

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT REPORT

DECEMBER 2017

PART 1: IN - YEAR REPORT

PURPOSE

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

EXECUTIVE SUMMARY

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

IN YEAR BUDGET STATEMENT TABLES

Table C1 – Budget Statement Summary

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Financial Performance									
Property rates	25 815	26 472	–	2 509	18 507	13 236	5 271	40%	26 472
Service charges	77 251	89 822	–	6 504	42 719	36 813	5 906	16%	89 822
Investment revenue	1 319	3 701	–	127	1 001	1 912	(911)	-48%	3 701
Transfers and subsidies	–	226 163	–	62 172	154 514	168 969	(14 455)	-9%	226 163
Other own revenue	286 701	45 865	–	6 423	21 290	22 988	(1 697)	-7%	45 865
Total Revenue excluding capital transfers	391 085	392 023	–	77 734	238 031	243 917	(5 886)	-2%	392 023
Employee costs	117 781	123 460	–	15 354	71 377	64 792	6 585	10%	123 460
Remuneration of Councillors	20 298	22 113	–	1 695	10 167	11 056	(890)	-8%	22 113
Depreciation & asset impairment	47 998	51 200	–	–	–	23 706	(23 706)	-100%	51 200
Finance charges	1 426	3 124	–	–	291	1 183	(892)	-75%	3 124
Materials and bulk purchases	78 603	82 662	–	6 880	37 110	37 546	(436)	-1%	82 662
Transfers and subsidies	708	3 724	–	846	5 749	1 862	3 887	209%	3 724
Other expenditure	229 263	100 105	–	6 102	59 211	39 801	19 410	49%	100 105
Total Expenditure	496 076	386 388	–	30 876	183 904	179 946	3 958	2%	386 388
Surplus/(Deficit)	(104 990)	5 635	–	46 858	54 127	63 972	(9 844)	-15%	5 635
Transfers and subsidies - capital	68 930	70 860	–	5 732	50 275	37 792	12 483	33%	70 860
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(36 060)	76 495	–	52 590	104 403	101 764	2 639	3%	76 495
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	(36 060)	76 495	–	52 590	104 403	101 764	2 639	3%	76 495
Capital expenditure & funds sources									
Capital expenditure	80 665	77 302	–	14 916	51 015	42 030	8 984	21%	77 302
Capital transfers recognised	68 895	62 158	–	10 559	41 305	33 151	8 154	25%	62 158
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	11 770	15 144	–	4 358	9 710	8 880	830	9%	15 144
Total sources of capital funds	80 665	77 302	–	14 916	51 015	42 030	8 984	21%	77 302
Financial position									
Total current assets	87 618	107 614	–		143 355				107 614
Total non current assets	1 006 770	1 066 797	–		1 023 311				1 066 797
Total current liabilities	99 680	60 491	–		90 501				60 491
Total non current liabilities	89 811	98 733	–		92 012				98 733
Community wealth/Equity	904 896	1 015 187	–		984 153				1 015 187
Cash flows									
Net cash from (used) operating	98 321	93 102	–	60 605	72 884	46 551	(26 333)	-57%	93 102
Net cash from (used) investing	(81 193)	(77 302)	–	(14 916)	(51 015)	(42 030)	8 984	-21%	(77 302)
Net cash from (used) financing	(8 149)	(8 497)	–	233	(1 937)	(4 248)	(2 311)	54%	(8 497)
Cash/cash equivalents at the month/year end	20 944	32 968	–	–	40 876	25 936	(14 940)	-58%	28 248
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	9 249	5 725	2 362	1 982	3 339	1 276	5 775	24 459	54 167
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 December is R238, 031 million and the year to date budget of R243, 917 million and this reflects a negative variance of R5, 886 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 positive material variance:

- Interest earned - external investments: 48% unfavorable variance,
- Interest earned – outstanding Debtors 76% favorable variance,
- Rental on Facilities and Equipment: 53% unfavorable variance,
- Transfer and Subsidies: 9% unfavorable variance
- License and Permits: 22% unfavorable variance
- Fines: 75% unfavorable variance
- Other revenue: 626% favorable variance

Operating Expenditure

The year to date operational expenditure as at end of December amounts to R183, 904 million and the year to date budget is R179, 946 million. This reflects a favorable variance of R3, 958 million that translates to 2% overspending variance. The variance is attributed to non-incorporation of depreciation amount 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: 10% over performance variance
- Other materials: 17% under performance variance
- Contracted Services: 137% over performance variance
- Finance Charges: 75% under performance variance
- Transfers and subsidies: 209% 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 December amounts to R51, 015 million and the year to date budget amounts to R42, 030 million and this gives rise to R8, 984 Million over performance variance.

