

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT REPORT

JANUARY 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 | - | 2 509 | 21 016 | 15 442 | 5 574 | 36% | 26 472 |
| Service charges | 77 251 | 89 822 | - | 5 999 | 48 718 | 44 627 | 4 091 | 9% | 89 822 |
| Investment revenue | 1 319 | 3 701 | - | 381 | 1 382 | 2 090 | (708) | -34% | 3 701 |
| Transfers and subsidies | - | 226 163 | - | 42 | 154 556 | 169 233 | (14 677) | -9% | 226 163 |
| Other own revenue | 286 701 | 45 865 | - | 2 120 | 23 411 | 26 573 | (3 162) | -12% | 45 865 |
| Total Revenue (excluding capital transfers and contributions) | 391 085 | 392 023 | - | 11 051 | 249 082 | 257 964 | (8 882) | -3% | 392 023 |
| Employee costs | 117 781 | 123 460 | - | 9 799 | 82 115 | 74 821 | 7 295 | 10% | 123 460 |
| Remuneration of Councillors | 20 298 | 22 113 | - | 1 694 | 11 861 | 12 899 | (1 038) | -8% | 22 113 |
| Depreciation & asset impairment | 47 998 | 51 200 | - | - | - | 27 973 | (27 973) | -100% | 51 200 |
| Finance charges | 1 426 | 3 124 | - | 67 | 358 | 1 371 | (1 013) | -74% | 3 124 |
| Materials and bulk purchases | 78 603 | 82 662 | - | 7 299 | 44 409 | 44 471 | (62) | 0% | 82 662 |
| Transfers and subsidies | 708 | 3 724 | - | 102 | 4 972 | 2 172 | 2 800 | 129% | 3 724 |
| Other expenditure | 229 263 | 100 105 | - | 6 167 | 65 316 | 44 846 | 20 470 | 46% | 100 105 |
| Total Expenditure | 496 076 | 386 388 | - | 25 128 | 209 031 | 208 553 | 478 | 0% | 386 388 |
| Surplus/(Deficit) | (104 990) | 5 635 | - | (14 077) | 40 051 | 49 412 | (9 361) | -19% | 5 635 |
| Transfers and subsidies - capital | 68 930 | 70 860 | - | 5 373 | 55 649 | 44 894 | 10 755 | 24% | 70 860 |
| Contributions & Contributed assets | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | (36 060) | 76 495 | - | (8 703) | 95 699 | 94 306 | 1 394 | 1% | 76 495 |
| Share of surplus/ (deficit) of associate | - | - | - | - | - | - | - | - | - |
| Surplus/ (Deficit) for the year | (36 060) | 76 495 | - | (8 703) | 95 699 | 94 306 | 1 394 | 1% | 76 495 |
| Capital expenditure & funds sources | | | | | | | | | |
| Capital expenditure | 80 665 | 77 302 | - | 7 885 | 58 899 | 48 480 | 10 419 | 21% | 77 302 |
| Capital transfers recognised | 68 895 | 62 158 | - | 4 268 | 45 572 | 39 381 | 6 192 | 16% | 62 158 |
| Public contributions & donations | - | - | - | - | - | - | - | - | - |
| Borrowing | - | - | - | - | - | - | - | - | - |
| Internally generated funds | 11 770 | 15 144 | - | 3 617 | 13 327 | 9 100 | 4 227 | 46% | 15 144 |
| Total sources of capital funds | 80 665 | 77 302 | - | 7 885 | 58 899 | 48 480 | 10 419 | 21% | 77 302 |
| Financial position | | | | | | | | | |
| Total current assets | 87 618 | 107 614 | - | | 132 165 | | | | 107 614 |
| Total non current assets | 1 006 770 | 1 066 797 | - | | 1 025 311 | | | | 1 066 797 |
| Total current liabilities | 99 680 | 60 491 | - | | 81 037 | | | | 60 491 |
| Total non current liabilities | 89 811 | 98 733 | - | | 91 635 | | | | 98 733 |
| Community wealth/Equity | 904 896 | 1 015 187 | - | | 984 805 | | | | 1 015 187 |
| Cash flows | | | | | | | | | |
| Net cash from (used) operating | 98 321 | 93 102 | - | (1 469) | 71 817 | 105 284 | 33 467 | 32% | 93 102 |
| Net cash from (used) investing | (81 193) | (77 302) | - | (7 885) | (58 899) | (45 093) | 13 807 | -31% | (77 302) |
| Net cash from (used) financing | (8 149) | (8 497) | - | (102) | (2 272) | (4 956) | (2 684) | 0 | (8 497) |
| Cash/cash equivalents at the month/year end | 20 944 | 32 968 | - | - | 31 589 | 80 899 | 49 309 | 61% | 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 | 9 478 | 3 201 | 2 264 | 1 732 | 1 721 | 3 203 | 5 961 | 25 303 | 52 863 |
| 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 January is R249, 082 million and the year to date budget of R257, 964 million and this reflects a negative variance of R8, 882 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: 34% unfavorable variance,
- Interest earned – outstanding Debtors 69% favorable variance,
- Rental on Facilities and Equipment: 50% unfavorable variance,
- Transfer and Subsidies: 9% unfavorable variance
- License and Permits: 9% unfavorable variance
- Fines: 74% unfavorable variance
- Other revenue: 520% favorable variance

Operating Expenditure

The year to date operational expenditure as at end of January amounts to R209, 031 million and the year to date budget is R208, 553 million. This reflects a favorable variance of R 478 thousand that translates to 0.2% 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: 11% under performance variance
- Contracted Services: 130% over performance variance
- Finance Charges: 74% under performance variance
- Transfers and subsidies: 129% 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 January amounts to R58, 899 million and the year to date budget amounts to R48, 480 million and this gives rise to R10, 419 Million over performance variance.

