

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT REPORT

FEBRUARY 2018

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	34 805	2 478	23 494	18 158	5 336	29%	34 805
Service charges	77 251	89 822	92 822	6 774	55 492	52 348	3 144	6%	92 822
Investment revenue	1 319	3 701	2 500	111	1 493	2 375	(882)	-37%	2 500
Transfers and subsidies	–	226 163	226 163	557	155 112	169 388	(14 276)	-8%	226 163
Other own revenue	286 701	45 865	88 454	1 856	25 267	36 065	(10 799)	-30%	88 454
Total Revenue excluding capital transfers	391 085	392 023	444 744	11 776	260 858	278 335	(17 477)	-6%	444 744
Expenditure									
Employee costs	117 781	123 460	126 105	9 559	90 735	83 763	6 972	8%	126 105
Remuneration of Councillors	20 298	22 113	23 430	1 801	13 662	15 110	(1 448)	-10%	23 430
Depreciation & asset impairment	47 998	51 200	51 200	–	–	27 973	(27 973)	-100%	51 200
Finance charges	1 426	3 124	2 124	–	358	1 676	(1 319)	-79%	2 124
Materials and bulk purchases	78 603	82 662	81 986	5 677	50 086	52 137	(2 051)	-4%	81 986
Transfers and subsidies	708	3 724	3 724	106	5 078	2 586	2 492	96%	3 724
Other expenditure	229 263	100 105	142 317	6 494	72 750	54 216	18 534	34%	142 317
Total Expenditure	496 076	386 388	430 886	23 638	232 669	237 462	(4 793)	-2%	430 886
Surplus/(Deficit)	(104 990)	5 635	13 857	(11 862)	28 189	40 873	(12 684)	-31%	13 857
Capital Transfers									
Transfers and subsidies - capital	68 930	70 860	91 349	3 549	59 198	51 740	7 458	14%	91 349
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers	(36 060)	76 495	105 207	(8 312)	87 387	92 613	(5 226)	-6%	105 207
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	(36 060)	76 495	105 207	(8 312)	87 387	92 613	(5 226)	-6%	105 207
Capital expenditure & funds sources									
Capital expenditure	80 665	77 302	103 123	3 644	63 113	63 032	81	0%	103 123
Capital transfers recognised	68 895	62 158	80 131	3 052	58 857	52 403	6 454	12%	80 131
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	11 770	15 144	22 992	593	4 256	10 630	(6 373)	-60%	22 992
Total sources of capital funds	80 665	77 302	103 123	3 644	63 113	63 032	81	0%	103 123
Financial position									
Total current assets	87 618	107 614	92 914		125 163				92 914
Total non current assets	1 006 770	1 066 797	1 026 671		1 069 944				1 026 671
Total current liabilities	99 680	60 491	62 491		113 535				62 491
Total non current liabilities	89 811	98 733	106 433		86 141				106 433
Community wealth/Equity	904 896	1 015 187	950 660		995 430				950 660
Cash flows									
Net cash from (used) operating	98 321	93 102	106 587	(26 539)	45 384	71 058	25 675	36%	106 587
Net cash from (used) investing	(81 193)	(77 302)	(102 523)	(3 644)	(62 544)	(68 349)	(5 805)	8%	(102 523)
Net cash from (used) financing	(8 149)	(8 497)	(9 041)	(9)	(2 281)	(6 027)	(3 747)	0	(9 041)
Cash/cash equivalents at the month/year end	20 944	32 968	15 968	–	1 503	17 626	16 123	91%	15 968
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	10 246	3 097	1 752	1 875	1 552	1 627	8 023	26 135	54 308
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 February is R260, 858 million and the year to date budget of R278, 335 million and this reflects a negative variance of R17, 477 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: 37% unfavorable variance,
- Interest earned – outstanding Debtors 38% favorable variance,
- Rental on Facilities and Equipment: 51% unfavorable variance,
- Transfer and Subsidies: 8% unfavorable variance
- License and Permits: 8% unfavorable variance
- Fines: 79% unfavorable variance
- Other revenue: 828% favorable variance

Operating Expenditure

The year to date operational expenditure as at end of February amounts to R232, 669 million and the year to date budget is R237, 462 million. This reflects a unfavorable variance of R 4, 793 million that translates to 2% underspending 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:

- Remuneration of councilors: 10% under performance variance
- Other materials: 21% under performance variance
- Contracted Services: 106% over performance variance
- Finance Charges: 79% under performance variance
- Transfers and subsidies: 96% 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 February amounts to R63, 113 million and the year to date budget amounts to R63, 032 million and this gives rise to R81 thousand over performance variance.

