets	-	-	8,079	672	6,804	6,000	(804)	-13.4%	8,079
Testing Stations	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	8,079	672	6,804	6,000	(804)	-13.4%	8,079
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	8,079	672	6,804	6,000	(804)	-13.4%	8,079
Capital Spares	-	-	-	-	-	-	-	-	-
Other assets	-	3,947	1,437	-	105	2,827	2,722	96.3%	1,437
Operational Buildings	-	3,947	1,437	-	105	2,827	2,722	96.3%	1,437
Municipal Offices	-	-	-	-	-	-	-	-	-
Workshops	-	3,947	1,437	-	105	2,827	2,722	96.3%	1,437
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
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 ass	-	3,947	9,515	662	6,909	8,827	1,918	21.7%	9,515

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 R35, 658 million and the year to date budget is R26, 123 million which reflects over spending variance of R9, 535 million that translates to 36, 5% variance. The year to date actuals on renewal of existing assets amounts R28, 711 million and with the year to date budget of R29, 798 million and this reflects under spending variance of R1, 087 million that translates to 3, 6% variance. The year to date actual expenditure on repairs and maintenance is R7, 532 million and the year to date budget is R9, 140 million, reflecting under spending variance of R1, 609 million that translates to 17, 6%. The year to date actual expenditure on upgrading of existing assets is R6, 909 million and the year to date budget is R8, 827 million, reflecting under spending variance of R1, 918 million that translates to 21, 7%.

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 and as a result, 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 third quarter budget statement report and supporting documentation for third quarter ending 31 March 2018 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Municipal Manager of Elias Motsoaledi Local Municipality (LIM 472)

Signature ...  Elias Motsoaledi Local Municipality

Date 16/4/2018 16 APR 2018

Municipal Manager