Surplus/Deficit

Taking the above into consideration, the net operating surplus/deficit for the month of January is R8, 703 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 January amounts to R52, 863 million and this shows an increase of R5, 175 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 R39, 571 million and other debtors amounting to R13, 291 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 | – | 3 517 | 141 513 | 121 625 | 19 888 | 16% | 170 084 |
| Executive and council | – | 35 581 | – | – | 35 581 | 26 686 | 8 895 | 33% | 35 581 |
| Finance and administration | 253 047 | 128 101 | – | 3 517 | 99 530 | 90 138 | 9 392 | 10% | 128 101 |
| Internal audit | – | 6 402 | – | – | 6 402 | 4 802 | 1 601 | 33% | 6 402 |
| Community and public safety | 45 | 12 846 | – | 5 | 12 454 | 9 626 | 2 827 | 29% | 12 846 |
| Community and social services | 45 | 6 377 | – | 5 | 5 986 | 4 775 | 1 211 | 25% | 6 377 |
| Sport and recreation | – | 6 469 | – | – | 6 468 | 4 851 | 1 617 | 33% | 6 469 |
| Public safety | – | – | – | – | – | – | – | – | – |
| Housing | – | – | – | – | – | – | – | – | – |
| Health | – | – | – | – | – | – | – | – | – |
| Economic and environmental services | 115 853 | 150 237 | – | 6 097 | 69 524 | 98 702 | (29 178) | -30% | 150 237 |
| Planning and development | 1 635 | 13 512 | – | 1 | 8 428 | 9 727 | (1 299) | -13% | 13 512 |
| Road transport | 114 218 | 135 883 | – | 6 095 | 61 096 | 88 344 | (27 247) | -31% | 135 883 |
| Environmental protection | – | 842 | – | – | – | 632 | (632) | -100% | 842 |
| Trading services | 91 070 | 129 716 | – | 6 806 | 81 239 | 72 904 | 8 335 | 11% | 129 716 |
| Energy sources | 84 564 | 106 984 | – | 6 178 | 61 420 | 57 311 | 4 109 | 7% | 106 984 |
| Water management | – | – | – | – | – | – | – | – | – |
| Waste water management | – | – | – | – | – | – | – | – | – |
| Waste management | 6 506 | 22 732 | – | 627 | 19 820 | 15 594 | 4 226 | 27% | 22 732 |
| Other | – | – | – | – | – | – | – | – | – |
| Total Revenue - Functional | 460 016 | 462 883 | – | 16 424 | 304 731 | 302 858 | 1 872 | 1% | 462 883 |
| Expenditure - Functional | | | | | | | | | |
| Governance and administration | 258 940 | 147 263 | – | 11 337 | 105 474 | 85 867 | 19 607 | 23% | 147 263 |
| Executive and council | 35 425 | 35 981 | – | 2 457 | 21 546 | 20 970 | 576 | 3% | 35 981 |
| Finance and administration | 215 183 | 104 880 | – | 8 385 | 78 694 | 61 184 | 17 510 | 29% | 104 880 |
| Internal audit | 8 333 | 6 402 | – | 495 | 5 234 | 3 713 | 1 521 | 41% | 6 402 |
| Community and public safety | 12 895 | 15 633 | – | 729 | 6 756 | 9 505 | (2 749) | -29% | 15 633 |
| Community and social services | 5 518 | 6 541 | – | 335 | 3 068 | 4 010 | (943) | -24% | 6 541 |
| Sport and recreation | 7 378 | 9 092 | – | 394 | 3 688 | 5 494 | (1 806) | -33% | 9 092 |
| Public safety | – | – | – | – | – | – | – | – | – |
| Housing | – | – | – | – | – | – | – | – | – |
| Health | – | – | – | – | – | – | – | – | – |
| Economic and environmental services | 103 151 | 117 737 | – | 4 283 | 36 517 | 59 544 | (23 027) | -39% | 117 737 |
| Planning and development | 18 070 | 20 850 | – | 1 047 | 9 465 | 12 331 | (2 866) | -23% | 20 850 |
| Road transport | 83 994 | 96 045 | – | 3 167 | 26 674 | 46 680 | (20 006) | -43% | 96 045 |
| Environmental protection | 1 087 | 842 | – | 69 | 378 | 533 | (155) | -29% | 842 |
| Trading services | 121 089 | 105 754 | – | 8 778 | 60 285 | 53 637 | 6 648 | 12% | 105 754 |
| Energy sources | 98 785 | 86 949 | – | 6 233 | 45 261 | 43 415 | 1 846 | 4% | 86 949 |
| Water management | – | – | – | – | – | – | – | – | – |
| Waste water management | – | – | – | – | – | – | – | – | – |
| Waste management | 22 304 | 18 805 | – | 2 545 | 15 023 | 10 222 | 4 801 | 47% | 18 805 |
| Other | – | – | – | – | – | – | – | – | – |
| Total Expenditure - Functional | 496 076 | 386 388 | – | 25 128 | 209 031 | 208 553 | 478 | 0% | 386 388 |
| Surplus/ (Deficit) for the year | (36 060) | 76 495 | – | (8 703) | 95 699 | 94 306 | 1 394 | 1% | 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 | – | – | 31 540 | 23 655 | 7 885 | 33% | 31 540 |
| Vote 2 - Municipal Manager | – | 15 805 | – | – | 14 716 | 11 853 | 2 863 | 24% | 15 805 |
| Vote 3 - Budget & Treasury | 253 036 | 70 368 | – | 3 506 | 42 865 | 46 841 | (3 976) | -8% | 70 368 |
| Vote 4 - Corporate Services | 12 | 33 797 | – | 11 | 33 817 | 25 345 | 8 472 | 33% | 33 797 |
| Vote 5 - Community Services | 62 691 | 89 322 | – | 2 042 | 45 684 | 59 166 | (13 482) | -23% | 89 322 |
| Vote 6 - Technical Services | 142 642 | 200 885 | – | 10 864 | 117 108 | 120 530 | (3 423) | -3% | 200 885 |
| Vote 7 - Developmental Planning | 1 635 | 8 435 | – | 1 | 6 269 | 5 919 | 350 | 6% | 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 | – | 16 424 | 304 731 | 302 858 | 1 872 | 1% | 462 883 |
| Expenditure by Vote | | | | | | | | | |
| Vote 1 - Executive & Council | 31 808 | 31 940 | – | 2 238 | 19 427 | 18 575 | 852 | 5% | 31 940 |
| Vote 2 - Municipal Manager | 27 365 | 15 826 | – | 1 213 | 14 848 | 9 656 | 5 191 | 54% | 15 826 |
| Vote 3 - Budget & Treasury | 128 458 | 39 702 | – | 1 621 | 38 582 | 23 079 | 15 502 | 67% | 39 702 |
| Vote 4 - Corporate Services | 40 771 | 39 326 | – | 3 357 | 18 343 | 21 787 | (3 444) | -16% | 39 326 |
| Vote 5 - Community Services | 55 374 | 71 741 | – | 4 992 | 34 210 | 31 985 | 2 225 | 7% | 71 741 |
| Vote 6 - Technical Services | 183 344 | 165 483 | – | 9 977 | 68 785 | 89 959 | (21 174) | -24% | 165 483 |
| Vote 7 - Developmental Planning | 12 074 | 9 604 | – | 498 | 5 116 | 5 489 | (373) | -7% | 9 604 |
| Vote 8 - Executive Support | 16 881 | 12 767 | – | 1 232 | 9 722 | 8 022 | 1 699 | 21% | 12 767 |
| Total Expenditure by Vote | 496 076 | 386 388 | – | 25 128 | 209 031 | 208 553 | 478 | 0% | 386 388 |
| Surplus/ (Deficit) for the year | (36 060) | 76 495 | – | (8 703) | 95 699 | 94 306 | 1 394 | 1% | 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 | 21 016 | 15 442 | 5 574 | 36% | 26 472 |
| Service charges - electricity revenue | | 81 206 | | 5 372 | 42 642 | 39 601 | 3 041 | 8% | 81 206 |
| Service charges - water revenue | 70 745 | - | | - | - | - | - | | - |
| Service charges - sanitation revenue | | - | | - | - | - | - | | - |
| Service charges - refuse revenue | | 8 616 | | 627 | 6 076 | 5 026 | 1 050 | 21% | 8 616 |
| Service charges - other | 6 506 | - | | - | - | - | - | | - |
| Rental of facilities and equipment | | 1 935 | | 108 | 559 | 1 129 | (570) | -50% | 1 935 |
| Interest earned - external investments | 1 319 | 3 701 | | 381 | 1 382 | 2 090 | (708) | -34% | 3 701 |
| Interest earned - outstanding debtors | 2 889 | 6 260 | | 559 | 6 731 | 3 983 | 2 748 | 69% | 6 260 |
| Dividends received | 6 469 | - | | - | - | - | - | | - |
| Fines, penalties and forfeits | | 30 000 | | 680 | 4 421 | 17 000 | (12 579) | -74% | 30 000 |
| Licences and permits | 50 885 | 5 171 | | 729 | 2 737 | 3 016 | (279) | -9% | 5 171 |
| Agency services | 5 255 | - | | - | - | - | - | | - |
| Transfers and subsidies | | 226 163 | | 42 | 154 556 | 169 233 | (14 677) | -9% | 226 163 |
| Other revenue | 213 105 | 2 499 | | 44 | 8 962 | 1 445 | 7 518 | 520% | 2 499 |
| Gains on disposal of PPE | 8 098 | - | | - | - | - | - | | - |
| Total Revenue (excluding capital transfers) | 391 085 | 392 023 | - | 11 051 | 249 082 | 257 964 | (8 882) | -3% | 392 023 |
| Expenditure By Type | | | | | | | | | |
| Employee related costs | 117 781 | 123 460 | | 9 799 | 82 115 | 74 821 | 7 295 | 10% | 123 460 |
| Remuneration of councillors | 20 298 | 22 113 | | 1 694 | 11 861 | 12 899 | (1 038) | -8% | 22 113 |
| Debt impairment | 21 128 | 26 372 | | - | - | - | - | | 26 372 |
| Depreciation & asset impairment | 47 998 | 51 200 | | - | - | 27 973 | (27 973) | -100% | 51 200 |
| Finance charges | 1 426 | 3 124 | | 67 | 358 | 1 371 | (1 013) | -74% | 3 124 |
| Bulk purchases | 65 729 | 69 165 | | 5 735 | 36 221 | 35 253 | 968 | 3% | 69 165 |
| Other materials | 12 873 | 13 497 | | 1 564 | 8 188 | 9 218 | (1 030) | -11% | 13 497 |
| Contracted services | 43 080 | 25 350 | | 2 948 | 35 312 | 15 351 | 19 961 | 130% | 25 350 |
| Transfers and subsidies | 708 | 3 724 | | 102 | 4 972 | 2 172 | 2 800 | 129% | 3 724 |
| Other expenditure | 161 695 | 48 384 | | 3 219 | 30 004 | 29 495 | 509 | 2% | 48 384 |
| Loss on disposal of PPE | 3 360 | - | | - | - | - | - | | - |
| Total Expenditure | 496 076 | 386 388 | - | 25 128 | 209 031 | 208 553 | 478 | 0% | 386 388 |
| Surplus/(Deficit) | (104 990) | 5 635 | - | (14 077) | 40 051 | 49 412 | (9 361) | -19% | 5 635 |
| Transfers and subsidies - capital | 68 930 | 70 860 | | 5 373 | 55 649 | 44 894 | 10 755 | 24% | 70 860 |
| Transfers and subsidies - capital | | - | | | | | - | | - |
| Transfers and subsidies - capital (in-kind - all) | | - | | | | | - | | - |
| Surplus/(Deficit) after capital transfers | (36 060) | 76 495 | - | (8 703) | 95 699 | 94 306 | | | 76 495 |
| Taxation | | - | | | | | | | - |
| Surplus/(Deficit) after taxation | (36 060) | 76 495 | - | (8 703) | 95 699 | 94 306 | | | 76 495 |
| Attributable to minorities | | - | | | | | | | - |
| Surplus/(Deficit) attributable to municipality | (36 060) | 76 495 | - | (8 703) | 95 699 | 94 306 | | | 76 495 |
| Share of surplus/ (deficit) of associate | | - | | | | | | | - |
| Surplus/ (Deficit) for the year | (36 060) | 76 495 | - | (8 703) | 95 699 | 94 306 | | - | 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.