Surplus/Deficit

Taking the above into consideration, the net operating surplus/deficit for the month of February is R8, 312 million that is mainly attributed 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 February amounts to R54, 307 million and this shows an increase of R6, 619 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 R40, 506 million and other debtors amounting to R13, 800 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	183 920	3 081	144 594	125 728	18 865	15%	183 920
Executive and council	–	35 581	35 581	–	35 581	26 686	8 895	33%	35 581
Finance and administration	253 047	128 101	141 936	3 081	102 610	94 241	8 370	9%	141 936
Internal audit	–	6 402	6 402	–	6 402	4 802	1 601	33%	6 402
Community and public safety	45	12 846	18 446	10	12 464	8 826	3 639	41%	18 446
Community and social services	45	6 377	11 977	10	5 997	3 974	2 022	51%	11 977
Sport and recreation	–	6 469	6 469	–	6 468	4 851	1 616	33%	6 469
Public safety	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	115 853	150 237	200 822	5 460	74 985	113 563	(38 579)	-34%	200 822
Planning and development	1 635	13 512	19 012	565	8 992	9 967	(974)	-10%	19 012
Road transport	114 218	135 883	180 968	4 896	65 992	102 965	(36 973)	-36%	180 968
Environmental protection	–	842	842	–	–	632	(632)	-100%	842
Trading services	91 070	129 716	132 905	6 774	88 013	81 958	6 056	7%	132 905
Energy sources	84 564	106 984	107 173	6 164	67 583	65 409	2 174	3%	107 173
Water management	–	–	–	–	–	–	–	–	–
Waste water management	–	–	–	–	–	–	–	–	–
Waste management	6 506	22 732	25 732	610	20 430	16 548	3 882	23%	25 732
Other	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	460 016	462 883	536 093	15 325	320 056	330 075	(10 019)	-3%	536 093
Expenditure - Functional									
Governance and administration	258 940	147 263	187 526	11 290	116 764	99 106	17 658	18%	187 526
Executive and council	35 425	35 981	42 311	3 106	24 652	24 835	(183)	-1%	42 311
Finance and administration	215 183	104 880	137 765	7 331	86 025	70 108	15 917	23%	137 765
Internal audit	8 333	6 402	7 450	854	6 088	4 163	1 924	46%	7 450
Community and public safety	12 895	15 633	14 759	910	7 666	10 495	(2 830)	-27%	14 759
Community and social services	5 518	6 541	5 737	543	3 610	4 488	(878)	-20%	5 737
Sport and recreation	7 378	9 092	9 021	367	4 055	6 007	(1 952)	-32%	9 021
Public safety	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	103 151	117 737	114 087	3 195	39 711	64 803	(25 091)	-39%	114 087
Planning and development	18 070	20 850	17 708	885	10 350	13 862	(3 512)	-25%	17 708
Road transport	83 994	96 045	95 499	2 268	28 942	50 313	(21 371)	-42%	95 499
Environmental protection	1 087	842	880	41	419	628	(208)	-33%	880
Trading services	121 089	105 754	114 515	8 242	68 527	63 058	5 469	9%	114 515
Energy sources	98 785	86 949	87 442	6 188	51 450	50 788	661	1%	87 442
Water management	–	–	–	–	–	–	–	–	–
Waste water management	–	–	–	–	–	–	–	–	–
Waste management	22 304	18 805	27 073	2 054	17 078	12 270	4 808	39%	27 073
Other	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	496 076	386 388	430 886	23 638	232 669	237 462	(4 793)	-2%	430 886
Surplus/ (Deficit) for the year	(36 060)	76 495	105 207	(8 312)	87 387	92 613	(5 226)	-6%	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	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue by Vote									
Vote 1 - Executive & Council	–	31 540	31 540	–	31 540	23 655	7 885	33%	31 540
Vote 2 - Municipal Manager	–	15 805	15 805	–	14 716	11 853	2 863	24%	15 805
Vote 3 - Budget & Treasury	253 036	70 368	85 500	3 068	45 933	50 938	(5 005)	-10%	85 500
Vote 4 - Corporate Services	12	33 797	33 842	12	33 829	25 351	8 478	33%	33 842
Vote 5 - Community Services	62 691	89 322	122 251	1 882	47 566	67 910	(20 344)	-30%	122 251
Vote 6 - Technical Services	142 642	200 885	220 489	9 798	126 906	134 660	(7 754)	-6%	220 489
Vote 7 - Developmental Planning	1 635	8 435	13 935	565	6 834	6 159	674	11%	13 935
Vote 8 - Executive Support	–	12 731	12 731	–	12 731	9 549	3 183	33%	12 731
Total Revenue by Vote	460 016	462 883	536 093	15 325	320 056	330 075	(10 019)	-3%	536 093
Expenditure by Vote									
Vote 1 - Executive & Council	31 808	31 940	38 267	2 850	22 277	22 088	188	1%	38 267
Vote 2 - Municipal Manager	27 365	15 826	23 102	2 110	16 957	11 236	5 721	51%	23 102
Vote 3 - Budget & Treasury	128 458	39 702	59 430	2 497	41 078	26 226	14 852	57%	59 430
Vote 4 - Corporate Services	40 771	39 326	38 589	2 781	21 123	24 882	(3 759)	-15%	38 589
Vote 5 - Community Services	55 374	71 741	79 098	4 672	38 882	36 590	2 292	6%	79 098
Vote 6 - Technical Services	183 344	165 483	165 601	7 260	76 045	100 687	(24 642)	-24%	165 601
Vote 7 - Developmental Planning	12 074	9 604	10 737	434	5 549	6 493	(943)	-15%	10 737
Vote 8 - Executive Support	16 881	12 767	16 063	1 035	10 757	9 259	1 498	16%	16 063
Total Expenditure by Vote	496 076	386 388	430 887	23 638	232 669	237 462	(4 793)	-2%	430 887
Surplus/ (Deficit) for the year	(36 060)	76 495	105 207	(8 312)	87 387	92 613	(5 226)	-6%	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	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue By Source									
Property rates	25 815	26 472	34 805	2 478	23 494	18 158	5 336	29%	34 805
Service charges - electricity revenue		81 206	81 206	6 164	48 806	46 420	2 385	5%	81 206
Service charges - water revenue	70 745	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-
Service charges - refuse revenue		8 616	11 616	610	6 686	5 928	758	13%	11 616
Service charges - other	6 506	-	-	-	-	-	-	-	-
Rental of facilities and equipment		1 935	1 000	34	594	1 220	(627)	-51%	1 000
Interest earned - external investments	1 319	3 701	2 500	111	1 493	2 375	(882)	-37%	2 500
Interest earned - outstanding debtors	2 889	6 260	14 260	537	7 267	5 268	2 000	38%	14 260
Dividends received	6 469	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 000	55 016	901	5 322	25 228	(19 906)	-79%	55 016
Licences and permits	50 885	5 171	4 500	360	3 097	3 381	(284)	-8%	4 500
Agency services	5 255	-	-	-	-	-	-	-	-
Transfers and subsidies		226 163	226 163	557	155 112	169 388	(14 276)	-8%	226 163
Other revenue	213 105	2 499	13 678	24	8 986	968	8 018	828%	13 678
Gains on disposal of PPE	8 098	-	-	-	-	-	-	-	-
Total Revenue excluding capital transfers	391 085	392 023	444 744	11 776	260 858	278 335	(17 477)	-6%	444 744
Expenditure By Type									
Employee related costs	117 781	123 460	126 105	9 559	90 735	83 763	6 972	8%	126 105
Remuneration of councillors	20 298	22 113	23 430	1 801	13 662	15 110	(1 448)	-10%	23 430
Debt impairment	21 128	26 372	26 372	-	-	-	-	-	26 372
Depreciation & asset impairment	47 998	51 200	51 200	-	-	27 973	(27 973)	-100%	51 200
Finance charges	1 426	3 124	2 124	-	358	1 676	(1 319)	-79%	2 124
Bulk purchases	65 729	69 165	70 165	5 727	41 948	41 866	81	0%	70 165
Other materials	12 873	13 497	11 821	(50)	8 138	10 271	(2 133)	-21%	11 821
Contracted services	43 080	25 350	65 237	3 978	41 572	20 229	21 342	106%	65 237
Transfers and subsidies	708	3 724	3 724	106	5 078	2 586	2 492	96%	3 724
Other expenditure	161 695	48 384	50 709	2 517	31 179	33 987	(2 809)	-8%	50 709
Loss on disposal of PPE	3 360	-	-	-	-	-	-	-	-
Total Expenditure	496 076	386 388	430 886	23 638	232 669	237 462	(4 793)	-2%	430 886
Surplus/(Deficit)	(104 990)	5 635	13 857	(11 862)	28 189	40 873	(12 684)	-31%	13 857
Transfers and subsidies - capital	68 930	70 860	91 349	3 549	59 198	51 740	7 458	14%	91 349
Transfers and subsidies - capital		-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(36 060)	76 495	105 207	(8 312)	87 387	92 613			105 207
Taxation		-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	(36 060)	76 495	105 207	(8 312)	87 387	92 613			105 207
Attributable to minorities		-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(36 060)	76 495	105 207	(8 312)	87 387	92 613			105 207
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(36 060)	76 495	105 207	(8 312)	87 387	92 613			105 207

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, fines, 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, and Remuneration of councillors.

