

# **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**



## **MONTHLY BUDGET STATEMENT REPORT**

**January 2015**

## **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	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Financial Performance</b>									
Property rates	20 450	30 000	–	2 504	12 799	17 500	(4 701)	-27%	30 000
Service charges	56 621	63 049	–	5 601	36 521	36 779	(257)	-1%	63 049
Investment revenue	3 598	2 800	–	520	2 205	1 633	572	35%	2 800
Transfers recognised - operational	146 878	170 641	–	1 040	123 745	99 541	24 204	24%	170 641
Other own revenue	17 519	13 628	–	1 782	8 957	7 949	1 008	13%	13 628
<b>Total Revenue excluding capital transfers</b>	<b>245 065</b>	<b>280 118</b>	<b>–</b>	<b>11 447</b>	<b>184 228</b>	<b>163 402</b>	<b>20 826</b>	<b>13%</b>	<b>280 118</b>
Employee costs	87 146	97 177	–	7 289	53 662	56 687	(3 024)	-5%	97 177
Remuneration of Councillors	16 037	16 273	–	1 373	10 170	9 493	677	7%	16 273
Depreciation & asset impairment	32 828	35 000	–	–	–	20 417	(20 417)	-100%	35 000
Finance charges	–	–	–	–	–	–	–	–	–
Materials and bulk purchases	49 691	50 013	–	3 854	32 566	29 174	3 392	12%	50 013
Transfers and grants	2 287	9 600	–	731	1 097	5 600	(4 503)	-80%	9 600
Other expenditure	78 685	83 433	–	7 525	49 743	48 669	1 074	2%	83 433
<b>Total Expenditure</b>	<b>266 675</b>	<b>291 497</b>	<b>–</b>	<b>20 772</b>	<b>147 238</b>	<b>170 040</b>	<b>(22 802)</b>	<b>-13%</b>	<b>291 497</b>
<b>Surplus/(Deficit)</b>	<b>(21 610)</b>	<b>(11 379)</b>	<b>–</b>	<b>(9 325)</b>	<b>36 990</b>	<b>(6 638)</b>	<b>43 627</b>	<b>-657%</b>	<b>(11 379)</b>
Transfers recognised - capital	44 723	50 840	–	–	4 274	29 657	(25 383)	-86%	50 840
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers</b>	<b>23 113</b>	<b>39 461</b>	<b>–</b>	<b>(9 325)</b>	<b>41 263</b>	<b>23 019</b>	<b>18 244</b>	<b>79%</b>	<b>39 461</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>23 113</b>	<b>39 461</b>	<b>–</b>	<b>(9 325)</b>	<b>41 263</b>	<b>23 019</b>	<b>18 244</b>	<b>79%</b>	<b>39 461</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>49 665</b>	<b>77 290</b>	<b>–</b>	<b>10 665</b>	<b>22 650</b>	<b>45 086</b>	<b>(22 436)</b>	<b>-50%</b>	<b>77 290</b>
Capital transfers recognised	40 235	50 840	–	8 182	18 942	29 657	(10 715)	-36%	50 840
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	9 430	26 450	–	2 483	3 708	15 429	(11 721)	-76%	26 450
<b>Total sources of capital funds</b>	<b>49 665</b>	<b>77 290</b>	<b>–</b>	<b>10 665</b>	<b>22 650</b>	<b>45 086</b>	<b>(22 436)</b>	<b>-50%</b>	<b>77 290</b>
<b>Financial position</b>									
Total current assets	90 618	72 269	–	–	143 640	–	–	–	72 269
Total non current assets	813 499	1 077 247	–	–	809 565	–	–	–	1 077 247
Total current liabilities	82 178	43 000	–	–	114 908	–	–	–	43 000
Total non current liabilities	34 693	40 000	–	–	30 512	–	–	–	40 000
<b>Community wealth/Equity</b>	<b>787 245</b>	<b>1 066 516</b>	<b>–</b>	<b>–</b>	<b>807 784</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 066 516</b>
<b>Cash flows</b>									
Net cash from (used) operating	76 508	72 559	–	(11 577)	25 149	36 280	11 131	31%	72 559
Net cash from (used) investing	(56 618)	(72 290)	–	(12 158)	(25 321)	(36 145)	(10 824)	30%	(72 290)
Net cash from (used) financing	22	500	–	3	8	250	242	97%	500
<b>Cash/cash equivalents at the month/year end</b>	<b>35 247</b>	<b>20 769</b>	<b>–</b>	<b>–</b>	<b>56 738</b>	<b>20 385</b>	<b>(36 353)</b>	<b>-178%</b>	<b>57 671</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	8 713	3 914	2 443	2 247	2 161	2 294	13 582	25 297	60 650
<b>Creditors Age Analysis</b>									
Total Creditors	–	–	–	–	–	–	–	–	–