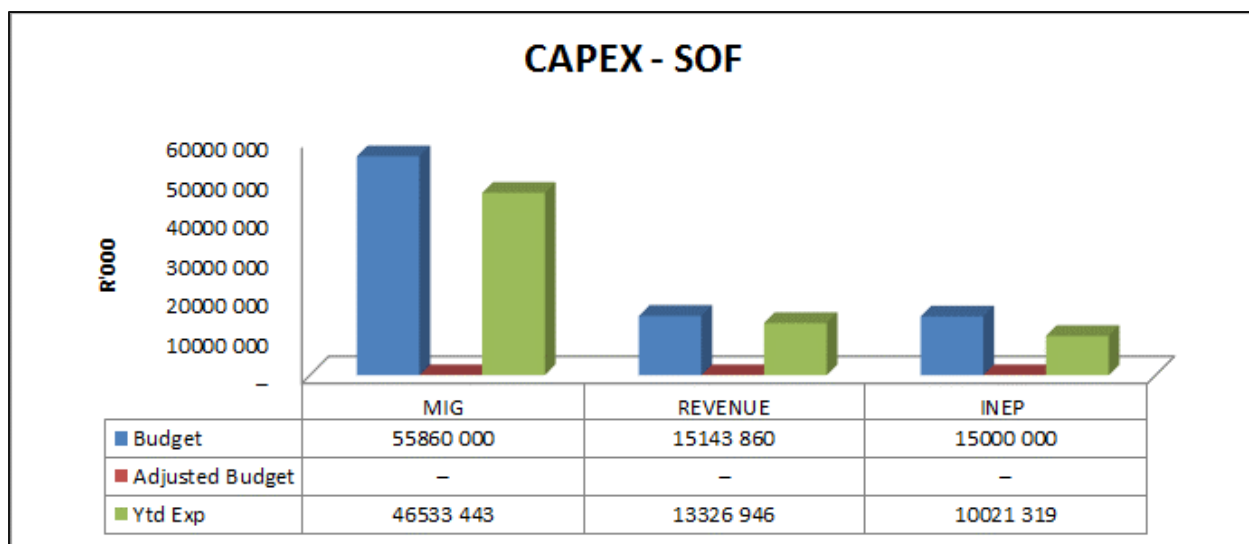
Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding

| 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 | - | - | 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 | - | - | - | 650 | (650) | -100% | 700 |
| Community and social services | 28 | - | | | | | - | | - |
| Sport and recreation | - | 700 | | | | 650 | (650) | -100% | 700 |
| Public safety | 153 | - | | | | | - | | - |
| Housing | - | - | | | | | - | | - |
| Health | - | - | | | | | - | | - |
| Economic and environmental services | 67 241 | 62 944 | - | 7 463 | 51 644 | 39 043 | 12 601 | 32% | 62 944 |
| Planning and development | - | - | | | | | - | | - |
| Road transport | 67 241 | 62 944 | | 7 463 | 51 644 | 39 043 | 12 601 | 32% | 62 944 |
| Environmental protection | - | - | | | | | - | | - |
| Trading services | 11 151 | 13 158 | - | 421 | 6 877 | 8 537 | (1 660) | -19% | 13 158 |
| Energy sources | 11 151 | 13 158 | | 421 | 6 877 | 8 537 | (1 660) | -19% | 13 158 |
| Water management | - | - | | | | | - | | - |
| Waste water management | - | - | | | | | - | | - |
| Waste management | - | - | | | | | - | | - |
| Other | - | - | | | | | - | | - |
| Total Capital Expenditure - Functional Classification | 80 665 | 77 302 | - | 7 885 | 58 899 | 48 480 | 10 419 | 21% | 77 302 |
| Funded by: | | | | | | | | | |
| National Government | 68 895 | 62 158 | | 4 268 | 45 572 | 39 381 | 6 192 | 16% | 62 158 |
| Provincial Government | | | | | | | - | | |
| District Municipality | | | | | | | - | | |
| Other transfers and grants | | | | | | | - | | |
| Transfers recognised - capital | 68 895 | 62 158 | - | 4 268 | 45 572 | 39 381 | 6 192 | 16% | 62 158 |
| Public contributions & donations | | | | | | | - | | |
| Borrowing | | | | | | | - | | |
| Internally generated funds | 11 770 | 15 144 | | 3 617 | 13 327 | 9 100 | 4 227 | 46% | 15 144 |
| Total Capital Funding | 80 665 | 77 302 | - | 7 885 | 58 899 | 48 480 | 10 419 | 21% | 77 302 |

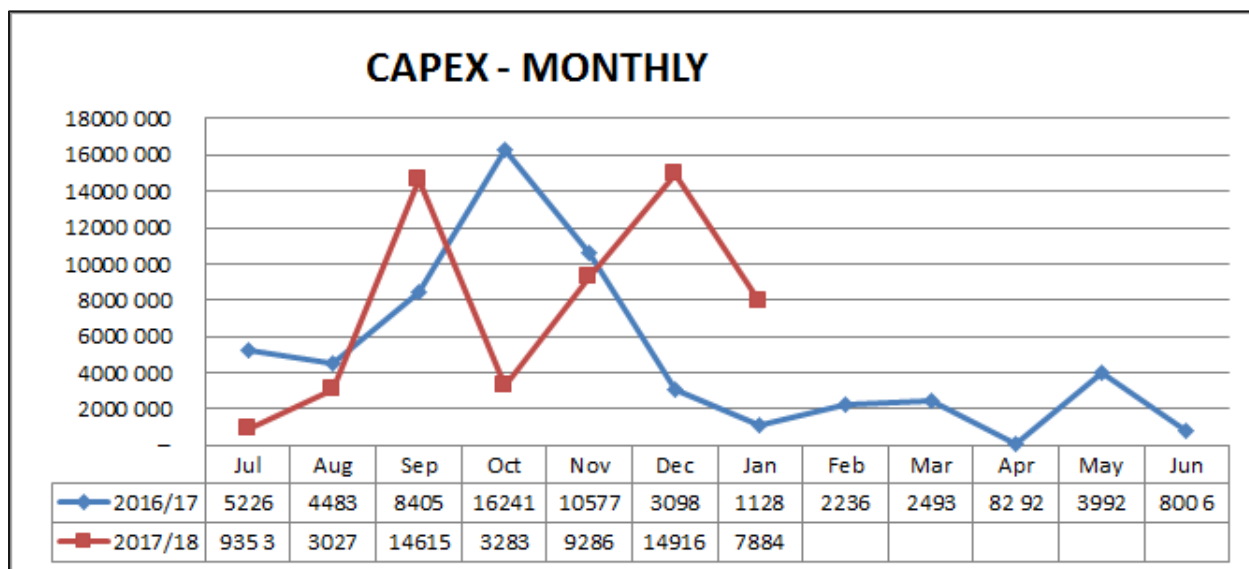
Table C5C: Monthly Capital Expenditure by Vote

| 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 | - | 6 141 | 46 436 | 33 125 | 13 311 | 40% | 52 539 |
| Vote 7 - Developmental Planning | - | - | - | - | - | - | - | - | - |
| Vote 8 - Executive Support | - | - | - | - | - | - | - | - | - |
| Total Capital Multi-year expenditure | 51 021 | 53 539 | - | 6 141 | 46 814 | 33 625 | 13 189 | 39% | 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 | - | - | - | 650 | (650) | -100% | 700 |
| Vote 6 - Technical Services | 27 399 | 23 063 | - | 1 744 | 12 085 | 14 205 | (2 120) | -15% | 23 063 |
| Vote 7 - Developmental Planning | - | - | - | - | - | - | - | - | - |
| Vote 8 - Executive Support | 583 | - | - | - | - | - | - | - | - |
| Total Capital single-year expenditure | 29 643 | 23 763 | - | 1 744 | 12 085 | 14 855 | (2 770) | -19% | 23 763 |
| Total Capital Expenditure | 80 665 | 77 302 | - | 7 885 | 58 899 | 48 480 | 10 419 | 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 January 2017, R7, 899 million spending was incurred and that increased the year to date expenditure to R58, 899 million whilst the year to date budget is R48, 480 million and this gave rise to over spending variance of R 10,419 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 December and November and decline for January 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 | | 1 232 | 4 400 |
| Call investment deposits | 15 657 | 28 568 | | 30 357 | 28 568 |
| Consumer debtors | 20 636 | 34 600 | | 35 867 | 34 600 |
| Other debtors | 42 835 | 36 846 | | 60 725 | 36 846 |
| Current portion of long-term receivables | – | – | | – | – |
| Inventory | 3 202 | 3 200 | | 3 984 | 3 200 |
| Total current assets | 87 618 | 107 614 | – | 132 165 | 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 | | 957 360 | 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 | – | 1 025 311 | 1 066 797 |
| TOTAL ASSETS | 1 094 388 | 1 174 411 | – | 1 157 477 | 1 174 411 |
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Bank overdraft | – | – | | – | – |
| Borrowing | 6 900 | 8 608 | | 6 410 | 8 608 |
| Consumer deposits | 5 633 | 5 089 | | 5 141 | 5 089 |
| Trade and other payables | 82 244 | 45 253 | | 64 846 | 45 253 |
| Provisions | 4 904 | 1 542 | | 4 640 | 1 542 |
| Total current liabilities | 99 680 | 60 491 | – | 81 037 | 60 491 |
| Non current liabilities | | | | | |
| Borrowing | – | 16 500 | | – | 16 500 |
| Provisions | 89 811 | 82 233 | | 91 635 | 82 233 |
| Total non current liabilities | 89 811 | 98 733 | – | 91 635 | 98 733 |
| TOTAL LIABILITIES | 189 492 | 159 224 | – | 172 672 | 159 224 |
| NET ASSETS | 904 896 | 1 015 187 | – | 984 805 | 1 015 187 |
| COMMUNITY WEALTH/EQUITY | | | | | |
| Accumulated Surplus/(Deficit) | 904 896 | 1 015 187 | | 984 805 | 1 015 187 |
| Reserves | – | – | | – | – |
| TOTAL COMMUNITY WEALTH/EQUITY | 904 896 | 1 015 187 | – | 984 805 | 1 015 187 |