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

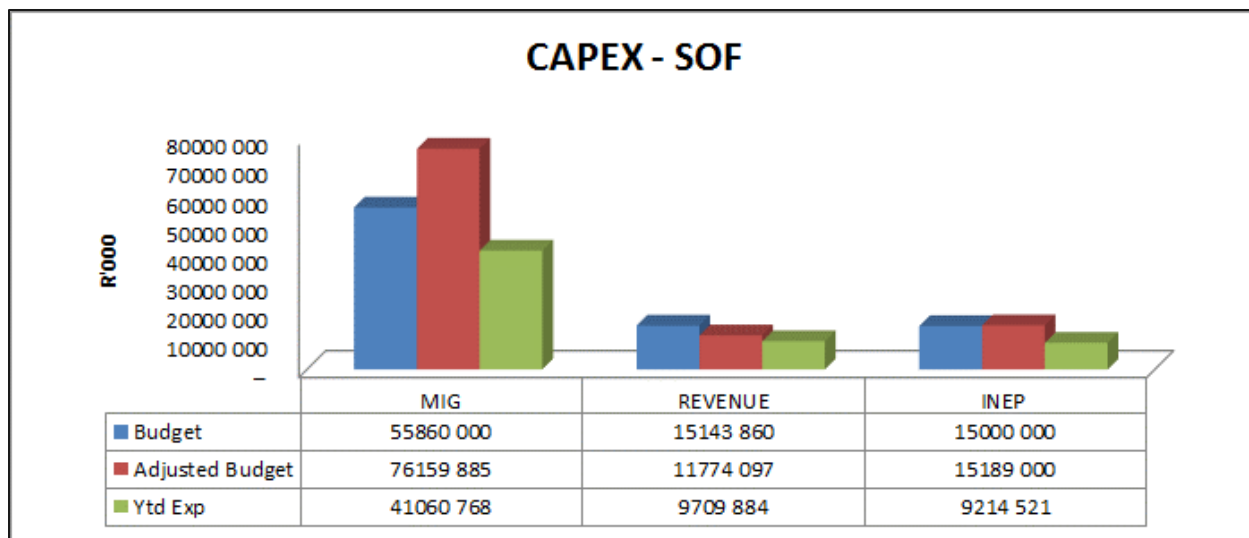
Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding

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
Capital Expenditure - Functional Classification									
Governance and administration	2 091	500	1 300	29	413	250	163	65%	1 300
Executive and council	-	-					-		-
Finance and administration	2 091	500	1 300	29	413	250	163	65%	1 300
Internal audit	-	-					-		-
Community and public safety	181	700	8 479	508	6 709	6 650	59	1%	8 479
Community and social services	28	-					-		-
Sport and recreation	-	700	8 479	508	6 709	6 650	59	1%	8 479
Public safety	153	-					-		-
Housing		-					-		-
Health	-	-					-		-
Economic and environmental services	67 241	62 944	80 021	2 922	48 244	45 780	2 464	5%	80 021
Planning and development	-	-					-		-
Road transport	67 241	62 944	80 021	2 922	48 244	45 780	2 464	5%	80 021
Environmental protection		-					-		-
Trading services	11 151	13 158	13 324	186	7 747	10 352	(2 605)	-25%	13 324
Energy sources	11 151	13 158	13 324	186	7 747	10 352	(2 605)	-25%	13 324
Water management		-					-		-
Waste water management		-					-		-
Waste management	-	-					-		-
Other		-					-		-
Total Capital Expenditure - Functional Classification	80 665	77 302	103 123	3 644	63 113	63 032	81	0.1%	103 123
Funded by:									
National Government	68 895	62 158	80 131	3 052	58 857	52 403	6 454	12%	80 131
Provincial Government							-		
District Municipality							-		
Other transfers and grants							-		
Transfers recognised - capital	68 895	62 158	80 131	3 052	58 857	52 403	6 454	12%	80 131
Public contributions & donations				-			-		
Borrowing				-			-		
Internally generated funds	11 770	15 144	22 992	593	4 256	10 630	(6 373)	-60%	22 992
Total Capital Funding	80 665	77 302	103 123	3 644	63 113	63 032	81	0%	103 123

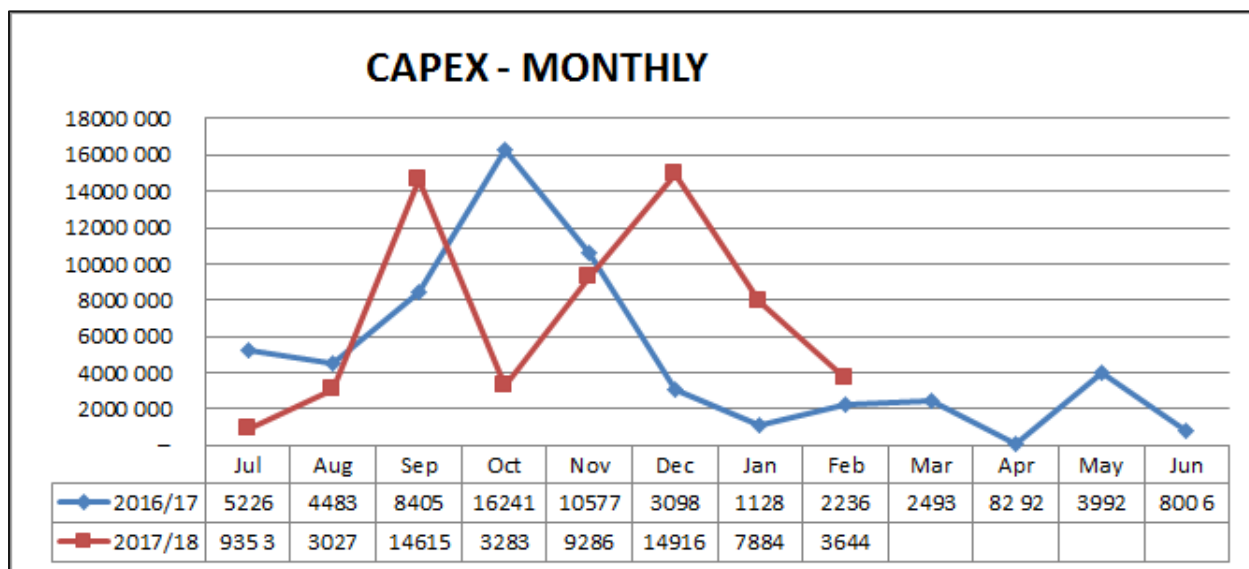
Table C5C: Monthly Capital Expenditure by Vote

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	1 300	29	413	250	163	65%	1 300
Vote 5 - Community Services	28	500	500	-	-	500	(500)	-100%	500
Vote 6 - Technical Services	50 994	52 539	75 747	2 537	48 284	45 277	3 007	7%	75 747
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	51 021	53 539	77 547	2 566	48 697	46 027	2 670	6%	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	-	-	650	(650)	-100%	400
Vote 6 - Technical Services	27 399	23 063	25 176	1 078	14 416	16 355	(1 939)	-12%	25 176
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	583	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	29 643	23 763	25 576	1 078	14 416	17 005	(2 589)	-15%	25 576
Total Capital Expenditure	80 665	77 302	103 123	3 644	63 113	63 032	81	0%	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 the month of February 2018, R3, 644 million spending was incurred and that increased the year to date expenditure to R63, 113 million whilst the year to date budget is R63, 032 million and this gave rise to over spending variance of R 81 thousand that translates to 0.1%.