Surplus/Deficit

Taking the above into consideration, the net operating surplus for the December is R51, 015 million that is mainly attributed to receipt of grant - equitable share, MIG, INEG, 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 December amounts to R54, 167 million and this shows an increase of R6, 479 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 R41, 297 million and other debtors amounting to R12, 869 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	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue - Functional									
Governance and administration	253 047	170 084	–	34 040	137 996	118 703	19 293	16%	170 084
Executive and council	–	35 581	–	14 497	35 581	26 686	8 895	33%	35 581
Finance and administration	253 047	128 101	–	19 543	96 013	87 216	8 797	10%	128 101
Internal audit	–	6 402	–	–	6 402	4 802	1 601	33%	6 402
Community and public safety	45	12 846	–	1 370	12 449	9 623	2 826	29%	12 846
Community and social services	45	6 377	–	6	5 981	4 771	1 210	25%	6 377
Sport and recreation	–	6 469	–	1 364	6 468	4 851	1 617	33%	6 469
Public safety	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	115 853	150 237	–	19 046	63 428	91 185	(27 757)	-30%	150 237
Planning and development	1 635	13 512	–	5 620	8 426	9 566	(1 140)	-12%	13 512
Road transport	114 218	135 883	–	13 427	55 001	80 987	(25 985)	-32%	135 883
Environmental protection	–	842	–	–	–	632	(632)	-100%	842
Trading services	91 070	129 716	–	29 010	74 434	62 199	12 235	20%	129 716
Energy sources	84 564	106 984	–	14 638	55 241	47 351	7 890	17%	106 984
Water management	–	–	–	–	–	–	–	–	–
Waste water management	–	–	–	–	–	–	–	–	–
Waste management	6 506	22 732	–	14 372	19 192	14 848	4 345	29%	22 732
Other	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	460 016	462 883	–	83 466	288 306	281 710	6 597	2%	462 883
Expenditure - Functional									
Governance and administration	258 940	147 263	–	13 904	94 137	77 927	16 210	21%	147 263
Executive and council	35 425	35 981	–	3 060	19 089	17 773	1 316	7%	35 981
Finance and administration	215 183	104 880	–	9 104	70 309	56 967	13 342	23%	104 880
Internal audit	8 333	6 402	–	1 740	4 739	3 187	1 552	49%	6 402
Community and public safety	12 895	15 633	–	1 348	6 027	8 203	(2 177)	-27%	15 633
Community and social services	5 518	6 541	–	601	2 733	3 472	(739)	-21%	6 541
Sport and recreation	7 378	9 092	–	747	3 294	4 731	(1 437)	-30%	9 092
Public safety	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	103 151	117 737	–	6 805	32 233	48 350	(16 117)	-33%	117 737
Planning and development	18 070	20 850	–	1 707	8 418	7 602	816	11%	20 850
Road transport	83 994	96 045	–	5 033	23 507	40 270	(16 764)	-42%	96 045
Environmental protection	1 087	842	–	66	308	478	(170)	-35%	842
Trading services	121 089	105 754	–	8 819	51 507	45 465	6 042	13%	105 754
Energy sources	98 785	86 949	–	7 079	39 028	36 721	2 307	6%	86 949
Water management	–	–	–	–	–	–	–	–	–
Waste water management	–	–	–	–	–	–	–	–	–
Waste management	22 304	18 805	–	1 740	12 478	8 744	3 734	43%	18 805
Other	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	496 076	386 388	–	30 876	183 904	179 946	3 958	2%	386 388
Surplus/ (Deficit) for the year	(36 060)	76 495	–	52 590	104 403	101 764	2 639	3%	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	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue by Vote									
Vote 1 - Executive & Council	-	31 540	-	10 456	31 540	23 655	7 885	33%	31 540
Vote 2 - Municipal Manager	-	15 805	-	4 041	14 716	11 853	2 863	24%	15 805
Vote 3 - Budget & Treasury	253 036	70 368	-	5 239	39 359	43 920	(4 561)	-10%	70 368
Vote 4 - Corporate Services	12	33 797	-	14 304	33 806	25 344	8 462	33%	33 797
Vote 5 - Community Services	62 691	89 322	-	22 338	43 642	55 685	(12 043)	-22%	89 322
Vote 6 - Technical Services	142 642	200 885	-	21 468	106 244	105 944	299	0%	200 885
Vote 7 - Developmental Planning	1 635	8 435	-	5 620	6 268	5 759	509	9%	8 435
Vote 8 - Executive Support	-	12 731	-	-	12 731	9 549	3 183	33%	12 731
Total Revenue by Vote	460 016	462 883	-	83 466	288 306	281 710	6 597	2%	462 883
Expenditure by Vote									
Vote 1 - Executive & Council	31 808	31 940	-	2 688	17 190	15 731	1 459	9%	31 940
Vote 2 - Municipal Manager	27 365	15 826	-	3 318	13 635	8 409	5 225	62%	15 826
Vote 3 - Budget & Treasury	128 458	39 702	-	4 820	36 961	20 432	16 529	81%	39 702
Vote 4 - Corporate Services	40 771	39 326	-	1 425	14 985	18 842	(3 856)	-20%	39 326
Vote 5 - Community Services	55 374	71 741	-	5 384	29 218	27 555	1 663	6%	71 741
Vote 6 - Technical Services	183 344	165 483	-	10 643	58 808	76 976	(18 168)	-24%	165 483
Vote 7 - Developmental Planning	12 074	9 604	-	857	4 618	4 904	(287)	-6%	9 604
Vote 8 - Executive Support	16 881	12 767	-	1 742	8 490	7 097	1 393	20%	12 767
Total Expenditure by Vote	496 076	386 388	-	30 876	183 904	179 946	3 958	2%	386 388
Surplus/ (Deficit) for the year	(36 060)	76 495	-	52 590	104 403	101 764	2 639	3%	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	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue By Source									
Property rates	25 815	26 472		2 509	18 507	13 236	5 271	40%	26 472
Service charges - electricity revenue		81 206		5 876	37 271	32 505	4 766	15%	81 206
Service charges - water revenue	70 745	-		-	-	-	-		-
Service charges - sanitation revenue		-		-	-	-	-		-
Service charges - refuse revenue		8 616		628	5 448	4 308	1 140	26%	8 616
Service charges - other	6 506	-		-	-	-	-		-
Rental of facilities and equipment		1 935		16	451	968	(516)	-53%	1 935
Interest earned - external investments	1 319	3 701		127	1 001	1 912	(911)	-48%	3 701
Interest earned - outstanding debtors	2 889	6 260		576	6 172	3 506	2 666	76%	6 260
Dividends received	6 469	-		-	-	-	-		-
Fines, penalties and forfeits		30 000		344	3 740	14 700	(10 960)	-75%	30 000
Licences and permits	50 885	5 171		-	2 008	2 585	(578)	-22%	5 171
Agency services	5 255	-		-	-	-	-		-
Transfers and subsidies		226 163		62 172	154 514	168 969	(14 455)	-9%	226 163
Other revenue	213 105	2 499		5 487	8 919	1 229	7 690	626%	2 499
Gains on disposal of PPE	8 098	-		-	-	-	-		-
Total Revenue (excluding capital transfers)	391 085	392 023	-	77 734	238 031	243 917	(5 886)	-2%	392 023
Expenditure By Type									
Employee related costs	117 781	123 460		15 354	71 377	64 792	6 585	10%	123 460
Remuneration of councillors	20 298	22 113		1 695	10 167	11 056	(890)	-8%	22 113
Debt impairment	21 128	26 372		-	-	-	-		26 372
Depreciation & asset impairment	47 998	51 200		-	-	23 706	(23 706)	-100%	51 200
Finance charges	1 426	3 124		-	291	1 183	(892)	-75%	3 124
Bulk purchases	65 729	69 165		5 654	30 486	29 553	933	3%	69 165
Other materials	12 873	13 497		1 226	6 624	7 993	(1 368)	-17%	13 497
Contracted services	43 080	25 350		3 429	32 364	13 658	18 706	137%	25 350
Transfers and subsidies	708	3 724		846	5 749	1 862	3 887	209%	3 724
Other expenditure	161 695	48 384		2 674	26 847	26 143	703	3%	48 384
Loss on disposal of PPE	3 360	-		-	-	-	-		-
Total Expenditure	496 076	386 388	-	30 876	183 904	179 946	3 958	2%	386 388
Surplus/(Deficit)	(104 990)	5 635	-	46 858	54 127	63 972	(9 844)	-15%	5 635
Transfers and subsidies - capital	68 930	70 860		5 732	50 275	37 792	12 483	33%	70 860
Transfers and subsidies - capital		-					-		-
Transfers and subsidies - capital (in-kind - all)		-					-		-
Surplus/(Deficit) after capital transfers	(36 060)	76 495	-	52 590	104 403	101 764			76 495
Taxation		-							-
Surplus/(Deficit) after taxation	(36 060)	76 495	-	52 590	104 403	101 764			76 495
Attributable to minorities		-							-
Surplus/(Deficit) attributable to municipality	(36 060)	76 495	-	52 590	104 403	101 764			76 495
Share of surplus/ (deficit) of associate		-							-
Surplus/ (Deficit) for the year	(36 060)	76 495	-	52 590	104 403	101 764			76 495

Table C4 provides budget performance details for revenue by source and expenditure by type. For revenue, the main deviations from budget projections are on property services, service charges refuse removal, electricity, fines, License and permits, Rental of facilities, and interest earned – external investments, outstanding debtors and other revenue. In the case of expenditure the following line items reflect material variance; Finance charges, contracted services, other material, transfer and subsidies, employee related cost and other expenditure.

Reasons for deviations will only be provided for material variances and a variance is deemed to be material if it is 10% and more.