The above table shows that community wealth amounts to R984, 805 million, total liabilities R172, 675 million and the total assets R1, 157 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, 020 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 | | 2 000 | 11 138 | 12 353 | (1 215) | -10% | 21 177 |
| Service charges | 69 070 | 83 078 | | 7 712 | 39 405 | 48 462 | (9 057) | -19% | 83 078 |
| Other revenue | 10 066 | 13 516 | | 13 787 | 26 303 | 7 884 | 18 418 | 234% | 13 516 |
| Government - operating | 214 632 | 226 163 | | - | 169 975 | 169 975 | - | | 226 163 |
| Government - capital | 83 703 | 70 860 | | - | 54 263 | 54 263 | - | | 70 860 |
| Interest | 10 410 | 5 579 | | 327 | 1 294 | 3 255 | (1 960) | -60% | 5 579 |
| Dividends | - | - | | | | | - | | - |
| Payments | | | | | | | | | |
| Suppliers and employees | (308 578) | (320 424) | - | (25 128) | (224 292) | (186 914) | 37 378 | -20% | (320 424) |
| Finance charges | (1 426) | (3 124) | | (67) | (358) | (1 822) | (1 465) | 80% | (3 124) |
| Transfers and Grants | (521) | (3 724) | | (102) | (5 912) | (2 172) | 3 740 | -172% | (3 724) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | 98 321 | 93 102 | - | (1 469) | 71 817 | 105 284 | 33 467 | 32% | 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) | | (7 885) | (58 899) | (45 093) | 13 807 | -31% | (77 302) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | (81 193) | (77 302) | - | (7 885) | (58 899) | (45 093) | 13 807 | -31% | (77 302) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | |
| Receipts | | | | | | | | | |
| Short term loans | | - | | | | | - | | - |
| Borrowing long term/refinancing | | - | | | | | - | | - |
| Increase (decrease) in consumer deposits | 21 | 111 | | (102) | 430 | 65 | 366 | 565% | 111 |
| Payments | | | | | | | | | |
| Repayment of borrowing | (8 170) | (8 608) | | - | (2 702) | (5 021) | (2 319) | 46% | (8 608) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | (8 149) | (8 497) | - | (102) | (2 272) | (4 956) | (2 684) | 54% | (8 497) |
| NET INCREASE/ (DECREASE) IN CASH HELD | 8 979 | 7 304 | - | (9 455) | 10 645 | 55 235 | | | 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 | - | | 31 589 | 80 899 | | | 28 248 |

Table C7 presents details pertaining to cash flow performance. As at end of January 2017, the net cash inflow from operating activities is R71, 817 million whilst net cash outflow from investing activities is R58, 899 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R2, 272 million. The cash and cash equivalent held at end of January 2017 amounted to R31, 589 million and the net effect of the above cash flows is cash inflow movement of R10, 645 million. The cash and cash equivalent at end of the reporting period of R 31, 589 million is made up of cash amounting to R1, 232 million and short term investment of R30, 357 million as presented in Table A6 under current assets.

PART 2: SUPPORTING TABLES

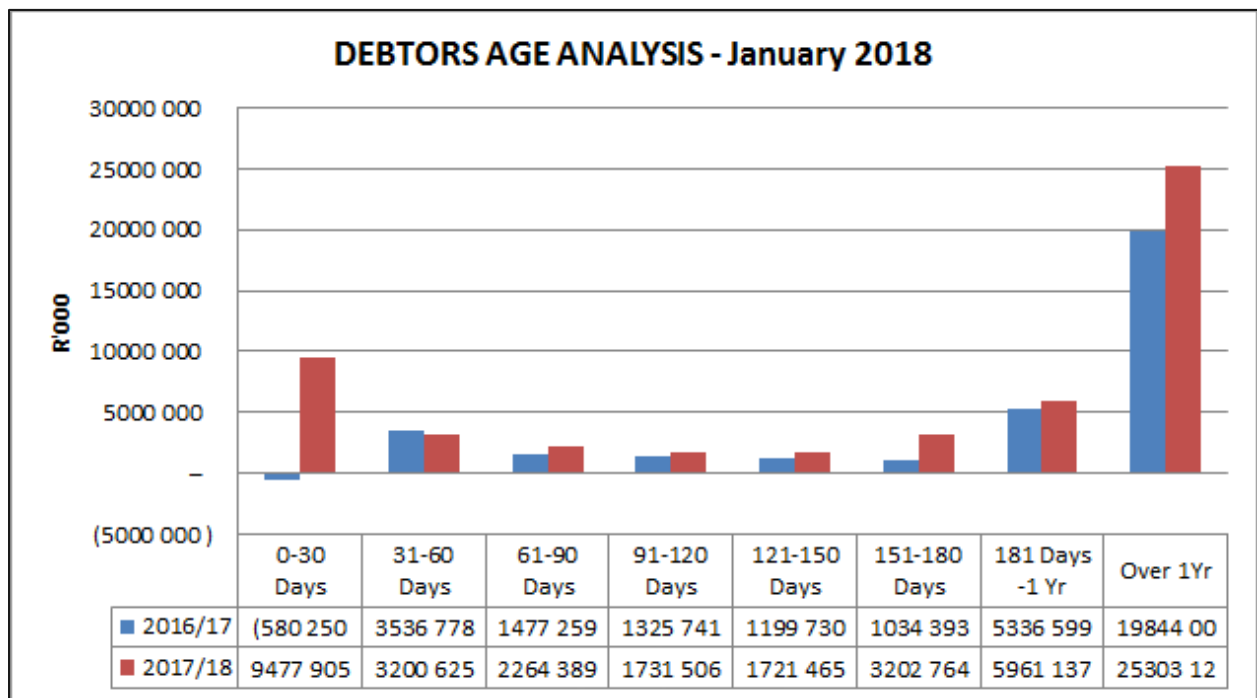
Supporting Table: SC 3 - Debtors Age Analysis