The above graph shows the components of sources of finance for capital budget. Of the total capital adjusted budget of R103, 123 million, R76, 160 million is funded from Municipal Infrastructure grant, R15, 189 million from INEP and R 11, 774 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 from October to December and continuous decline until February 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	4 400	1 503	4 400
Call investment deposits	15 657	28 568	11 568	–	11 568
Consumer debtors	20 636	34 600	30 600	55 443	30 600
Other debtors	42 835	36 846	42 846	64 227	42 846
Current portion of long-term receivables	–	–	–	–	–
Inventory	3 202	3 200	3 500	3 989	3 500
Total current assets	87 618	107 614	92 914	125 163	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	1 001 585	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	1 069 944	1 026 671
TOTAL ASSETS	1 094 388	1 174 411	1 119 584	1 195 106	1 119 584
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	6 900	8 608	5 608	5 609	5 608
Consumer deposits	5 633	5 089	5 089	5 768	5 089
Trade and other payables	82 244	45 253	50 253	92 669	50 253
Provisions	4 904	1 542	1 542	9 489	1 542
Total current liabilities	99 680	60 491	62 491	113 535	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	199 676	168 924
NET ASSETS	904 896	1 015 187	950 660	995 430	950 660
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	904 896	1 015 187	950 660	995 430	950 660
Reserves	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	904 896	1 015 187	950 660	995 430	950 660

The above table shows that community wealth amounts to R995, 430 million, total liabilities R199, 676 million and the total assets R1, 195 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, 454 million relating to 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	26 104	1 387	12 525	17 403	(4 877)	-28%	26 104
Service charges	69 070	83 078	79 245	3 941	43 346	52 830	(9 484)	-18%	79 245
Other revenue	10 066	13 516	24 449	1 791	28 094	16 299	11 795	72%	24 449
Government - operating	214 632	226 163	226 163	-	169 975	150 775	19 199	13%	226 163
Government - capital	83 703	70 860	91 349	-	54 263	60 900	(6 637)	-11%	91 349
Interest	10 410	5 579	5 352	49	1 343	3 568	(2 225)	-62%	5 352
Dividends	-	-					-		-
Payments									
Suppliers and employees	(308 578)	(320 424)	(338 227)	(33 602)	(257 787)	(225 485)	32 303	-14%	(338 227)
Finance charges	(1 426)	(3 124)	(4 124)	-	(358)	(2 749)	(2 392)	87%	(4 124)
Transfers and Grants	(521)	(3 724)	(3 724)	(106)	(6 018)	(2 482)	3 536	-142%	(3 724)
NET CASH FROM/(USED) OPERATING ACTIVITIES	98 321	93 102	106 587	(26 539)	45 384	71 058	25 675	36%	106 587
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		-	600			400	(400)	-100%	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)	(3 644)	(62 544)	(68 749)	(6 205)	9%	(103 123)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(81 193)	(77 302)	(102 523)	(3 644)	(62 544)	(68 349)	(5 805)	8%	(102 523)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		-	-				-		-
Borrowing long term/refinancing		-	-				-		-
Increase (decrease) in consumer deposits	21	111	(433)	(9)	422	(289)	711	-246%	(433)
Payments									
Repayment of borrowing	(8 170)	(8 608)	(8 608)	-	(2 702)	(5 738)	(3 036)	53%	(8 608)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(8 149)	(8 497)	(9 041)	(9)	(2 281)	(6 027)	(3 747)	62%	(9 041)
NET INCREASE/ (DECREASE) IN CASH HELD	8 979	7 304	(4 977)	(30 192)	(19 441)	(3 318)			(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		1 503	17 626			15 968

Table C7 presents details pertaining to cash flow performance. As at end of February 2018, the net cash inflow from operating activities is R45, 384 million whilst net cash outflow from investing activities is R62, 544 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R2, 281 million. The cash and cash equivalent held at end of February 2018 amounted to R1, 503 million and the net effect of the above cash flows is cash outflow movement of R19, 441 million. The cash and cash equivalent at end of the reporting period of R1, 503 million is made up of cash amounting to R1, 503 million and the municipality had no short term investment for the month under review.

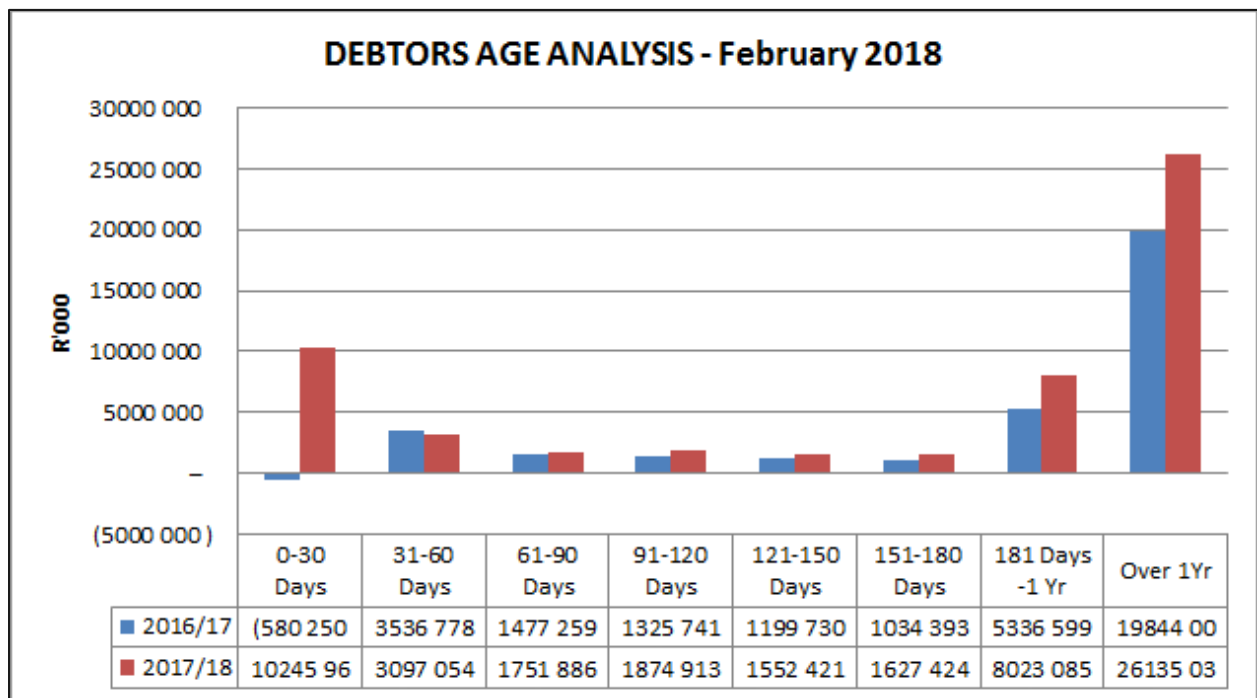
PART 2: SUPPORTING TABLES
Supporting Table: SC 3 - Debtors Age Analysis