**The above C1 Sum table summarizes the following activities:-**

#### **Revenue:**

The actual revenue for the month of January 2015 is R11, 4 million and the year to date actual is R184, 2 million. With a year to date budget of R163, 4 million, this reflects a favourable variance of 13% (R13, 8 million) and all revenue generating activities reflect a positive variance except the following line items:

- Property rates: 27% unfavourable variance
- Service charges – refuse removal: 33% unfavourable variance
- Service charges – other: 59% unfavourable variance
- Fines: 39% unfavourable variance

#### **Operating Expenditure**

The Operational expenditure for the month amounts to R20, 7 million and the year to date actuals amounts to R147, 2 million and the year to date budget is R170 million. This reflects an unfavourable variance of R 22, 8 million that is partly attributed to depreciation and asset impairment as well as debt impairment that have 100% unfavourable variance. Cognizance should be taken that the two line items non-cash items and as a result, they do not therefore affect the cash flow position and/or performance of the Municipality.

#### **Capital Expenditure**

The capital expenditure for the month of January amounts to R10, 6 million and the year to date capital expenditure amounts to R20, 6 million of which the R18, 9 million spending pertain to MIG funded project/s while the R3, 7 million pertains to internally funded project/s.

#### **Surplus/Deficit**

Taking the above into consideration, the net operating deficit for the month is R9, 3 million and the year to date results reflect a surplus amounting to R41, 2 million.

#### **Debtors**

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors for the month of January 2015 amounts to R60, 6 million of which R48, 0 million (79,%) is consumer debtors and R12, 5 million (21%) is sundry debtors.