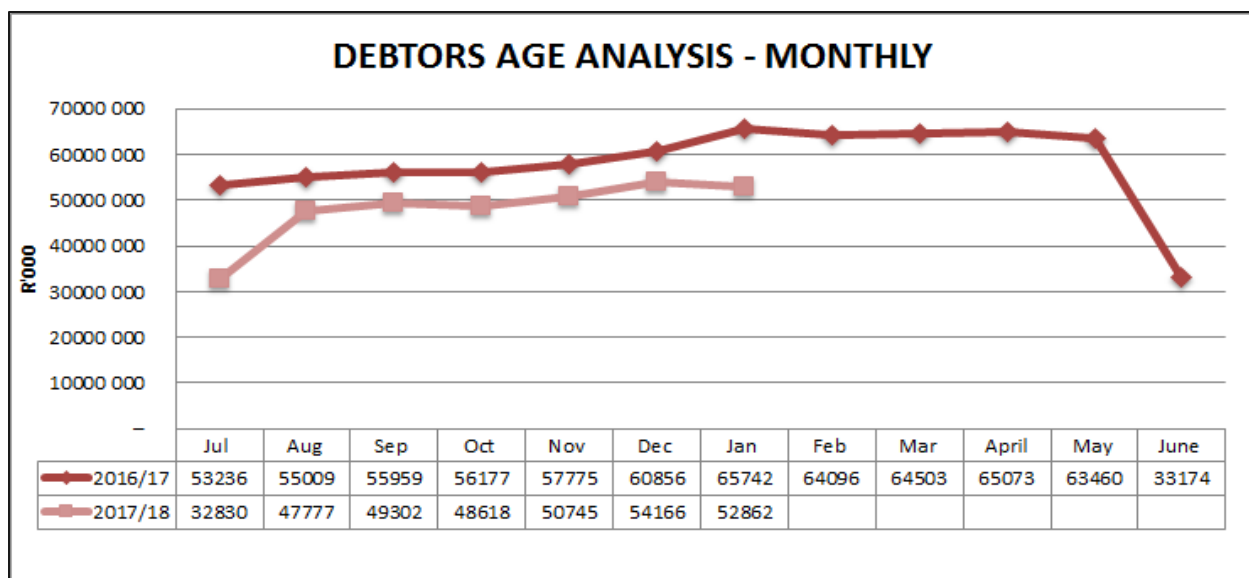
| Description | Budget Year 2017/18 | | | | | | | | | | | |
|-------------------------------------------------------------------------|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|--------------------|-----------------------|------------------------|
| | 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 | 5 105 583 | 1 280 339 | 570 001 | 201 604 | 112 386 | 90 508 | 549 755 | 2 728 593 | 10 638 769 | 3 682 846 | | |
| Receivables from Non-exchange Transactions - Property Rates | 2 451 698 | 1 174 125 | 956 244 | 834 131 | 856 389 | 1 178 640 | 2 636 535 | 13 793 463 | 23 881 225 | 19 299 158 | | |
| Receivables from Exchange Transactions - Waste Water Management | - | - | - | - | - | - | - | - | - | - | | |
| Receivables from Exchange Transactions - Waste Management | 619 542 | 410 650 | 366 202 | 340 415 | 325 803 | 752 647 | 597 234 | 1 638 674 | 5 051 165 | 3 654 772 | | |
| Receivables from Exchange Transactions - Property Rental Debtors | 107 107 | 28 582 | 36 280 | 7 201 | 1 451 | 2 194 | 195 436 | 882 159 | 1 260 413 | 1 088 443 | | |
| Interest on Arrear Debtor Accounts | 562 529 | 549 369 | 504 879 | 481 704 | 453 759 | 923 151 | 2 182 021 | 8 487 724 | 14 145 135 | 12 528 359 | | |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | - | - | - | - | - | - | - | - | - | - | | |
| Other | 631 446 | - 242 440 | - 169 217 | - 133 549 | - 28 324 | 255 624 | - 199 844 | - 2 227 489 | - 2 113 791 | - 2 333 581 | | |
| Total By Income Source | 9 477 905 | 3 200 625 | 2 264 389 | 1 731 506 | 1 721 465 | 3 202 764 | 5 961 137 | 25 303 124 | 52 862 916 | 37 919 997 | - | - |
| 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 | 844 044 | - 191 211 | 79 597 | 61 170 | 106 714 | 81 361 | 182 335 | 2 660 451 | 3 824 462 | 3 092 032 | | |
| Commercial | 4 642 382 | 1 536 440 | 876 246 | 428 775 | 350 737 | 404 783 | 1 396 526 | 3 848 755 | 13 484 645 | 6 429 577 | | |
| Households | 3 057 572 | 1 253 187 | 960 588 | 694 140 | 736 010 | 2 127 858 | 1 570 448 | 7 816 397 | 18 216 199 | 12 944 853 | | |
| Other | 933 907 | 602 209 | 347 958 | 547 421 | 528 004 | 588 762 | 2 811 829 | 10 977 521 | 17 337 610 | 15 453 536 | | |
| Total By Customer Group | 9 477 905 | 3 200 625 | 2 264 389 | 1 731 506 | 1 721 465 | 3 202 764 | 5 961 137 | 25 303 124 | 52 862 916 | 37 919 997 | - | - |

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of January amount to R52, 862 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 January 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 January.

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 978 185.15 | N |
| 214913 | MEAT SPOT | R 487 476.61 | N |
| 9900028 | ELIAS MOTSOLEDI (OFFICE) | R 379 189.20 | Y |
| 9000000 | REPUBLIEK VAN SUID-AFRIKA | R 377 270.11 | Y |
| 200106 | ANABEL AND T INVESTMENTS (WALTL | R 363 139.16 | N |
| 9001077 | ROYAL SQUARE INV 361 CC | R 327 970.89 | Y |
| 201885 | SHOPRITE CHECKERS (PTY) LTD | R 296 762.11 | N |
| 9000804 | NATIONAL GOVERNMENT REPUBLIC O | R 279 695.05 | Y |
| 9005301 | TWIN CITY TRADING (PTY) LTD | R 264 142.98 | N |
| 5001708 | UNITRADE 518 (PTY) LTD | R 177 344.55 | Y |
| 9002958 | PROVINCIAL GOVERNMENT OF LIMPO | R 174 122.20 | N |
| 136 | LIZINEX (PTY) LTD | R 173 341.40 | N |
| 1200305 | BUNGELA LAMOLA BOTTLE STORE | R 159 778.76 | N |
| 9000802 | | R 155 293.66 | Y |
| 9002065 | GOVERNMENT OF KWANDEBELE | R 154 231.29 | N |
| 2913 | SHOPRITE/CHECKERS | R 151 981.31 | Y |
| 9002067 | NATIONAL GOVERNMENT OF THE REP | R 150 053.15 | N |
| 2000270 | PROVINSIALE HOSPITAAL | R 148 341.08 | N |
| 9001763 | TSHEHLA TRUST MAMAILE GEORGE | R 143 986.38 | N |
| 5002109 | VAN AARD F J (MAPOCH HOTEL) | R 141 192.89 | Y |
| TOTAL | | R 5 483 497.93 | |

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 |
|--------------|----------------------------------|------------------|
| 80568 | KGAKILWE TRADING AND PROJECTS | 262 000 |
| 41060 | PAPI INVESTMENT | 190 250 |
| 32409 | MAKGONATSOHLE TRADING ENTERPRISE | 168 906 |
| 1256 | MANY LE MANG CONSTRUCTION | 159 991 |
| 80552 | MOHLAKA MEDIA SOLUTIONS | 110 922 |
| 35403 | BONGILEMASHUMI C C | 99 000 |
| 6568 | RAND DATA FORMS | 34 636 |
| 80285 | HLOGI TRADING ENTERPRISE | 29 400 |
| 80646 | MJIMARO PROJECTS | 29 330 |
| 80645 | BAGOLO PROJECTS AND SERVICES | 29 000 |
| 35612 | CELIWE N SON SALON | 28 800 |
| 80633 | SAPELA TRADING | 28 750 |
| 80215 | PLANT MACHINERY KING (PTY)LTD | 28 700 |
| 80644 | PEARL MARIA PROJECTS | 28 000 |
| 40032 | MOGOBOSHENG TRADING & PROJECTS | 26 205 |
| 80110 | KOBOTSE (PTY)LTD | 26 000 |
| 35380 | SYLOVIAL TRADING & PROJECTS CC | 24 750 |
| 80632 | KELELONG TSA RONA TRADING | 23 500 |
| 80647 | MOEKETJIE 123 TRADING | 22 227 |
| 80578 | NGIYATHEMBA TRADING ENTERPRISE | 19 500 |
| TOTAL | | 1 369 867 |

The above table presents the top twenty creditors paid during the month of January 2017 and an amount of R1, 369 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 | 208 | 7.5% | 30 094 | - | 30 302 |
| VBS | 2017/12/15 | Short term | 2018/01/15 | 22 | 6.9% | 10 033 | (10 000) | 55 |
| TOTAL INVESTMENTS AND INTEREST | | | | 230 | | 40 127 | (10 000) | 30 357 |

Supporting table SC5 presents all investments, and it indicates that municipality had R30, 357 million short term investment at end of January 2017. Municipality had R 40, 127 million short term investment at the beginning of the month, and an amount of R10, 000 million was withdrawn in the reporting period. Accrued interest for the month amounted to R230 thousand.