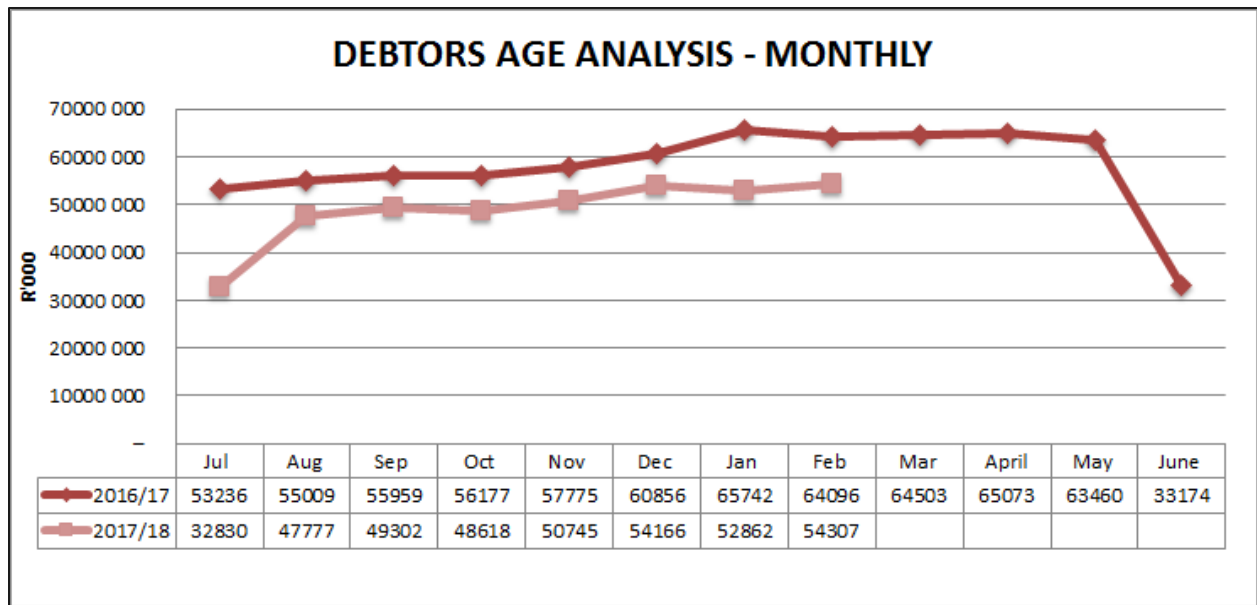
Description	Budget Year 2017/18											
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Bad Debts Written Off	Impairment-Bad Debts
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water									-	-		
Trade and Other Receivables from Exchange Transactions - Electricity	6 021 661	975 684	310 985	208 127	87 833	80 623	461 017	2 843 666	10 989 595	3 681 266		
Receivables from Non-exchange Transactions - Property Rates	2 520 291	1 034 637	841 918	815 189	760 717	804 431	3 352 497	14 061 677	24 191 358	19 794 511		
Receivables from Exchange Transactions - Waste Water Management	-	-	-	-	-	-	-	-	-	-		
Receivables from Exchange Transactions - Waste Management	624 252	406 654	356 871	337 089	327 917	319 092	1 274 568	1 679 519	5 325 962	3 938 185		
Receivables from Exchange Transactions - Property Rental Debtors	52 162	74 996	19 735	20 563	7 201	1 451	118 049	961 741	1 255 899	1 109 006		
Interest on Arrear Debtor Accounts	566 678	544 273	521 341	490 272	468 832	447 755	2 740 202	8 757 337	14 536 690	12 904 398		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-		
Other	460 918	60 809	298 965	3 673	100 080	25 928	76 753	2 168 910	1 991 730	2 214 493		
Total By Income Source	10 245 962	3 097 054	1 751 886	1 874 913	1 552 421	1 627 424	8 023 085	26 135 031	54 307 775	39 212 874	-	-
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	1 391 127	565 928	39 243	321 644	276 744	284 204	1 172 427	5 169 298	9 220 615	7 224 317		
Commercial	4 629 278	683 478	323 724	253 537	110 950	121 112	709 515	1 809 415	8 641 008	3 004 528		
Households	3 285 232	1 200 981	831 166	755 490	629 480	706 990	3 456 128	8 022 944	18 888 412	13 571 032		
Other	940 325	646 667	557 753	544 242	535 247	515 118	2 685 015	11 133 374	17 557 741	15 412 997		
Total By Customer Group	10 245 962	3 097 054	1 751 886	1 874 913	1 552 421	1 627 424	8 023 085	26 135 031	54 307 775	39 212 874	-	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of February amount to R54, 307 million. The debtors' book is made up as follows:

- Rates 45%
- Electricity 20%
- Rental 2%
- Refuse removal 10%
- Interest on Debtors 27%
- 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 February 2018) 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 February.

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

TOP TWENTY DEBTORS

ACCOUNT	ACCOUNT HOLDER NAME	OUTSTANDING	HAND OVER
9012345	BREED J & OOSTHUIZEN J F	984 934	N
214913	MEAT SPOT	492 915	N
1501364	JAN JOUBERT TR (JO JO TANKS)	420 105	N
9000000	REPUBLIEK VAN SUID-AFRIKA	383 259	Y
9900028	ELIAS MOTSOLEDI (OFFICE)	379 189	Y
9001077	ROYAL SQUARE INV 361 CC	332 071	Y
200106	ANABEL AND T INVESTMENTS (WALTLOO MEAT & CHICKEN)	307 707	N
201885	SHOPRITE CHECKERS (PTY) LTD	306 918	N
2000270	PROVINSIALE HOSPITAAL	306 628	N
9000804	NATIONAL GOVERNMENT REPUBLIC OF SOUTH AFRICA	283 191	Y
9005301	TWIN CITY TRADING (PTY) LTD	256 014	N
1200305	BUNGELA LAMOLA BOTTLE STORE	180 689	N
5001708	UNITRADE 518 (PTY) LTD	180 538	Y
9002958	PROVINCIAL GOVERNMENT OF LIMPO	177 294	N
136	LIZINEX (PTY) LTD	170 963	N
2913	SHOPRITE/CHECKERS	161 079	Y
211693	BOXER SUPERSTORE'ATT KERSHNEE	159 135	N
9002065	GOVERNMENT OF KWANDEBELE	158 866	N
9000802		157 235	Y
9002067	NATIONAL GOVERNMENT OF THE REP	153 997	N
TOTAL		5 952 728	

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 CREDITORS PAID

CODE	CREDITOR NAME	AMOUNT
80588	MIT GROUP	186 631
37770	BAHLOTSE TRADING (PTY) LTD	130 300
32409	MAKGONATSOHLE TRADING ENTERPRI	123 300
41027	KDM TRAVEL EXPRESS	36 845
80615	LEPHOULA TRADING ENTERPRISE	29 000
80630	LEPHEPHANE CATERING & PROJECTS	28 991
80323	FUTHARI TRADING	28 500
41095	REKONGA TRAVEL SERVICES	27 700
80651	RE THOMILE TRADING	26 375
80617	LESNOEK PROJECTS (PTY) LTD	25 000
41017	RONELI DEVELOPERS PTY LTD	20 200
80586	MANALA TRADING PTY LTD	9 750
TOTAL		672 593

The above table presents the top creditors paid during the month of February 2018 and an amount of R672 thousand was paid to these creditors during the reporting period.