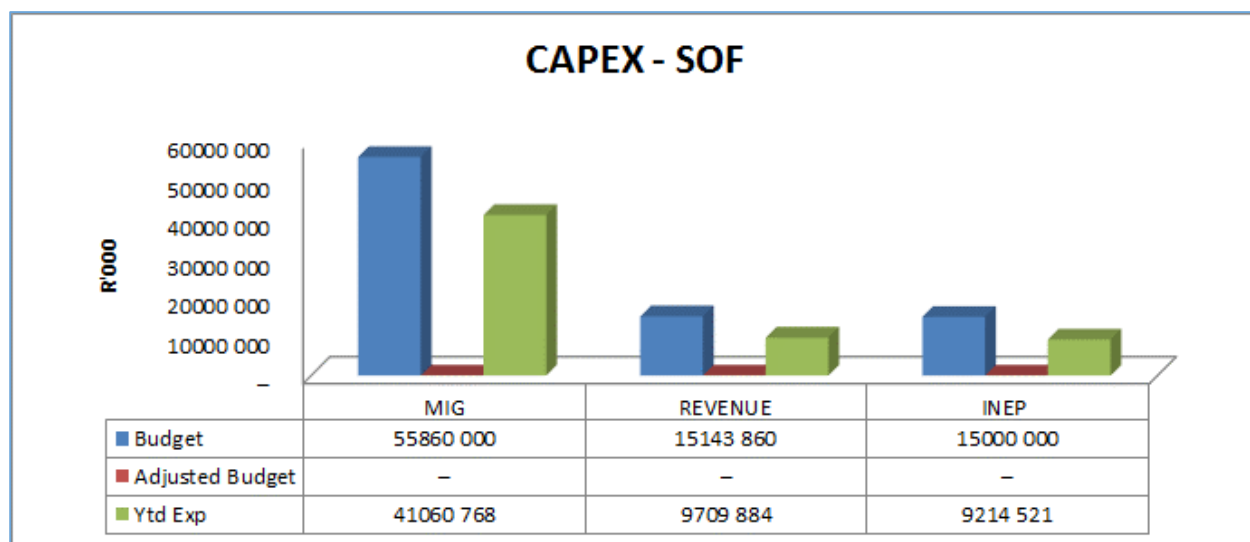
Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital Expenditure - Functional Classification									
Governance and administration	2 091	500	-	-	378	250	128	51%	500
Executive and council	-	-					-		-
Finance and administration	2 091	500		-	378	250	128	51%	500
Internal audit	-	-					-		-
Community and public safety	181	700	-	-	-	550	(550)	-100%	700
Community and social services	28	-					-		-
Sport and recreation	-	700				550	(550)	-100%	700
Public safety	153	-					-		-
Housing		-					-		-
Health	-	-					-		-
Economic and environmental services	67 241	62 944	-	12 388	44 180	35 072	9 109	26%	62 944
Planning and development	-	-					-		-
Road transport	67 241	62 944		12 388	44 180	35 072	9 109	26%	62 944
Environmental protection		-					-		-
Trading services	11 151	13 158	-	2 528	6 456	6 159	298	5%	13 158
Energy sources	11 151	13 158		2 528	6 456	6 159	298	5%	13 158
Water management		-					-		-
Waste water management		-					-		-
Waste management	-	-					-		-
Other		-					-		-
Total Capital Expenditure - Functional Classification	80 665	77 302	-	14 916	51 015	42 030	8 984	21%	77 302
Funded by:									
National Government	68 895	62 158		10 559	41 305	33 151	8 154	25%	62 158
Provincial Government							-		
District Municipality							-		
Other transfers and grants							-		
Transfers recognised - capital	68 895	62 158	-	10 559	41 305	33 151	8 154	25%	62 158
Public contributions & donations							-		
Borrowing							-		
Internally generated funds	11 770	15 144		4 358	9 710	8 880	830	9%	15 144
Total Capital Funding	80 665	77 302	-	14 916	51 015	42 030	8 984	21%	77 302

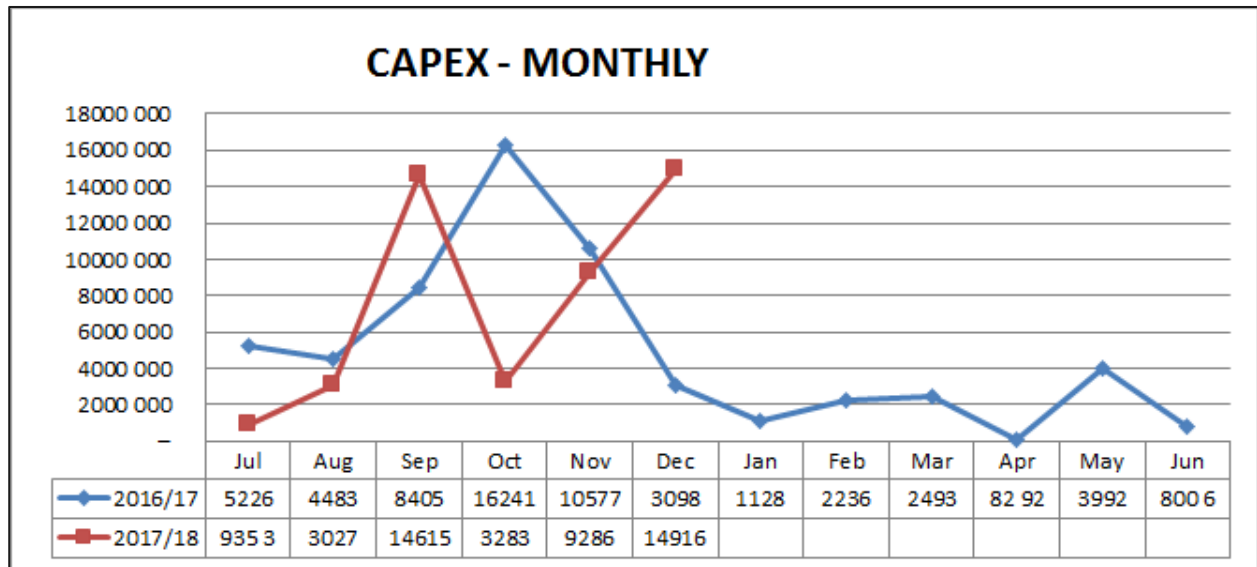
Table C5C: Monthly Capital Expenditure by Vote

Vote Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	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	-	-	378	250	128	51%	500
Vote 5 - Community Services	28	500	-	-	-	250	(250)	-100%	500
Vote 6 - Technical Services	50 994	52 539	-	12 245	40 295	30 118	10 177	34%	52 539
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	51 021	53 539	-	12 245	40 673	30 618	10 056	33%	53 539
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	-	-	-	550	(550)	-100%	700
Vote 6 - Technical Services	27 399	23 063	-	2 671	10 342	10 863	(521)	-5%	23 063
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	583	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	29 643	23 763	-	2 671	10 342	11 413	(1 071)	-9%	23 763
Total Capital Expenditure	80 665	77 302	-	14 916	51 015	42 030	8 984	21%	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 the month of December 2017, R14, 916 million spending was incurred and that increased the year to date expenditure to R51, 015 million whilst the year to date budget is R42, 030 million and this gave rise to over spending variance of R 8, 984 million that translates to 21%.



The above graph shows the components of sources of finance for capital budget. Of the total capital budget of R86, 004 million, R55, 860 million is funded from Municipal Infrastructure grant, R15, 000 million from INEP and R 15, 144 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 monthly capital expenditure performance. The graph shows performance and/or spending improvement pattern for first quarter and significant decline and the beginning of the second quarter then a significant uphill at November and December when comparing the 2017/18 and 2016/17 results.

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		749	4 400
Call investment deposits	15 657	28 568		40 127	28 568
Consumer debtors	20 636	34 600		36 866	34 600
Other debtors	42 835	36 846		61 725	36 846
Current portion of long-term receivables	–	–		–	–
Inventory	3 202	3 200		3 887	3 200
Total current assets	87 618	107 614	–	143 355	107 614
Non current assets					
Long-term receivables	–	–		–	–
Investments	–	–		–	–
Investment property	55 728	96 146		55 728	96 146
Investments in Associate	–	–		–	–
Property, plant and equipment	938 356	957 866		955 360	957 866
Agricultural	–	–		–	–
Biological assets	–	–		–	–
Intangible assets	291	–		291	–
Other non-current assets	12 396	12 786		11 932	12 786
Total non current assets	1 006 770	1 066 797	–	1 023 311	1 066 797
TOTAL ASSETS	1 094 388	1 174 411	–	1 166 666	1 174 411
LIABILITIES					
Current liabilities					
Bank overdraft	–	–		–	–
Borrowing	6 900	8 608		6 900	8 608
Consumer deposits	5 633	5 089		5 243	5 089
Trade and other payables	82 244	45 253		73 719	45 253
Provisions	4 904	1 542		4 640	1 542
Total current liabilities	99 680	60 491	–	90 501	60 491
Non current liabilities					
Borrowing	–	16 500		–	16 500
Provisions	89 811	82 233		92 012	82 233
Total non current liabilities	89 811	98 733	–	92 012	98 733
TOTAL LIABILITIES	189 492	159 224	–	182 513	159 224
NET ASSETS	904 896	1 015 187	–	984 153	1 015 187
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	904 896	1 015 187		984 153	1 015 187
Reserves	–	–		–	–
TOTAL COMMUNITY WEALTH/EQUITY	904 896	1 015 187	–	984 153	1 015 187

The above table shows that community wealth amounts to R984, 153 million, total liabilities R182, 513 million and the total assets R1, 166 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.