Supporting Table: SC 6 - Transfers and Grant Receipts

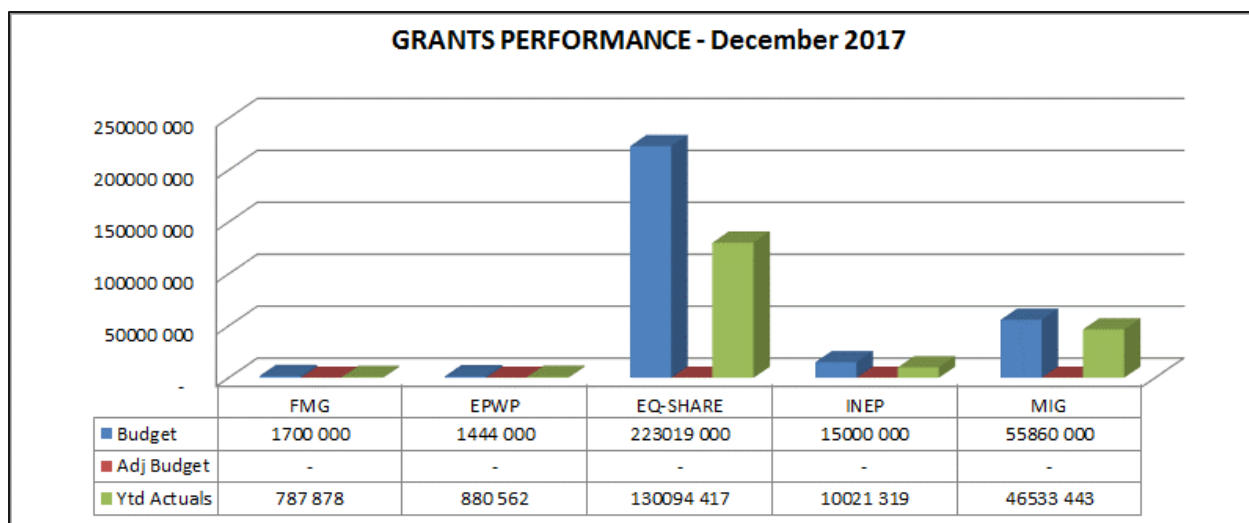
| Description | 2016/17 | Budget Year 2017/18 | | | | | | | |
|-------------------------------------------------|-----------------|---------------------|-----------------|----------------|----------------|----------------|--------------|--------------|--------------------|
| | Audited Outcome | Original 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 | - | - | 169 975 | 169 975 | - | | 226 163 |
| Local Government Equitable Share | 210 385 | 223 019 | - | - | 167 265 | 167 265 | - | | 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 | - | - | 169 975 | 169 975 | - | | 226 163 |
| Capital Transfers and Grants | | | | | | | | | |
| National Government: | 85 419 | 70 860 | - | - | 54 263 | 54 263 | - | | 70 860 |
| Municipal Infrastructure Grant (MIG) | 72 419 | 55 860 | - | - | 39 263 | 39 263 | - | | 55 860 |
| Intergrated National Electrification Grant | 13 000 | 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 | - | - | 54 263 | 54 263 | - | | 70 860 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | 298 524 | 297 023 | - | - | 224 238 | 224 238 | - | | 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 | - | 18 746 | 131 763 | 136 509 | (4 746) | -3% | 226 163 |
| Local Government Equitable Share | 211 912 | 223 019 | | 18 585 | 130 094 | 134 705 | (4 611) | -3% | 223 019 |
| Finance Management | 1 625 | 1 700 | | 42 | 788 | 962 | (174) | -18% | 1 700 |
| EPWP Incentive | 1 095 | 1 444 | | 120 | 881 | 842 | 38 | 5% | 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 | - | 18 746 | 131 763 | 136 509 | (4 746) | -3% | 226 163 |
| Capital expenditure of Transfers and Grants | | | | | | | | | |
| National Government: | 68 874 | 70 860 | - | 6 279 | 56 555 | 39 381 | 17 174 | 44% | 70 860 |
| Municipal Infrastructure Grant (MIG) | 56 064 | 55 860 | | 5 473 | 46 533 | 30 843 | 15 690 | 51% | 55 860 |
| Integrated National Electrification Grant | 12 811 | 15 000 | | 807 | 10 021 | 8 537 | 1 484 | 17% | 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 | - | 6 279 | 56 555 | 39 381 | 17 174 | 44% | 70 860 |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | 283 507 | 297 023 | - | 25 026 | 188 318 | 175 890 | 12 428 | 7% | 297 023 |

An amount of R25, 026 million has been spent on grants during the month of January 2017 and the year to date actuals is R188, 316 million whilst the year to date budget amounts to R 175, 890 million and this results in overspending variance of R12, 428 that translates to 7%. Of the total spending amounting to R188, 318 million, R131, 763 million is spent on operational grants whilst R56, 555 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 January 2017. The grants expenditure is shown below in percentages:

- Financial Management Grant 46, 35%
- Expanded Public Work Programme 60, 98%
- Equitable Share 58, 33%
- Municipal Infrastructure Grant 83, 30%
- Integrated National Electrification Grant 66, 81%