Supporting Table: SC 6 - Transfers and Grant Receipts

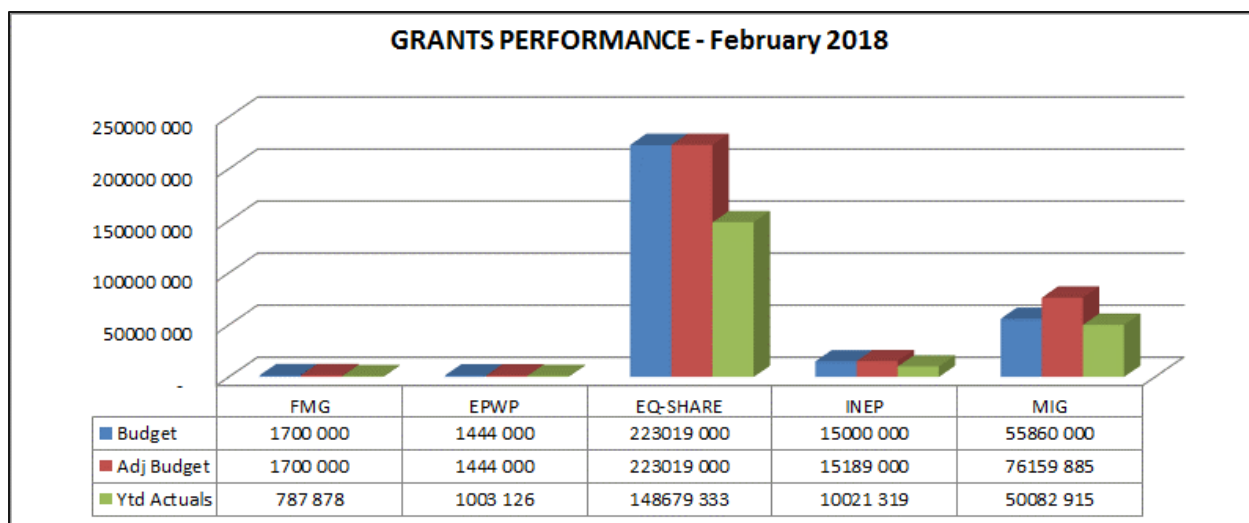
Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
RECEIPTS:									
Operating Transfers and Grants									
National Government:	213 105	226 163	226 163	-	169 975	169 975	-		226 163
Local Government Equitable Share	210 385	223 019	223 019	-	167 265	167 265	-		223 019
Finance Management	1 625	1 700	1 700	-	1 700	1 700			1 700
EPWP Incentive	1 095	1 444	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	226 163	-	169 975	169 975	-		226 163
Capital Transfers and Grants									
National Government:	85 419	70 860	74 860	-	54 263	54 263	-		74 860
Municipal Infrastructure Grant (MIG)	72 419	55 860	59 860	-	39 263	39 263	-		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	-	54 263	54 263	-		74 860
TOTAL RECEIPTS OF TRANSFERS & GRANTS	298 524	297 023	301 023	-	224 238	224 238	-		301 023

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	226 163	18 707	150 470	151 018	(548)	0%	226 163
Local Government Equitable Share	211 912	223 019	223 019	18 585	148 679	148 679	0	0%	223 019
Finance Management	1 625	1 700	1 700	-	788	1 213	(425)	-35%	1 700
EPWP Incentive	1 095	1 444	1 444	123	1 003	1 126	(123)	-11%	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	18 707	150 470	151 018	(548)	0%	226 163
Capital expenditure of Transfers and Grants									
National Government:	68 874	70 860	91 349	3 549	60 104	46 402	13 702	30%	91 349
Municipal Infrastructure Grant (MIG)	56 064	55 860	76 160	3 549	50 083	36 050	14 033	39%	76 160
Intergrated National Electrification Grant	12 811	15 000	15 189	-	10 021	10 352	(331)	-3%	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	3 549	60 104	46 402	13 702	30%	91 349
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	283 507	297 023	317 512	22 257	210 575	197 421	13 154	7%	317 512

An amount of R22, 257 million has been spent on grants during the month of February 2018 and the year to date actuals is R210, 575 million whilst the year to date budget amounts to R 197, 421 million and this results in overspending variance of R13, 154 that translates to 7%. Of the total spending amounting to R210, 575 million, R150, 470 million is spent on operational grants whilst R60, 104 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 February 2018. The grants expenditure is shown below in percentages:

- Financial Management Grant 46, 35%
- Expanded Public Work Programme 69, 47%
- Equitable Share 66, 67%
- Municipal Infrastructure Grant 89, 66%
- Integrated National Electrification Grant 66, 81%

Supporting Table: SC8 - Councilor Allowances and Employee Related Costs

Summary of Employee and Councillor 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	14 757	1 014	8 029	10 060	(2 031)	-20%	14 757
Pension and UIF Contributions	1 691	1 670	1 670	210	1 217	1 109	108	10%	1 670
Medical Aid Contributions	250	285	285	25	189	191	(2)	-1%	285
Motor Vehicle Allowance	4 672	4 788	4 788	417	3 145	3 201	(56)	-2%	4 788
Cellphone Allowance	1 146	612	1 670	135	1 082	544	538	99%	1 670
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	9	-	-	-	5	(5)	-100%	-
Sub Total - Councillors	20 122	22 113	23 171	1 801	13 662	15 110	(1 448)	-10%	23 171
% increase		10%	15%						15%
Senior Managers of the Municipality									
Basic Salaries and Wages	5 416	4 745	4 325	364	3 027	3 105	(79)	-3%	4 325
Pension and UIF Contributions	317	1 021	921	24	194	701	(507)	-72%	921
Medical Aid Contributions	6	228	198	7	60	151	(91)	-60%	198
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	457	840	815	62	510	562	(51)	-9%	815
Cellphone Allowance	5	14	59	4	32	14	17	119%	59
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	130	75	292	3	263	77	185	239%	292
Payments in lieu of leave	-	-	165	-	82	96	(14)	-14%	165
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	6 331	6 923	6 775	465	4 167	4 707	(540)	-11%	6 775
% increase		9%	7%						7%
Other Municipal Staff									
Basic Salaries and Wages	68 064	78 939	74 581	6 174	55 052	51 357	3 695	7%	74 581
Pension and UIF Contributions	14 452	14 523	16 183	1 278	11 324	9 707	1 617	17%	16 183
Medical Aid Contributions	4 235	4 340	5 059	420	3 416	2 911	506	17%	5 059
Overtime	2 835	1 595	2 784	232	1 901	1 223	677	55%	2 784
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	7 995	8 062	9 481	732	6 572	5 433	1 138	21%	9 481
Cellphone Allowance	116	636	845	45	353	468	(115)	-25%	845
Housing Allowances	152	145	214	14	121	102	19	18%	214
Other benefits and allowances	7 651	7 333	8 489	108	6 886	7 182	(296)	-4%	8 489
Payments in lieu of leave	54	802	1 067	91	513	454	59	13%	1 067
Long service awards	3 741	162	627	-	430	163	267	164%	627
Post-retirement benefit obligations	962	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff	110 255	116 537	119 330	9 095	86 568	79 000	7 568	10%	119 330
% increase		6%	8%						8%
Total Parent Municipality	136 708	145 573	149 276	11 360	104 397	98 816	5 580	6%	149 276
		6%	9%						9%
Unpaid salary, allowances & benefits in arrears:									
TOTAL SALARY, ALLOWANCES & BENEFITS	136 708	145 573	149 276	11 360	104 397	98 816	5 580	6%	149 276
% increase		0	0						0
TOTAL MANAGERS AND STAFF	116 586	123 460	126 105	9 559	90 735	83 707	7 028	8%	126 105