Table C7: Monthly Budget Statement Cash Flow

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	20 966	21 177		1 193	9 138	10 589	(1 578)	-15%	21 177
Service charges	69 070	83 078		3 855	31 692	41 539	(9 846)	-24%	83 078
Other revenue	10 066	13 516		4 114	12 516	6 758	5 758	85%	13 516
Government - operating	214 632	226 163		74 339	169 975	113 082	56 893	50%	226 163
Government - capital	83 703	70 860		20 933	54 263	35 430	18 833	53%	70 860
Interest	10 410	5 579		176	967	2 790	(1 823)	-65%	5 579
Dividends	-	-					-		-
Payments									
Suppliers and employees	(308 578)	(320 424)	-	(43 159)	(199 566)	(160 212)	39 354	-25%	(320 424)
Finance charges	(1 426)	(3 124)		-	(291)	(1 562)	(1 271)	81%	(3 124)
Transfers and Grants	(521)	(3 724)		(846)	(5 810)	(1 862)	3 948	-212%	(3 724)
NET CASH FROM/(USED) OPERATING ACTIVITIES	98 321	93 102	-	60 605	72 884	46 551	(26 207)	-56%	93 102
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		-					-		-
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)		(14 916)	(51 015)	(42 030)	8 984	-21%	(77 302)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(81 193)	(77 302)	-	(14 916)	(51 015)	(42 030)	8 984	-21%	(77 302)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		-					-		-
Borrowing long term/refinancing		-					-		-
Increase (decrease) in consumer deposits	21	111		233	765	56	709	1278%	111
Payments									
Repayment of borrowing	(8 170)	(8 608)		-	(2 702)	(4 304)	(1 601)	37%	(8 608)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(8 149)	(8 497)	-	233	(1 937)	(4 248)	(2 311)	54%	(8 497)
NET INCREASE/ (DECREASE) IN CASH HELD	8 979	7 304	-	45 922	19 932	272			7 304
Cash/cash equivalents at beginning:	11 965	25 664			20 944	25 664			20 944
Cash/cash equivalents at month/year end:	20 944	32 968	-		40 876	25 936			28 248

Table C7 presents details pertaining to cash flow performance. As at end of December 2017, the net cash inflow from operating activities is R72, 884 million whilst net cash outflow from investing activities is R51, 015 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R1, 937 million. The cash and cash equivalent held at end of December 2017 amounted to R40, 876 million and the net effect of the above cash flows is cash outflow movement of R19, 932 million. The cash and cash equivalent at end of the reporting period of R 40, 879 million is made up of cash amounting to R 749 thousand and short term investment of R40, 127 million as presented in Table A6 under current assets.

PART 2: SUPPORTING TABLES

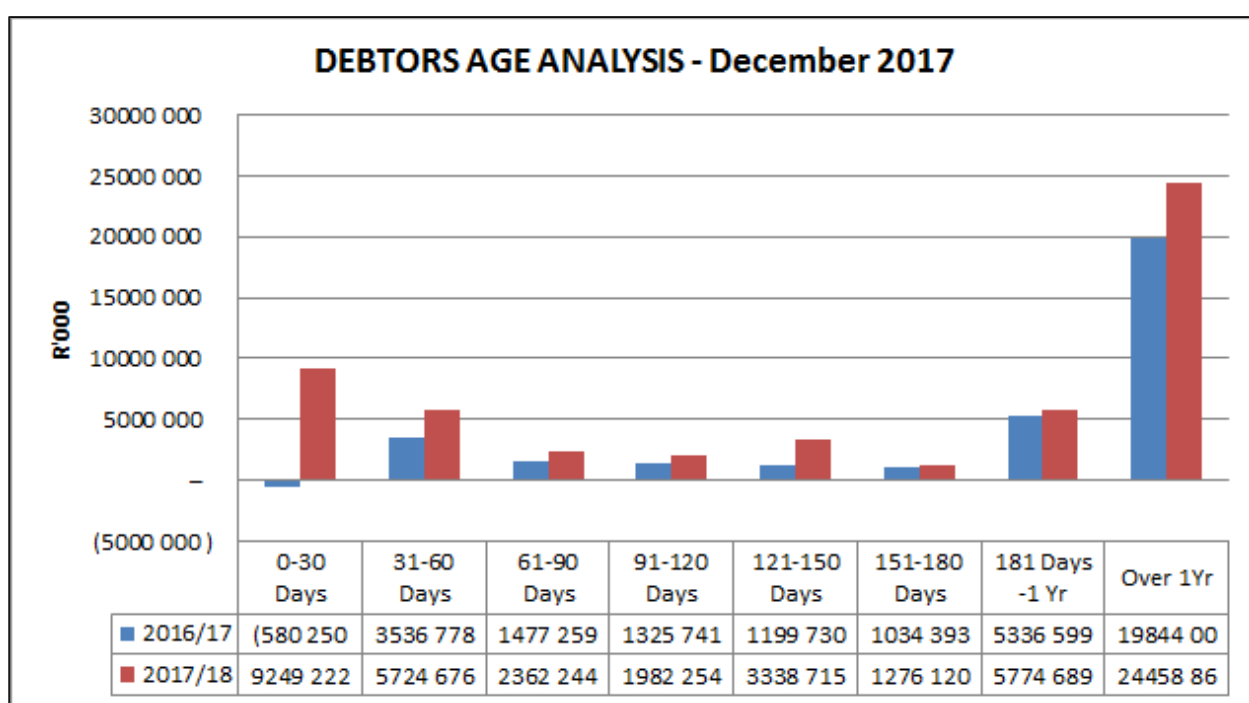
Supporting Table: SC 3 - Debtors Age Analysis