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 | | 1 001 | 7 015 | 8 603 | (1 588) | -18% | 14 748 |
| Pension and UIF Contributions | 1 691 | 1 670 | | 143 | 1 007 | 974 | 32 | 3% | 1 670 |
| Medical Aid Contributions | 250 | 285 | | 25 | 164 | 167 | (3) | -2% | 285 |
| Motor Vehicle Allowance | 4 672 | 4 788 | | 390 | 2 729 | 2 793 | (64) | -2% | 4 788 |
| Cellphone Allowance | 1 146 | 612 | | 135 | 946 | 357 | 589 | 165% | 612 |
| Housing Allowances | - | - | | - | - | - | - | - | - |
| Other benefits and allowances | - | 9 | | - | - | 5 | (5) | -100% | 9 |
| Sub Total - Councillors | 20 122 | 22 113 | - | 1 694 | 11 861 | 12 899 | (1 038) | -8% | 22 113 |
| % increase | | 10% | | | | | | | 10% |
| Senior Managers of the Municipality | | | | | | | | | |
| Basic Salaries and Wages | 5 416 | 4 745 | | 364 | 2 663 | 2 768 | (105) | -4% | 4 745 |
| Pension and UIF Contributions | 317 | 1 021 | | 24 | 170 | 596 | (426) | -72% | 1 021 |
| Medical Aid Contributions | 6 | 228 | | 7 | 52 | 133 | (81) | -61% | 228 |
| Overtime | - | - | | - | - | - | - | - | - |
| Performance Bonus | - | - | | - | - | - | - | - | - |
| Motor Vehicle Allowance | 457 | 840 | | 62 | 448 | 490 | (42) | -9% | 840 |
| Cellphone Allowance | 5 | 14 | | 4 | 27 | 8 | 19 | 226% | 14 |
| Housing Allowances | - | - | | - | - | - | - | - | - |
| Other benefits and allowances | 130 | 75 | | 3 | 260 | 74 | 186 | 249% | 75 |
| Payments in lieu of leave | - | - | | - | 82 | 82 | - | - | - |
| Long service awards | - | - | | - | - | - | - | - | - |
| Post-retirement benefit obligations | - | - | | - | - | - | - | - | - |
| Sub Total - Senior Managers of Municipality | 6 331 | 6 923 | - | 465 | 3 702 | 4 152 | (449) | -11% | 6 923 |
| % increase | | 9% | | | | | | | 9% |
| Other Municipal Staff | | | | | | | | | |
| Basic Salaries and Wages | 68 064 | 78 939 | | 6 149 | 48 878 | 46 048 | 2 830 | 6% | 78 939 |
| Pension and UIF Contributions | 14 452 | 14 523 | | 1 274 | 10 046 | 8 472 | 1 574 | 19% | 14 523 |
| Medical Aid Contributions | 4 235 | 4 340 | | 418 | 2 996 | 2 532 | 464 | 18% | 4 340 |
| Overtime | 2 835 | 1 595 | | 371 | 1 668 | 985 | 684 | 69% | 1 595 |
| Performance Bonus | - | - | | - | - | - | - | - | - |
| Motor Vehicle Allowance | 7 995 | 8 062 | | 739 | 5 839 | 4 703 | 1 136 | 24% | 8 062 |
| Cellphone Allowance | 116 | 636 | | 43 | 308 | 371 | (63) | -17% | 636 |
| Housing Allowances | 152 | 145 | | 14 | 108 | 84 | 23 | 28% | 145 |
| Other benefits and allowances | 7 651 | 7 333 | | 147 | 6 778 | 7 051 | (272) | -4% | 7 333 |
| Payments in lieu of leave | 54 | 802 | | 64 | 422 | 384 | 38 | 10% | 802 |
| Long service awards | 3 741 | 162 | | 117 | 430 | 123 | 307 | 251% | 162 |
| Post-retirement benefit obligations | 962 | - | | - | - | - | - | - | - |
| Sub Total - Other Municipal Staff | 110 255 | 116 537 | - | 9 334 | 77 473 | 70 751 | 6 722 | 10% | 116 537 |
| % increase | | 6% | | | | | | | 6% |
| Total Parent Municipality | 136 708 | 145 573 | - | 11 493 | 93 036 | 87 802 | 5 234 | 6% | 145 573 |
| | | 6% | | | | | | | 6% |
| TOTAL SALARY, ALLOWANCES & BENEFITS | 136 708 | 145 573 | - | 11 493 | 93 036 | 87 802 | 5 234 | 0 | 145 573 |
| % increase | | 6% | | | | | | | 6% |
| TOTAL MANAGERS AND STAFF | 116 586 | 123 460 | - | 9 799 | 81 175 | 74 903 | 6 273 | 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 January 2017 amounts to R93, 036 million and the year to date budget is R 87, 802 million and the expenditure for remuneration of councilors amounts to R11, 861 million while the year to date budget is R 12, 899 million. The year to date actuals for senior managers is R3, 702 million and the year to date budget thereof is R4, 152 million and the year to date actuals for other municipal staff is R77, 473 million and the year to date budget is R70, 751 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 | 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 | 2 000 | 1 765 | 1 765 | 1 765 | 1 765 | 2 913 | 21 177 | 22 384 | 23 638 |
| Service charges - electricity revenue | 5 992 | 3 719 | 4 876 | 6 380 | 5 352 | 3 668 | 7 362 | 7 513 | 8 144 | 8 271 | 8 284 | 9 207 | 78 770 | 81 133 | 83 729 |
| Service charges - water revenue | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - sanitation revenue | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - refuse | 354 | 216 | 288 | 340 | 320 | 273 | 350 | 410 | 410 | 410 | 410 | 527 | 4 308 | 4 553 | 4 808 |
| Service charges - other | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rental of facilities and equipment | 28 | 15 | 31 | 28 | 19 | 20 | 59 | 153 | 153 | 153 | 153 | 1 122 | 1 935 | 2 046 | 2 160 |
| Interest earned - external investments | 154 | 135 | - | 63 | - | 127 | 230 | 240 | 440 | 300 | 308 | 1 703 | 3 701 | 3 912 | 4 132 |
| Interest earned - outstanding debtors | 114 | 26 | 78 | 134 | 86 | 49 | 97 | 144 | 106 | 128 | 156 | 759 | 1 878 | 1 985 | 2 096 |
| Dividends received | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | 25 | 2 | 4 | 28 | 4 | 2 | 2 | 353 | 405 | 390 | 413 | 2 873 | 4 500 | 4 757 | 5 023 |
| Licences and permits | - | 805 | - | 417 | 404 | - | 732 | 431 | 431 | 431 | 431 | 1 019 | 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 | 12 994 | 165 | 165 | 165 | 165 | (27 464) | 1 981 | 2 094 | 2 211 |
| Cash Receipts by Source | 104 272 | 6 847 | 8 343 | 12 249 | 16 906 | 80 930 | 23 827 | 11 607 | 67 775 | 12 013 | 12 085 | (7 341) | 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) | 20 | 10 | 14 | 12 | (608) | 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 | 11 627 | 73 986 | 12 027 | 12 097 | 2 446 | 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 | 9 808 | 9 775 | 9 705 | 9 717 | 11 491 | 123 460 | 130 069 | 137 325 |
| Remuneration of councillors | 1 694 | 1 694 | 1 694 | 1 694 | 1 694 | 1 695 | 1 694 | 1 843 | 1 843 | 1 843 | 1 843 | 2 562 | 21 794 | 23 036 | 24 326 |
| Interest paid | - | 74 | 123 | 51 | 44 | - | 67 | 186 | 400 | 398 | 395 | 1 388 | 3 124 | 790 | 645 |
| Bulk purchases - Electricity | 7 038 | 71 | 7 159 | 5 724 | 4 839 | 5 654 | 5 735 | 5 950 | 6 012 | 7 250 | 7 300 | 6 432 | 69 165 | 69 937 | 73 853 |
| Bulk purchases - Water & Sewer | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other materials | 688 | 1 642 | 470 | 604 | 1 973 | 1 226 | 1 564 | 545 | 1 122 | 807 | 1 330 | 1 527 | 13 497 | 14 795 | 15 623 |
| Contracted services | 6 156 | 6 036 | 6 234 | 4 957 | 4 829 | 3 429 | 2 948 | 1 838 | 2 328 | 2 003 | 1 858 | (17 267) | 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 | 310 | 310 | 310 | 310 | (3 430) | 3 724 | 3 936 | 4 156 |
| General expenses | 24 438 | 4 706 | 4 063 | 3 717 | 4 779 | 9 701 | 3 219 | 3 077 | 6 480 | 3 261 | 2 762 | (21 499) | 48 703 | 46 114 | 47 108 |
| Cash Payments by Type | 51 284 | 24 544 | 30 067 | 27 218 | 28 548 | 37 904 | 25 128 | 23 557 | 28 270 | 25 577 | 25 515 | (18 796) | 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 | 8 552 | 6 630 | 4 221 | 4 180 | (7 298) | 77 302 | 84 306 | 91 111 |
| Repayment of borrowing | 490 | 490 | 678 | 293 | 334 | - | - | 706 | 706 | 750 | 750 | 3 409 | 8 608 | 6 000 | 6 000 |
| Other Cash Flows/Payments | - | 3 389 | 3 043 | - | - | 3 197 | - | 1 000 | 1 150 | 1 400 | 1 000 | 4 277 | 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 | 33 815 | 36 756 | 31 948 | 31 445 | (18 409) | 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) | (22 188) | 37 230 | (19 921) | (19 348) | 20 855 | 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 | 9 402 | 46 631 | 26 710 | 7 362 | 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 | 9 402 | 46 631 | 26 710 | 7 362 | 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 R23, 725 million and the total cash payment for the month were R33, 012 million and this resulted in net decrease in cash held amounting to R9, 287 million and with cash and cash equivalent of R40, 876 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting to R31, 589 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 | | 7 885 | 52 607 | 48 480 | (4 126) | -9% | 68% |
| 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 | - | 52 607 | | | | | |

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of January amounts to R7, 885 million. The year to date capital budget is R48, 480 million that give rise to over spending variance of R4, 126 million or 9%.