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of February 2018 amounts to R104, 397 million and the year to date budget is R 98, 816 million and the expenditure for remuneration of councilors amounts to R13, 662 million while the year to date budget is R 15, 110 million. The year to date actuals for senior managers is R4, 167 million and the year to date budget thereof is R4, 707 million and the year to date actuals for other municipal staff is R86, 568 million and the year to date budget is R79, 000 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	Outcome	Outcome	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	2 000	1 387	1 765	1 765	1 765	3 290	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	8 144	8 271	8 284	13 053	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	410	410	410	664	4 308	4 553	4 808
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	28	15	31	28	19	20	59	20	153	153	153	1 255	1 935	2 046	2 160
Interest earned - external investments	154	135	-	63	-	127	230	-	440	300	308	1 943	3 701	3 912	4 132
Interest earned - outstanding debtors	114	26	78	134	86	49	97	49	106	128	156	854	1 878	1 985	2 096
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	25	2	4	28	4	2	2	2	405	390	413	3 224	4 500	4 757	5 023
Licences and permits	-	805	-	417	404	-	732	729	431	431	431	720	5 100	5 391	5 693
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operating	94 626	361	-	-	649	74 339	-	-	55 756	-	-	433	226 163	238 214	247 841
Other revenue	1 369	812	1 324	3 060	8 160	1 065	12 994	1 040	165	165	165	(28 338)	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	67 775	12 013	12 085	(2 903)	349 514	366 469	381 331
Other Cash Flows by Source															
Transfer receipts - capital	28 330	-	-	5 000	-	20 933	-	-	6 201	-	-	10 396	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)	10	14	12	(580)	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	73 986	12 027	12 097	6 914	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	9 775	9 705	9 717	11 696	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	1 843	1 843	1 843	2 604	21 794	23 036	24 326
Interest paid	-	74	123	51	44	-	67	-	400	398	395	1 574	3 124	790	645
Bulk purchases - Electricity	7 038	71	7 159	5 724	4 839	5 654	5 735	5 727	6 012	7 250	7 300	6 655	69 165	69 937	73 853
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	688	1 642	470	604	1 973	1 226	1 564	-	1 122	807	1 330	2 071	13 497	14 795	15 623
Contracted services	6 156	6 036	6 234	4 957	4 829	3 429	2 948	3 978	2 328	2 003	1 858	(19 406)	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	310	310	310	(3 225)	3 724	3 936	4 156
General expenses	24 438	4 706	4 063	3 717	4 779	9 701	3 219	12 387	6 480	3 261	2 762	(30 809)	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	28 270	25 577	25 515	(28 841)	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	6 630	4 221	4 180	(2 391)	77 302	84 306	91 111
Repayment of borrowing	490	490	678	293	334	-	-	-	706	750	750	4 115	8 608	6 000	6 000
Other Cash Flows/Payments	-	3 389	3 043	-	-	3 197	-	-	1 150	1 400	1 000	5 277	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	36 756	31 948	31 445	(21 840)	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)	37 230	(19 921)	(19 348)	28 753	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	31 589	1 503	38 733	18 812	(536)	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	38 733	18 812	(536)	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 R7, 160 million and the total cash payment for the month were R37, 246 million and this resulted in net decrease in cash held amounting to R30, 086 million and with cash and cash equivalent of R31, 589 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting to R1, 503 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	1 624	935	935	1 624	689	42%	1%
August	4 483	4 590	4 590	3 028	3 963	6 214	2 251	36%	5%
September	8 406	7 000	7 000	13 273	17 236	13 214	(4 021)	-30%	22%
October	16 242	8 227	8 227	3 283	20 519	21 442	923	4%	27%
November	10 577	9 672	9 672	9 287	29 806	31 114	1 308	4%	39%
December	3 099	10 917	10 917	14 916	44 722	42 030	(2 691)	-6%	58%
January	1 128	6 450	6 450	7 885	52 607	48 480	(4 126)	-9%	68%
February	2 237	8 552	14 647	3 644	56 251	63 127	6 877	11%	73%
March	2 493	6 630	12 083			75 211	-		
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	-		
Total Capital expenditure	80 799	77 302	103 123	56 251					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of February amounts to R3, 644 million. The year to date capital budget is R56, 251 million that give rise to over spending variance of R6, 877 million or 11%.

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	48 394	2 448	29 400	22 937	(6 464)	-28%	48 394
Roads Infrastructure	21 733	19 123	35 070	2 262	21 653	12 584	(9 069)	-72%	35 070
Roads	21 733	19 123	35 070	2 262	21 653	12 584	(9 069)	-72%	35 070
Road Furniture		-	-				-		-
Electrical Infrastructure	11 151	13 158	13 324	186	7 747	10 352	2 605	25%	13 324
Power Plants		-	-				-		-
HV Substations		-	-				-		-
HV Switching Station		-	-				-		-
HV Transmission Conductors	11 151	13 158	13 324	186	7 747	10 352	2 605	25%	13 324
MV Substations		-	-				-		-
MV Switching Stations		-	-				-		-
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites		-	-				-		
Waste Transfer Stations		-	-				-		
Waste Processing Facilities		-	-				-		
Waste Drop-off Points		-	-				-		
Waste Separation Facilities		-	-				-		
Electricity Generation Facilities		-	-				-		
Capital Spares		-	-				-		
Community Assets	-	300	300	-	-	250	250	100%	300
Community Facilities	-	300	300	-	-	250	250	100%	300
Halls		-	-				-		-
Centres		-	-				-		-
Crèches		-	-				-		-
Clinics/Care Centres		-	-				-		-
Public Open Space	-	300	300			250	250	100%	300
Nature Reserves		-	-				-		-
Public Ablution Facilities		-	-				-		-
Markets		-	-				-		-
Stalls		-	-				-		-
Abattoirs		-	-				-		-
Airports		-	-				-		-
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	800	-	224	150	(74)	-50%	800
Computer Equipment	1 168	300	800	-	224	150	(74)	-50%	800
Furniture and Office Equipment	340	200	500	29	189	100	(89)	-89%	500
Furniture and Office Equipment	340	200	500	29	189	100	(89)	-89%	500
Machinery and Equipment	2 100	600	1 200	-	119	550	431	78%	1 200
Machinery and Equipment	2 100	600	1 200	-	119	550	431	78%	1 200
Transport Assets	2 253	700	-	-	-	420	420	100%	-
Transport Assets	2 253	700	-	-	-	420	420	100%	-
Total Capital Expenditure on new assets	40 043	34 381	51 194	2 477	29 932	24 407	(5 525)	-23%	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	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	41 914	659	26 367	29 298	2 931	10%	41 914
Roads Infrastructure	37 997	38 474	41 914	659	26 367	29 298	2 931	10%	41 914
Roads	37 997	38 474	41 414	659	26 367	29 298	2 931	10%	41 414
Road Structures		-	-				-		-
Road Furniture		-	500				-		500
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	500	-	-	500	500	100%	500
Operational Buildings	932	500	500	-	-	500	500	100%	500
Municipal Offices	-	500	500			500	500	100%	500
Pay/Enquiry Points		-	-				-		-
Training Centres	932	-	-				-		-
Manufacturing Plant		-	-				-		-
Depots		-	-				-		-
Total Capital Expenditure on renewal of existing assets	40 622	38 974	42 414	659	26 367	29 798	3 431	12%	42 414