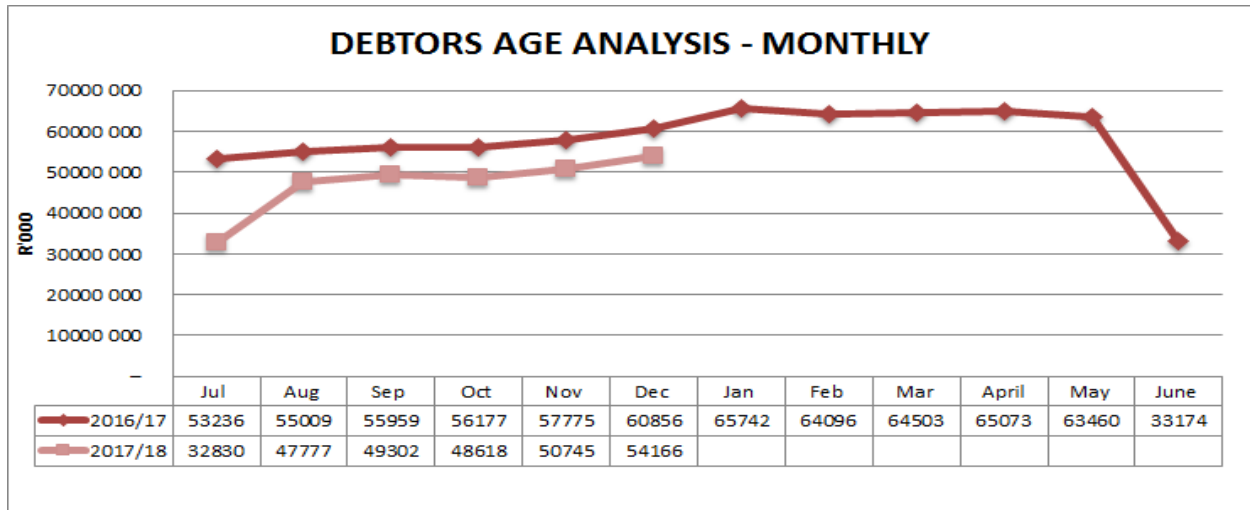
Description	Budget Year 2017/18											
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Bad Debts Written Off	Impairment - Bad Debts
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water									-	-		
Trade and Other Receivables from Exchange Transactions - Electricity	5 272 738	3 080 444	696 573	295 211	176 033	96 516	1 129 921	2 169 662	12 917 097	3 867 342		
Receivables from Non-exchange Transactions - Property Rates	2 471 605	1 510 390	918 982	893 144	1 199 367	550 531	2 562 154	13 462 684	23 568 859	18 667 881		
Receivables from Exchange Transactions - Waste Water Management	-	-	-	-	-	-	-	-	-	-		
Receivables from Exchange Transactions - Waste Management	627 265	464 083	366 632	338 961	762 406	199 734	463 330	1 588 763	4 811 174	3 353 194		
Receivables from Exchange Transactions - Property Rental Debtors	51 947	49 723	7 221	1 451	2 194	56 038	218 981	830 564	1 218 120	1 109 229		
Interest on Arrear Debtor Accounts	575 914	521 315	495 128	466 487	933 310	403 645	2 119 996	8 169 016	13 684 811	12 092 454		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-		
Other	249 754	98 721	122 292	13 000	265 404	30 343	719 693	1 761 829	2 033 280	2 259 462		
Total By Income Source	9 249 222	5 724 676	2 362 244	1 982 254	3 338 715	1 276 120	5 774 689	24 458 860	54 166 780	36 830 638	-	-
2016/17 - totals only	- 580 250	3 536 778	1 477 259	1 325 741	1 199 730	1 034 393	5 336 599	19 844 003	33 174 251	28 740 464		
Debtors Age Analysis By Customer Group												
Organs of State	482 576	394 287	69 872	108 349	82 210	49 462	449 090	1 608 581	3 244 427	2 297 692		
Commercial	4 863 690	3 102 194	847 952	498 532	468 087	246 659	882 797	3 976 407	14 886 317	6 072 481		
Households	2 896 915	1 777 853	855 712	813 811	2 168 025	429 096	1 316 186	6 868 341	17 125 941	11 595 460		
Other	1 006 041	450 342	588 708	561 562	620 393	550 902	3 126 615	12 005 532	18 910 095	16 865 004		
Total By Customer Group	9 249 222	5 724 676	2 362 244	1 982 254	3 338 715	1 276 120	5 774 689	24 458 860	54 166 780	36 830 638	-	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of DECEMBER amount to R54, 166 million. The debtors' book is made up as follows:

- Rates 44%
- Electricity 24%
- Rental 2%
- Refuse removal 9%
- Interest on Debtors 25%
- Other -4%

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 December 2017) whilst the latter shows monthly movement of debtors for both the current financial year and the 2016/17 financial year.

The debtors book is materially less than the 2016/17 monthly figures and this is attributed to debtors write off done at end of 2016/17 financial year. The debtor's amount increased significantly for the first quarter and slight downhill for October and increased for December.

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

TOP TWENTY DEBTORS

ACCOUNT NO	ACCOUNT HOLDER NAME	OUTSTANDING TOTAL BALANCE	HAND OVER
9012345	BREED J & OOSTHUIZEN J F	R 909 407.50	N
1501364	JAN JOUBERT TR (JO JO TANKS)	R 707 083.23	N
200106	ANABEL AND T INVESTMENTS (WALTLOO N	R 493 736.13	N
214913	MEAT SPOT	R 482 105.84	N
9005301	TWIN CITY TRADING (PTY) LTD	R 466 802.11	N
9900028	ELIAS MOTSOLEDI (OFFICE)	R 379 189.20	Y
9000000	REPUBLIEK VAN SUID-AFRIKA	R 371 355.02	Y
9001077	ROYAL SQUARE INV 361 CC	R 323 921.87	Y
9000804	NATIONAL GOVERNMENT REPUBLIC OF SO	R 276 242.02	Y
201885	SHOPRITE CHECKERS (PTY) LTD	R 269 256.19	N
9900067	WATER PURIFICATION PLANT (SDM)	R 257 901.07	Y
1200305	BUNGELA LAMOLA BOTTLE STORE	R 178 872.40	N
5001708	UNITRADE 518 (PTY) LTD	R 174 189.57	Y
9002958	PROVINCIAL GOVERNMENT OF LIMPO	R 170 989.06	N
136	LIZINEX (PTY) LTD	R 159 715.12	N
9000802		R 153 376.46	Y
2913	SHOPRITE/CHECKERS	R 150 288.64	Y
9002065	GOVERNMENT OF KWANDEBELE	R 149 653.80	N
9002067	NATIONAL GOVERNMENT OF THE REP	R 146 158.27	N
37850	WORLD WATCH TRADING 136 CC	R 144 859.73	Y
TOTAL		R 6 365 103.23	

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.

TOP TWENTY CREDITORS PAID

CODE	CREDITOR NAME	AMOUNT
80623	ENGINEERING DRAWING AND DESIGN	769 500
80472	DOLMEN ENGINEERS	599 878
80591	MOTHAKGE PHADIMA CONSTRUCTION	503 694
80624	STONEFOUNDER ENGINEERING	460 674
80276	VUKA AFRICA CONSULTING ENGINEE	434 200
464	MOLELEKI A TLALA TRANSPORT AND	356 550
80147	MARAGE AND MAKANYANE TRADING	98 540
37770	BAHLOTSE TRADING (PTY) LTD	96 175
41103	THABANG KUTLWANO TRADING	82 000
37552	SELEWE TRANSPORT & CONSTRUCTIO	69 000
37581	PHELADI NOKO B1 FUNERAL	56 458
80606	OTHABETSWE PROPERTY	30 000
80600	NGOATOKWENA (PTY) LTD	29 880
80621	SIYAQHUBA BUSINESS ENTERPRISE	29 600
37763	DLULABAPHI TRADING	29 000
70083	SEKHUKHUNE SEBATALADI HOLDINGS	29 000
80085	HUNADI WA MPHELE TRADING & PRO	29 000
80506	BARATANG LE KGAUSWI PTY LTD	29 000
32028	MCETETE CATERING AND CONSTRUC	28 900
80627	NARE PHUTHI TRADINGS	28 838
TOTAL		3 789 887

The above table presents the top twenty creditors paid during the month of December 2017 and an amount of R3, 789 million was paid to these creditors during the reporting period.

Supporting Table: SC 5 - Investment Portfolio

Investments by ID	Period	Type of Investment	Expiry date	Accrued interest	Percentage Interest	MV - Opening	Change in MV	MV - Closing
Municipality								
VBS	2017/12/18	Short term	2018/02/18	94	7.5%	-	30 000	30 094
VBS	2017/12/15	Short term	2018/01/15	33	6.9%	-	10 000	10 033
TOTAL INVESTMENTS AND INTEREST				127		-	40 000	40 127

Supporting table SC5 presents all investments, and it indicate that municipality had R40, 127 million short term investment at end of December 2017. Municipality had no investment at the begging of the month, and an amount of R40, 000 million was invested in the reporting period. Accrued interest for the month amounted to R127 thousand.