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 | - | 3 000 | 25 108 | 19 422 | (5 686) | -29% | 32 281 |
| Roads Infrastructure | 21 733 | 19 123 | - | 2 579 | 18 231 | 10 884 | (7 347) | -67% | 19 123 |
| Roads | 21 733 | 19 123 | | 2 579 | 18 231 | 10 884 | (7 347) | -67% | 19 123 |
| Capital Spares | | - | | | | | - | | - |
| Electrical Infrastructure | 11 151 | 13 158 | - | 421 | 6 877 | 8 537 | 1 660 | 19% | 13 158 |
| Power Plants | | - | | | | | - | | - |
| HV Substations | | - | | | | | - | | - |
| HV Switching Station | | - | | | | | - | | - |
| HV Transmission Conductors | 11 151 | 13 158 | | 421 | 6 877 | 8 537 | 1 660 | 19% | 13 158 |
| 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 | - | - | - | 250 | 250 | 100% | 300 |
| Community Facilities | - | 300 | - | - | - | 250 | 250 | 100% | 300 |
| Halls | | - | | | | | - | | - |
| Centres | | - | | | | | - | | - |
| Crèches | | - | | | | | - | | - |
| Clinics/Care Centres | | - | | | | | - | | - |
| Public Open Space | - | 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 | - | - | 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 | - | (24) | 119 | 550 | 431 | 78% | 600 |
| Machinery and Equipment | 2 100 | 600 | | (24) | 119 | 550 | 431 | 78% | 600 |
| Transport Assets | 2 253 | 700 | - | - | - | 420 | 420 | 100% | 700 |
| Transport Assets | 2 253 | 700 | | | | 420 | 420 | 100% | 700 |
| Total Capital Expenditure on new assets | 40 043 | 34 381 | - | 2 976 | 25 605 | 20 892 | (4 713) | -23% | 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 | - | 4 850 | 26 988 | 24 911 | (2 077) | -8% | 38 474 |
| Roads Infrastructure | 37 997 | 38 474 | - | 4 850 | 26 988 | 24 911 | (2 077) | -8% | 38 474 |
| Roads | 37 997 | 38 474 | | 4 850 | 26 988 | 24 911 | (2 077) | -8% | 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 |
| Pay/Enquiry Points | | - | | | | | - | | - |
| Training Centres | 932 | - | | | | | - | | - |
| Manufacturing Plant | | - | | | | | - | | - |
| Depots | | - | | | | | - | | - |
| Total Capital Expenditure on renewal of existing assets | 40 622 | 38 974 | - | 4 850 | 26 988 | 25 161 | (1 827) | -7% | 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 | - | 895 | 5 939 | 4 420 | (1 519) | -34% | 6 700 |
| Roads Infrastructure | 946 | 2 500 | - | 280 | 3 234 | 1 800 | (1 434) | -80% | 2 500 |
| Roads | 946 | 2 500 | | 280 | 3 234 | 1 800 | (1 434) | -80% | 2 500 |
| Road Structures | | - | | - | - | | - | | - |
| Road Furniture | | - | | - | - | | - | | - |
| Capital Spares | | - | | - | - | | - | | - |
| Storm water Infrastructure | - | - | - | - | - | - | - | | - |
| Drainage Collection | | - | | - | - | | - | | - |
| Storm water Conveyance | | - | | - | - | | - | | - |
| Attenuation | | - | | - | - | | - | | - |
| Electrical Infrastructure | 1 802 | 1 900 | - | 54 | 1 020 | 1 260 | 240 | 19% | 1 900 |
| Power Plants | | - | | - | - | | - | | - |
| HV Substations | | - | | - | - | | - | | - |
| HV Switching Station | | - | | - | - | | - | | - |
| HV Transmission Conductors | | - | | - | - | | - | | - |
| MV Substations | | - | | - | - | | - | | - |
| MV Switching Stations | | - | | - | - | | - | | - |
| MV Networks | 1 802 | 1 800 | | 54 | 1 020 | 1 170 | 150 | 13% | 1 800 |
| LV Networks | | - | | - | - | | - | | - |
| Capital Spares | | 100 | | - | - | 90 | 90 | 100% | 100 |
| Solid Waste Infrastructure | 1 885 | 2 300 | - | 561 | 1 684 | 1 360 | (324) | -24% | 2 300 |
| Landfill Sites | 1 885 | 2 150 | | 561 | 1 684 | 1 110 | (574) | -52% | 2 150 |
| Waste Transfer Stations | | - | | - | - | | - | | - |
| Waste Processing Facilities | | - | | - | - | | - | | - |
| Waste Drop-off Points | | - | | - | - | | - | | - |
| Waste Separation Facilities | | - | | - | - | | - | | - |
| Electricity Generation Facilities | | - | | - | - | | - | | - |
| Capital Spares | | 150 | | - | - | 250 | 250 | 100% | 150 |
| Other assets | 1 432 | 1 300 | - | - | 12 | 1 100 | 1 088 | 99% | 1 300 |
| Operational Buildings | 1 432 | 1 300 | - | - | 12 | 1 100 | 1 088 | 99% | 1 300 |
| Municipal Offices | 1 432 | 1 300 | | - | 12 | 1 100 | 1 088 | 99% | 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 | 1 218 | 1 215 | 100% | 1 711 |
| Machinery and Equipment | 2 405 | 1 711 | | - | 3 | 1 218 | 1 215 | 100% | 1 711 |
| Transport Assets | 1 800 | 1 500 | - | 528 | 1 043 | 1 110 | 67 | 6% | 1 500 |
| Transport Assets | 1 800 | 1 500 | | 528 | 1 043 | 1 110 | 67 | 6% | 1 500 |
| Total Repairs and Maintenance Expenditure | 10 353 | 11 311 | - | 1 422 | 7 011 | 7 868 | 857 | 11% | 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 | - | - | - | 26 737 | 26 737 | 100% | 45 835 |
| Roads Infrastructure | 34 480 | 25 298 | - | - | - | 14 757 | 14 757 | 0 | 25 298 |
| Roads | 34 480 | 25 298 | | | | 14 757 | 14 757 | 0 | 25 298 |
| Road Structures | | - | | | | - | - | | - |
| Road Furniture | | - | | | | - | - | | - |
| Capital Spares | | - | | | | - | - | | - |
| Storm water Infrastructure | - | 5 746 | - | - | - | 3 352 | 3 352 | 0 | 5 746 |
| Drainage Collection | | - | | | | - | - | | - |
| Storm water Conveyance | - | 5 746 | | | | 3 352 | 3 352 | 0 | 5 746 |
| Attenuation | | - | | | | - | - | | - |
| Electrical Infrastructure | - | 12 398 | - | - | - | 7 232 | 7 232 | 0 | 12 398 |
| Power Plants | | - | | | | - | - | | - |
| HV Substations | | - | | | | - | - | | - |
| HV Switching Station | | - | | | | - | - | | - |
| HV Transmission Conductors | - | 12 398 | | | | 7 232 | 7 232 | 0 | 12 398 |
| MV Substations | | - | | | | - | - | | - |
| MV Switching Stations | | - | | | | - | - | | - |
| MV Networks | | - | | | | - | - | | - |
| LV Networks | | - | | | | - | - | | - |
| Capital Spares | | - | | | | - | - | | - |
| Solid Waste Infrastructure | 488 | 2 392 | - | - | - | 1 395 | 1 395 | 0 | 2 392 |
| Landfill Sites | 488 | 2 392 | | | | 1 395 | 1 395 | 0 | 2 392 |
| Community Assets | 2 129 | 2 231 | - | - | - | 1 301 | 1 301 | 0 | 2 231 |
| Community Facilities | 2 129 | 2 231 | - | - | - | 1 301 | 1 301 | 0 | 2 231 |
| Halls | | - | | | | - | - | | - |
| Centres | | - | | | | - | - | | - |
| Crèches | | - | | | | - | - | | - |
| Clinics/Care Centres | | - | | | | - | - | | - |
| Fire/Ambulance Stations | | - | | | | - | - | | - |
| Testing Stations | | - | | | | - | - | | - |
| Museums | | - | | | | - | - | | - |
| Galleries | | - | | | | - | - | | - |
| Theatres | | - | | | | - | - | | - |
| Libraries | | - | | | | - | - | | - |
| Cemeteries/Crematoria | 2 129 | 2 231 | | | | 1 301 | 1 301 | 0 | 2 231 |
| Police | | - | | | | - | - | | - |
| Parks | | - | | | | - | - | | - |
| Public Open Space | | - | | | | - | - | | - |
| Nature Reserves | | - | | | | - | - | | - |
| Other assets | 2 978 | 120 | - | - | - | 70 | 70 | 0 | 120 |
| Operational Buildings | 2 978 | 120 | - | - | - | 70 | 70 | 0 | 120 |
| Municipal Offices | 2 978 | 120 | | | | 70 | 70 | 0 | 120 |
| Intangible Assets | 205 | - | - | - | - | - | - | | - |
| Licences and Rights | 205 | - | - | - | - | - | - | | - |
| Computer Software and Applications | 205 | - | | | | - | - | | - |
| Computer Equipment | 953 | 21 | - | - | - | 12 | 12 | 0 | 21 |
| Computer Equipment | 953 | 21 | | | | 12 | 12 | 0 | 21 |
| Furniture and Office Equipment | 1 518 | 26 | - | - | - | 15 | 15 | 0 | 26 |
| Furniture and Office Equipment | 1 518 | 26 | | | | 15 | 15 | 0 | 26 |
| Machinery and Equipment | 1 323 | 2 080 | - | - | - | 1 213 | 1 213 | 0 | 2 080 |
| Machinery and Equipment | 1 323 | 2 080 | | | | 1 213 | 1 213 | 0 | 2 080 |
| Transport Assets | 3 924 | 888 | - | - | - | 518 | 518 | 0 | 888 |
| Transport Assets | 3 924 | 888 | | | | 518 | 518 | 0 | 888 |
| Total Depreciation | 47 998 | 51 200 | - | - | - | 29 867 | 29 867 | 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 | - | - | - | 69 | 6 201 | - | (6 201) | 0% | - |
| Community Facilities | - | - | - | - | - | - | - | - | - |
| Sport and Recreation Facilities | - | - | - | 69 | 6 201 | - | (6 201) | 0% | - |
| Indoor Facilities | - | - | - | - | - | - | - | - | - |
| Outdoor Facilities | - | - | - | 69 | 6 201 | - | (6 201) | 0% | - |
| Capital Spares | - | - | - | - | - | - | - | - | - |
| Other assets | - | 3 947 | - | (10) | 105 | 2 427 | 2 322 | 96% | 3 947 |
| Operational Buildings | - | 3 947 | - | (10) | 105 | 2 427 | 2 322 | 96% | 3 947 |
| Municipal Offices | - | - | - | - | - | - | - | - | - |
| Pay/Enquiry Points | - | - | - | - | - | - | - | - | - |
| Building Plan Offices | - | - | - | - | - | - | - | - | - |
| Workshops | - | 3 947 | - | (10) | 105 | 2 427 | 2 322 | 96% | 3 947 |
| Yards | - | - | - | - | - | - | - | - | - |
| Stores | - | - | - | - | - | - | - | - | - |
| Laboratories | - | - | - | - | - | - | - | - | - |
| Training Centres | - | - | - | - | - | - | - | - | - |
| Manufacturing Plant | - | - | - | - | - | - | - | - | - |
| Depots | - | - | - | - | - | - | - | - | - |
| Capital Spares | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure on upgrading of existing assets | - | 3 947 | - | 58 | 6 306 | 2 427 | (3 879) | -160% | 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 R25, 605 million and the year to date budget is R20, 892 million which reflects over spending variance of R4, 713 million that translates to 23% variance. The year to date actuals on renewal of existing assets amounts R26, 988 million and with the year to date budget of R25, 161 million and this reflects under spending variance of R1, 827 million that translates to 7% variance.

The year to date actual expenditure on repairs and maintenance is R7, 011 million and the year to date budget is R7, 868 million, reflecting under spending variance of R 857 thousand that translates to 11%.

The year to date actual expenditure on upgrading of existing assets is R6, 306 million and the year to date budget is R2, 427 million, reflecting over spending variance of R3, 879 million that translates to 160%.

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 MOTSOALEDI LOCAL MUNICIPALITY**, hereby certify that the monthly budget statement report and supporting documentation for the month of January 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 14/02/2018

14 FEB 2018

Municipal Manager