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	7 850	(231)	5 708	4 420	(1 288)	-29%	7 850
Roads Infrastructure	946	2 500	2 650	(574)	2 661	1 800	(861)	-48%	2 650
Roads	946	2 500	2 650	(574)	2 661	1 800	(861)	-48%	2 650
Road Structures		-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-
Electrical Infrastructure	1 802	1 900	1 900	50	1 071	1 260	189	15%	1 900
Power Plants		-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-
MV Networks	1 802	1 800	1 800	50	1 071	1 170	99	8%	1 800
LV Networks		-	-	-	-	-	-	-	-
Capital Spares		100	100	-	-	90	90	100%	100
Solid Waste Infrastructure	1 885	2 300	3 300	293	1 977	1 360	(617)	-45%	3 300
Landfill Sites	1 885	2 150	3 150	293	1 977	1 110	(867)	-78%	3 150
Waste Transfer Stations		-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-
Capital Spares		150	150	-	-	250	250	100%	150
Other assets	1 432	1 300	1 325	-	12	1 100	1 088	99%	1 325
Operational Buildings	1 432	1 300	1 325	-	12	1 100	1 088	99%	1 325
Municipal Offices	1 432	1 300	1 325	-	12	1 100	1 088	99%	1 325
Intangible Assets	82	100	100	-	-	20	20	100%	100
Servitudes		-	-	-	-	-	-	-	-
Licences and Rights	82	100	100	-	-	20	20	100%	100
Computer Software and Applications	82	100	100	-	-	20	20	100%	100
Computer Equipment	-	-	-	10	24	-	(24)	#DIV/0!	-
Computer Equipment	-	-	-	10	24	-	(24)	#DIV/0!	-
Machinery and Equipment	2 405	1 711	2 118	-	3	1 218	1 215	100%	2 118
Machinery and Equipment	2 405	1 711	2 118	-	3	1 218	1 215	100%	2 118
Transport Assets	1 800	1 500	1 300	0	1 043	1 110	67	6%	1 300
Transport Assets	1 800	1 500	1 300	0	1 043	1 110	67	6%	1 300
Total Repairs and Maintenance Expenditure	10 353	11 311	12 693	(221)	6 790	7 868	1 078	14%	12 693

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	45 835	–	–	30 556	30 556	100%	45 835
Roads Infrastructure	34 480	25 298	25 298	–	–	16 866	16 866	0	25 298
Roads	34 480	25 298	25 298			16 866	16 866	0	25 298
Road Structures		–				–	–		–
Road Furniture		–				–	–		–
Capital Spares		–				–	–		–
Storm water Infrastructure	–	5 746	5 746	–	–	3 831	3 831	0	5 746
Drainage Collection		–				–	–		–
Storm water Conveyance	–	5 746	5 746			3 831	3 831	0	5 746
Attenuation		–				–	–		–
Electrical Infrastructure	–	12 398	12 398	–	–	8 265	8 265	0	12 398
Power Plants		–				–	–		–
HV Substations		–				–	–		–
HV Switching Station		–				–	–		–
HV Transmission Conductors	–	12 398	12 398			8 265	8 265	0	12 398
MV Substations		–				–	–		–
MV Switching Stations		–				–	–		–
MV Networks		–				–	–		–
LV Networks		–				–	–		–
Capital Spares		–				–	–		–
Solid Waste Infrastructure	488	2 392	2 392	–	–	1 595	1 595	0	2 392
Landfill Sites	488	2 392	2 392			1 595	1 595	0	2 392
Community Assets	2 129	2 231	2 231	–	–	1 487	1 487	0	2 231
Community Facilities	2 129	2 231	2 231	–	–	1 487	1 487	0	2 231
Halls		–				–	–		–
Centres		–				–	–		–
Crèches		–				–	–		–
Clinics/Care Centres		–				–	–		–
Fire/Ambulance Stations		–				–	–		–
Testing Stations		–				–	–		–
Museums		–				–	–		–
Galleries		–				–	–		–
Theatres		–				–	–		–
Libraries		–				–	–		–
Cemeteries/Crematoria	2 129	2 231	2 231			1 487	1 487	0	2 231
Police		–				–	–		–
Purls		–				–	–		–
Public Open Space		–				–	–		–
Nature Reserves		–				–	–		–
Other assets	2 978	120	120	–	–	80	80	0	120
Operational Buildings	2 978	120	120	–	–	80	80	0	120
Municipal Offices	2 978	120	120			80	80	0	120
Intangible Assets	205	–	–	–	–	–	–		–
Licences and Rights	205	–	–	–	–	–	–		–
Computer Software and Applications	205	–	–			–	–		–
Computer Equipment	953	21	21	–	–	14	14	0	21
Computer Equipment	953	21	21			14	14	0	21
Furniture and Office Equipment	1 518	26	26	–	–	17	17	0	26
Furniture and Office Equipment	1 518	26	26			17	17	0	26
Machinery and Equipment	1 323	2 080	2 080	–	–	1 387	1 387	0	2 080
Machinery and Equipment	1 323	2 080	2 080			1 387	1 387	0	2 080
Transport Assets	3 924	888	888	–	–	592	592	0	888
Transport Assets	3 924	888	888			592	592	0	888
Total Depreciation	47 998	51 200	51 200	–	–	34 133	34 133	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	-	-	8 079	508	6 709	6 000	(709)	-12%	8 079
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	8 079	508	6 709	6 000	(709)	-12%	8 079
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	8 079	508	6 709	6 000	(709)	-12%	8 079
Capital Spares	-	-	-	-	-	-	-	-	-
Other assets	-	3 947	1 437	-	105	2 827	2 722	96%	1 437
Operational Buildings	-	3 947	1 437	-	105	2 827	2 722	96%	1 437
Municipal Offices	-	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	3 947	1 437	-	105	2 827	2 722	96%	1 437
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading of existing assets	-	3 947	9 515	508	6 814	8 827	2 013	23%	9 515

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 R29, 932 million and the year to date budget is R24, 407 million which reflects over spending variance of R5, 525 million that translates to 23% variance. The year to date actuals on renewal of existing assets amounts R26, 367 million and with the year to date budget of R29, 798 million and this reflects under spending variance of R3, 431 million that translates to 12% variance.

The year to date actual expenditure on repairs and maintenance is R6, 790 million and the year to date budget is R7, 868 million, reflecting under spending variance of R1, 078 million that translates to 14%.

The year to date actual expenditure on upgrading of existing assets is R6, 814 million and the year to date budget is R8, 827 million, reflecting under spending variance of R2, 013 million that translates to 23%.

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 February 2018 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Municipal Manager of **ELIAS MOTSOLEDI** Local Municipality (LIM 472)

Signature

Date