Supporting Table: SC 6 - Transfers and Grant Receipts

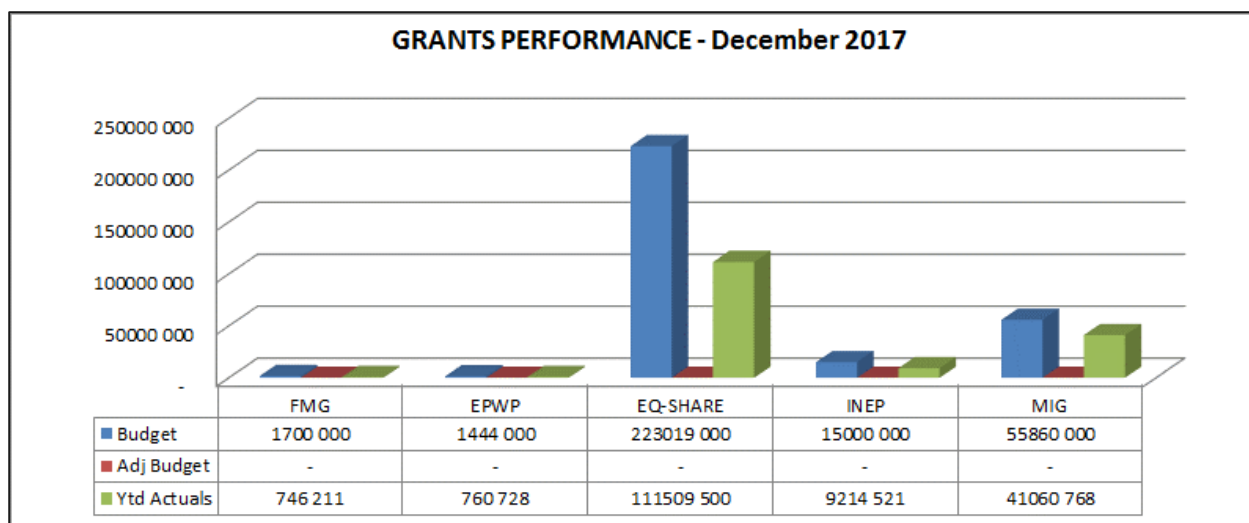
Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
RECEIPTS:									
Operating Transfers and Grants									
National Government:	213 105	226 163	-	74 339	169 975	95 636	74 339	0	226 163
Local Government Equitable Share	210 385	223 019	-	74 339	167 265	92 926	74 339	0	223 019
Finance Management	1 625	1 700	-	-	1 700	1 700			1 700
EPWP Incentive	1 095	1 444	-	-	1 010	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	-	74 339	169 975	95 636	74 339	0	226 163
Capital Transfers and Grants									
National Government:	85 419	70 860	-	20 933	54 263	33 330	20 933	0	70 860
Municipal Infrastructure Grant (MIG)	72 419	55 860	-	15 933	39 263	23 330	15 933	0	55 860
Intergrated National Electrification Grant	13 000	15 000	-	5 000	15 000	10 000	5 000	0	15 000
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	85 419	70 860	-	20 933	54 263	33 330	20 933	0	70 860
TOTAL RECEIPTS OF TRANSFERS & GRANTS	298 524	297 023	-	95 272	224 238	128 966	95 272	0	297 023

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R224, 238 million of which the major portion is attributed to equitable share. All the grants allocated for the current financial year, so far have been received in line with National Treasury payment schedule.

Supporting Table: SC 7 Transfers and grants – Expenditure

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	214 632	226 163	-	19 196	113 016	112 970	46	0%	226 163
Local Government Equitable Share	211 912	223 019		18 585	111 510	111 510	-		223 019
Finance Management	1 625	1 700		465	746	720	26	4%	1 700
EPWP Incentive	1 095	1 444		146	761	741	20	3%	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	-	19 196	113 016	112 970	46	0%	226 163
Capital expenditure of Transfers and Grants									
National Government:	68 874	70 860	-	5 732	50 275	33 694	16 581	49%	70 860
Municipal Infrastructure Grant (MIG)	56 064	55 860		5 732	41 061	26 992	14 068	52%	55 860
Intergrated National Electrification Grant	12 811	15 000		-	9 215	6 702	2 513	37%	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	-	5 732	50 275	33 694	16 581	49%	70 860
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	283 507	297 023	-	24 928	163 292	146 664	16 628	11%	297 023

An amount of R24, 928 million has been spent on grants during the month of December 2017 and the year to date actuals is R163, 292 million whilst the year to date budget amounts to R 146, 664 million and this results in overspending variance of R16, 628 that translates to 11%. Of the total spending amounting to R163, 292 million, R113, 016 million is spent on operational grants whilst R50, 275 million is spent of capital grants.



The above graph depicts the gazetted and budgeted amounts for all the grants and the expenditure thereof as at end of December 2017. The grants expenditure is shown below in percentages:

- Financial Management Grant 43, 89%
- Expanded Public Work Programme 52, 68%
- Equitable Share 50, 00%
- Municipal Infrastructure Grant 73, 51%
- Integrated National Electrification Grant 61, 43%

Supporting Table: SC8 - Councilor Allowances and Employee Related Costs

Summary of Employee and Councilor remuneration	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	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		1 002	6 015	7 374	(1 359)	-18%	14 748
Pension and UIF Contributions	1 691	1 670		144	863	835	28	3%	1 670
Medical Aid Contributions	250	285		24	139	143	(4)	-3%	285
Motor Vehicle Allowance	4 672	4 788		390	2 339	2 394	(55)	-2%	4 788
Cellphone Allowance	1 146	612		135	811	306	505	165%	612
Housing Allowances	-	-		-	-	-	-	-	-
Other benefits and allowances	-	9		-	-	5	(5)	-100%	9
Sub Total - Councillors	20 122	22 113	-	1 695	10 167	11 056	(890)	-8%	22 113
% increase		10%							10%
Senior Managers of the Municipality									
Basic Salaries and Wages	5 416	4 745		364	2 299	2 372	(74)	-3%	4 745
Pension and UIF Contributions	317	1 021		24	145	511	(365)	-72%	1 021
Medical Aid Contributions	6	228		7	45	114	(69)	-61%	228
Overtime	-	-		-	-	-	-	-	-
Performance Bonus	-	-		-	-	-	-	-	-
Motor Vehicle Allowance	457	840		62	386	420	(34)	-8%	840
Cellphone Allowance	5	14		4	23	7	16	222%	14
Housing Allowances	-	-		-	-	-	-	-	-
Other benefits and allowances	130	75		161	257	74	183	246%	75
Payments in lieu of leave	-	-		-	82	85	(3)	-3%	-
Long service awards	-	-		-	-	-	-	-	-
Post-retirement benefit obligations	-	-		-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	6 331	6 923	-	623	3 238	3 584	(346)	-10%	6 923
% increase		9%							9%
Other Municipal Staff									
Basic Salaries and Wages	68 064	78 939		6 144	42 729	39 470	3 259	8%	78 939
Pension and UIF Contributions	14 452	14 523		1 262	8 772	7 262	1 511	21%	14 523
Medical Aid Contributions	4 235	4 340		389	2 578	2 170	408	19%	4 340
Overtime	2 835	1 595		98	1 297	633	664	105%	1 595
Performance Bonus	-	-		-	-	-	-	-	-
Motor Vehicle Allowance	7 995	8 062		733	5 101	4 031	1 070	27%	8 062
Cellphone Allowance	116	636		42	265	318	(53)	-17%	636
Housing Allowances	152	145		14	94	72	22	30%	145
Other benefits and allowances	7 651	7 333		6 013	6 632	6 920	(288)	-4%	7 333
Payments in lieu of leave	54	802		36	358	322	36	11%	802
Long service awards	3 741	162		-	313	96	218	228%	162
Post-retirement benefit obligations	962	-		-	-	-	-	-	-
Sub Total - Other Municipal Staff	110 255	116 537	-	14 731	68 139	61 293	6 846	11%	116 537
% increase		6%							6%
Total Parent Municipality	136 708	145 573	-	17 049	81 543	75 933	5 610	7%	145 573
		6%							6%
TOTAL SALARY, ALLOWANCES & BENEFITS	136 708	145 573	-	17 049	81 543	75 933	5 610	0	145 573
% increase		6%							6%
TOTAL MANAGERS AND STAFF	116 586	123 460	-	15 354	71 377	64 877	6 500	0	123 460

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of December 2017 amounts to R71, 377 million and the year to date budget is R64, 877 million and the expenditure for remuneration of councilors amounts to R10, 167 million while the year to date budget is R 11, 056 million. The year to date actuals for senior managers is R3, 238 million and the year to date budget thereof is R3, 584 million and the year to date actuals for other municipal staff is R68, 139 million and the year to date budget is R61, 293 million. The remuneration of councilors and senior managers categories have under spending variance while other municipal staff category has over spending variance.

Description	Budget Year 2017/18												2017/18 Medium Term Revenue		
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget	Budget	Budget
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Year	Year +1	Year +2
Cash Receipts By Source															
Property rates	1 611	755	1 742	1 797	1 913	1 387	1 765	1 765	1 765	1 765	1 765	3 148	21 177	22 384	23 638
Service charges - electricity revenue	5 992	3 719	4 876	6 380	5 352	3 668	6 884	7 513	8 144	8 271	8 284	9 686	78 770	81 133	83 729
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse	354	216	288	340	320	273	410	410	410	410	410	467	4 308	4 553	4 808
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	28	15	31	28	19	20	153	153	153	153	153	1 028	1 935	2 046	2 160
Interest earned - external investments	154	135	-	63	-	127	178	240	440	300	308	1 756	3 701	3 912	4 132
Interest earned - outstanding debtors	114	26	78	134	86	49	143	144	106	128	156	713	1 878	1 985	2 096
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	25	2	4	28	4	2	345	353	405	390	413	2 530	4 500	4 757	5 023
Licences and permits	-	805	-	417	404	-	431	431	431	431	431	1 320	5 100	5 391	5 693
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operating	94 626	361	-	-	649	74 339	-	434	55 756	-	-	(1)	226 163	238 214	247 841
Other revenue	1 369	812	1 324	3 060	8 160	1 065	165	165	165	165	165	(14 635)	1 981	2 094	2 211
Cash Receipts by Source	104 272	6 847	8 343	12 249	16 906	80 930	10 474	11 607	67 775	12 013	12 085	6 012	349 514	366 469	381 331
Other Cash Flows by Source															
Transfer receipts - capital	28 330	-	-	5 000	-	20 933	4 615	-	6 201	-	-	5 781	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	4	20	10	14	12	(714)	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	15 093	11 627	73 986	12 027	12 097	11 079	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	10 029	9 808	9 775	9 705	9 717	11 261	123 460	130 069	137 325
Remuneration of councillors	1 694	1 694	1 694	1 694	1 694	1 695	1 843	1 843	1 843	1 843	1 843	2 413	21 794	23 036	24 326
Interest paid	-	74	123	51	44	-	188	186	400	398	395	1 266	3 124	790	645
Bulk purchases - Electricity	7 038	71	7 159	5 724	4 839	5 654	5 700	5 950	6 012	7 250	7 300	6 467	69 165	69 937	73 853
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	688	1 642	470	604	1 973	1 226	1 225	545	1 122	807	1 330	1 865	13 497	14 795	15 623
Contracted services	6 156	6 036	6 234	4 957	4 829	3 429	1 693	1 838	2 328	2 003	1 858	(16 012)	25 350	23 279	23 118
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other	1 727	742	725	792	979	846	310	310	310	310	310	(3 638)	3 724	3 936	4 156
General expenses	24 438	4 706	4 063	3 717	4 779	9 701	3 352	3 077	6 480	3 261	2 762	(21 632)	48 703	46 114	47 108
Cash Payments by Type	51 284	24 544	30 067	27 218	28 548	37 904	24 340	23 557	28 270	25 577	25 515	(18 009)	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	6 450	8 552	6 630	4 221	4 180	(5 864)	77 302	84 306	91 111
Repayment of borrowing	490	490	678	293	334	-	706	706	706	750	750	2 703	8 608	6 000	6 000
Other Cash Flows/Payments	-	3 389	3 043	-	-	3 197	1 500	1 000	1 150	1 400	1 000	2 777	18 455	18 576	26 322
Total Cash Payments by Type	52 710	33 569	47 221	37 773	30 624	62 716	32 996	33 815	36 756	31 948	31 445	(18 393)	413 181	420 837	449 586
NET INCREASE/(DECREASE) IN CASH HELD	79 950	(26 717)	(38 841)	(19 961)	(13 849)	39 380	(17 903)	(22 188)	37 230	(19 921)	(19 348)	29 471	7 304	14 787	18 253
Cash/cash equivalents at the month/year beginning:	20 913	100 863	74 147	35 306	15 345	1 496	40 876	22 973	786	38 015	18 094	(1 254)	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	22 973	786	38 015	18 094	(1 254)	28 217	28 217	43 004	61 256

Supporting table SC9 provides detailed monthly cash flow statement that spells out the receipts by source and payments by type. The monthly cash receipts reflect an amount of R80, 930 million and the total cash payment for the month were R62, 716 million and this resulted in net increase in cash held amounting to R39, 380 million and with cash and cash equivalent of R1, 496 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting to R40, 876 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 performance trend									
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		13 273	17 236	13 214	(4 021)	-30%	22%
October	16 242	8 227		3 283	20 519	21 442	923	4%	27%
November	10 577	9 672		9 287	29 806	31 114	1 308	4%	39%
December	3 099	10 917		14 916	44 722	42 030	(2 691)	-6%	58%
January	1 128	6 450				48 480	-		
February	2 237	8 552				57 032	-		
March	2 493	6 630				63 662	-		
April	3 626	4 221				67 883	-		
May	3 992	4 180				72 063	-		
June	19 290	5 239				77 302	-		
Total Capital expenditure	80 799	77 302	-	44 722					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of December amounts to R14, 916 million. The year to date capital budget is R42, 030 million that give rise to over spending variance of R2, 691 million or 6%.

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

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	32 884	32 281	-	9 211	22 108	15 843	(6 266)	-40%	32 281
Roads Infrastructure	21 733	19 123	-	6 683	15 652	9 684	(5 968)	-62%	19 123
Roads	21 733	19 123		6 683	15 652	9 684	(5 968)	-62%	19 123
Capital Spares		-					-		-
Attenuation	-	-					-		-
Electrical Infrastructure	11 151	13 158	-	2 528	6 456	6 159	(298)	-5%	13 158
HV Switching Station		-					-		-
HV Transmission Conductors	11 151	13 158		2 528	6 456	6 159	(298)	-5%	13 158
MV Switching Stations		-					-		-
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	-	-	-	150	150	100%	300
Community Facilities	-	300	-	-	-	150	150	100%	300
Testing Stations		-					-		-
Cemeteries/Crematoria		-					-		-
Police		-					-		-
Purls		-					-		-
Public Open Space	-	300				150	150	100%	300
Nature Reserves		-					-		-
Public Ablution Facilities		-					-		-
Markets		-					-		-
Investment properties	-	-	-	-	-	-	-		-
Revenue Generating	-	-	-	-	-	-	-		-
Improved Property		-					-		-
Other assets	1 298	-	-	-	-	-	-		-
Operational Buildings	1 298	-	-	-	-	-	-		-
Municipal Offices	583	-					-		
Pay/Enquiry Points		-					-		
Building Plan Offices		-					-		
Workshops	715	-					-		
Yards		-					-		
Stores		-					-		
Laboratories		-					-		
Training Centres		-					-		
Computer Equipment	1 168	300	-	-	218	150	(68)	-45%	300
Computer Equipment	1 168	300			218	150	(68)	-45%	300
Furniture and Office Equipment	340	200	-	-	160	100	(60)	-60%	200
Furniture and Office Equipment	340	200			160	100	(60)	-60%	200
Machinery and Equipment	2 100	600	-	26	142	550	408	74%	600
Machinery and Equipment	2 100	600		26	142	550	408	74%	600
Transport Assets	2 253	700	-	-	-	400	400	100%	700
Transport Assets	2 253	700				400	400	100%	700
Total Capital Expenditure on new assets	40 043	34 381	-	9 237	22 629	17 193	(5 436)	-32%	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	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	37 997	38 474	-	3 929	22 138	22 160	22	0%	38 474
Roads Infrastructure	37 997	38 474	-	3 929	22 138	22 160	22	0%	38 474
Roads	37 997	38 474		3 929	22 138	22 160	22	0%	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		-					-		
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		-					-		
Sport and Recreation Facilities	1 694	-	-	-	-	-	-		-
Indoor Facilities		-					-		
Outdoor Facilities	1 694	-					-		
Capital Spares		-					-		
Heritage assets	-	-	-	-	-	-	-		-
Monuments		-					-		
Other assets	932	500	-	-	-	250	250	100%	500
Operational Buildings	932	500	-	-	-	250	250	100%	500
Municipal Offices	-	500				250	250	100%	500
Laboratories		-					-		-
Training Centres	932	-					-		-
Manufacturing Plant		-					-		-
Capital Spares		-					-		-
Total Capital Expenditure on renewal of existing assets	40 622	38 974	-	3 929	22 138	22 410	272	1%	38 974

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

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	4 633	6 700	-	1 008	5 044	4 170	(874)	-21%	6 700
Roads Infrastructure	946	2 500	-	782	2 955	1 790	(1 165)	-65%	2 500
Roads	946	2 500		782	2 955	1 790	(1 165)	-65%	2 500
Road Structures		-		-	-		-		-
Road Furniture		-		-	-		-		-
Capital Spares		-		-	-		-		-
Storm water Infrastructure	-	-	-	-	-	-	-		-
Drainage Collection		-		-	-		-		-
Storm water Conveyance		-		-	-		-		-
Attenuation		-		-	-		-		-
Electrical Infrastructure	1 802	1 900	-	226	967	1 220	253	21%	1 900
Power Plants		-		-	-		-		-
HV Substations		-		-	-		-		-
HV Switching Station		-		-	-		-		-
HV Transmission Conductors		-		-	-		-		-
MV Substations		-		-	-		-		-
MV Switching Stations		-		-	-		-		-
MV Networks	1 802	1 800		226	967	1 170	203	17%	1 800
LV Networks		-		-	-		-		-
Capital Spares		100		-	-	50	50	100%	100
Solid Waste Infrastructure	1 885	2 300	-	-	1 123	1 160	37	3%	2 300
Landfill Sites	1 885	2 150		-	1 123	1 110	(13)	-1%	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
Other assets	1 432	1 300	-	-	12	590	578	98%	1 300
Operational Buildings	1 432	1 300	-	-	12	590	578	98%	1 300
Municipal Offices	1 432	1 300		-	12	590	578	98%	1 300
Intangible Assets	82	100	-	-	-	20	20	100%	100
Servitudes		-		-	-		-		-
Licences and Rights	82	100	-	-	-	20	20	100%	100
Computer Software and Applications	82	100		-	-	20	20	100%	100
Computer Equipment	-	-	-	-	14	-	(14)	#DIV/0!	-
Computer Equipment	-	-		-	14		(14)	#DIV/0!	
Machinery and Equipment	2 405	1 711	-	-	3	943	940	100%	1 711
Machinery and Equipment	2 405	1 711		-	3	943	940	100%	1 711
Transport Assets	1 800	1 500	-	70	515	1 070	555	52%	1 500
Transport Assets	1 800	1 500		70	515	1 070	555	52%	1 500
Total Repairs and Maintenance Expenditure	10 353	11 311	-	1 077	5 588	6 793	1 205	18%	11 311

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

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Depreciation by Asset Class/Sub-class									
Infrastructure	34 968	45 835	-	-	-	22 917	22 917	100%	45 835
Roads Infrastructure	34 480	25 298	-	-	-	12 649	12 649	0	25 298
Roads	34 480	25 298				12 649	12 649	0	25 298
Road Structures		-				-	-		-
Road Furniture		-				-	-		-
Capital Spares		-				-	-		-
Storm water Infrastructure	-	5 746	-	-	-	2 873	2 873	0	5 746
Drainage Collection		-				-	-		-
Storm water Conveyance	-	5 746				2 873	2 873	0	5 746
Attenuation		-				-	-		-
Electrical Infrastructure	-	12 398	-	-	-	6 199	6 199	0	12 398
Power Plants		-				-	-		-
HV Substations		-				-	-		-
HV Switching Station		-				-	-		-
HV Transmission Conductors	-	12 398				6 199	6 199	0	12 398
MV Substations		-				-	-		-
MV Switching Stations		-				-	-		-
MV Networks		-				-	-		-
LV Networks		-				-	-		-
Capital Spares		-				-	-		-
Solid Waste Infrastructure	488	2 392	-	-	-	1 196	1 196	0	2 392
Landfill Sites	488	2 392				1 196	1 196	0	2 392
Community Assets	2 129	2 231	-	-	-	1 115	1 115	0	2 231
Community Facilities	2 129	2 231	-	-	-	1 115	1 115	0	2 231
Halls		-				-	-		-
Centres		-				-	-		-
Crèches		-				-	-		-
Clinics/Care Centres		-				-	-		-
Fire/Ambulance Stations		-				-	-		-
Testing Stations		-				-	-		-
Museums		-				-	-		-
Galleries		-				-	-		-
Theatres		-				-	-		-
Libraries		-				-	-		-
Cemeteries/Crematoria	2 129	2 231				1 115	1 115	0	2 231
Police		-				-	-		-
Parks		-				-	-		-
Public Open Space		-				-	-		-
Nature Reserves		-				-	-		-
Other assets	2 978	120	-	-	-	60	60	0	120
Operational Buildings	2 978	120	-	-	-	60	60	0	120
Municipal Offices	2 978	120				60	60	0	120
Computer Software and Applications	205	-				-	-		-
Computer Equipment	953	21	-	-	-	10	10	0	21
Computer Equipment	953	21				10	10	0	21
Furniture and Office Equipment	1 518	26	-	-	-	13	13	0	26
Furniture and Office Equipment	1 518	26				13	13	0	26
Machinery and Equipment	1 323	2 080	-	-	-	1 040	1 040	0	2 080
Machinery and Equipment	1 323	2 080				1 040	1 040	0	2 080
Transport Assets	3 924	888	-	-	-	444	444	0	888
Transport Assets	3 924	888				444	444	0	888
Total Depreciation	47 998	51 200	-	-	-	25 600	25 600	0	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	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class									
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	-	-	-	1 750	6 132	-	(6 132)	0%	-
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	1 750	6 132	-	(6 132)	0%	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	1 750	6 132	-	(6 132)	0%	-
Capital Spares	-	-	-	-	-	-	-	-	-
Other assets	-	3 947	-	-	115	2 427	2 312	95%	3 947
Operational Buildings	-	3 947	-	-	115	2 427	2 312	95%	3 947
Municipal Offices	-	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	3 947	-	-	115	2 427	2 312	95%	3 947
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading of existing assets	-	3 947	-	1 750	6 248	2 427	(3 820)	-157%	3 947

Supporting table SC13a, SC13b and SC13e provide details of capital expenditure in terms of asset classification based on new assets and renewal 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 R22, 629 million and the year to date budget is R17, 193 million which reflects over spending variance of R5, 436 million that translates to 32% variance. The year to date actuals on renewal of existing assets amounts R22, 138 million and with the year to date budget of R22, 410 million and this reflects under spending variance of R 272 thousand that translates to 1% variance.

The year to date actual expenditure on repairs and maintenance is R5, 588 million and the year to date budget is R6, 793 million, reflecting under spending variance of R1, 205 million that translates to 18%.

The year to date actual expenditure on upgrading of existing assets is R6, 248 million and the year to date budget is R2, 427 million, reflecting over spending variance of R3, 820 million that translates to 157%.

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 monthly budget statement report and supporting documentation for the month of December 2017 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 ... 15/1/2018 ... 1.5 JAN 2018

Municipal Manager