#### **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	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue - Standard</b>									
<b>Governance and administration</b>	176 282	207 929	–	4 300	142 119	121 292	20 827	17%	207 929
Executive and council	1 611	934	–	432	844	545	299	55%	934
Budget and treasury office	174 529	206 890	–	3 868	141 215	120 686	20 529	17%	206 890
Corporate services	142	105	–	0	61	61	(0)	0%	105
<b>Community and public safety</b>	6 414	7 686	–	981	3 924	4 483	(559)	-12%	7 686
Community and social services	46	1 353	–	59	259	789	(531)	-67%	1 353
Sport and recreation	2	25	–	–	20	15	6	40%	25
Public safety	6 366	6 308	–	922	3 645	3 679	(35)	-1%	6 308
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>	41 165	52 357	–	192	5 728	30 542	(24 814)	-81%	52 357
Planning and development	22	77	–	0	9	45	(36)	-79%	77
Road transport	41 142	52 280	–	191	5 719	30 497	(24 778)	-81%	52 280
Environmental protection	–	–	–	–	–	–	–	–	–
<b>Trading services</b>	65 957	62 986	–	5 973	36 730	36 742	(12)	0%	62 986
Electricity	60 588	56 430	–	5 256	34 286	32 918	1 368	4%	56 430
Water	2 006	–	–	–	–	–	–	–	–
Waste water management	617	–	–	–	–	–	–	–	–
Waste management	2 746	6 556	–	717	2 444	3 824	(1 380)	-36%	6 556
<b>Other</b>	–	–	–	–	–	–	–	–	–
<b>Total Revenue - Standard</b>	<b>289 817</b>	<b>330 958</b>	<b>–</b>	<b>11 447</b>	<b>188 501</b>	<b>193 059</b>	<b>(4 557)</b>	<b>-2%</b>	<b>330 958</b>
<b>Expenditure - Standard</b>									
<b>Governance and administration</b>	158 566	140 374	–	9 926	65 833	81 885	(16 052)	-20%	140 374
Executive and council	48 179	35 246	–	3 783	20 885	20 560	324	2%	35 246
Budget and treasury office	66 069	64 053	–	2 356	15 776	37 365	(21 589)	-58%	64 053
Corporate services	44 317	41 074	–	3 807	29 172	23 960	5 212	22%	41 074
<b>Community and public safety</b>	14 735	50 987	–	3 307	22 370	29 742	(7 373)	-25%	50 987
Community and social services	3 364	20 771	–	1 216	10 068	12 116	(2 048)	-17%	20 771
Sport and recreation	–	445	–	–	–	260	(260)	-100%	445
Public safety	11 372	29 771	–	2 090	12 301	17 366	(5 065)	-29%	29 771
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>	31 570	30 947	–	2 471	17 623	18 052	(429)	-2%	30 947
Planning and development	10 273	12 158	–	767	5 998	7 092	(1 095)	-15%	12 158
Road transport	21 297	18 789	–	1 704	11 626	10 960	666	6%	18 789
Environmental protection	–	–	–	–	–	–	–	–	–
<b>Trading services</b>	61 804	69 190	–	5 069	41 413	40 361	1 052	3%	69 190
Electricity	51 150	56 772	–	4 262	34 381	33 117	1 264	4%	56 772
Water	–	–	–	–	–	–	–	–	–
Waste water management	–	–	–	–	–	–	–	–	–
Waste management	10 654	12 418	–	807	7 032	7 244	(212)	-3%	12 418
<b>Other</b>	–	–	–	–	–	–	–	–	–
<b>Total Expenditure - Standard</b>	<b>266 676</b>	<b>291 497</b>	<b>–</b>	<b>20 772</b>	<b>147 238</b>	<b>170 040</b>	<b>(22 802)</b>	<b>-13%</b>	<b>291 497</b>
<b>Surplus/ (Deficit) for the year</b>	<b>23 143</b>	<b>39 461</b>	<b>–</b>	<b>(9 325)</b>	<b>41 263</b>	<b>23 019</b>	<b>18 244</b>	<b>79%</b>	<b>39 461</b>

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

Vote Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue by Vote</b>									
Vote 1 - Executive & Council	340	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	890	934	-	432	844	545	299	54.8%	934
Vote 3 - Budget & Treasury	174 529	206 890	-	3 868	141 215	120 686	20 529	17.0%	206 890
Vote 4 - Corporate Services	142	105	-	0	61	61	(0)	-0.3%	105
Vote 5 - Community Services	9 541	14 242	-	1 699	6 368	8 308	(1 939)	-23.3%	14 242
Vote 6 - Technical Services	104 353	108 710	-	5 447	40 004	63 414	(23 410)	-36.9%	108 710
Vote 7 - Strategic Deveopment	-	-	-	-	-	-	-	-	-
Vote 8 - Developmental Planning	22	77	-	0	9	45	(36)	-79.5%	77
<b>Total Revenue by Vote</b>	<b>289 817</b>	<b>330 958</b>	<b>-</b>	<b>11 447</b>	<b>188 501</b>	<b>193 059</b>	<b>(4 557)</b>	<b>-2.4%</b>	<b>330 958</b>
<b>Expenditure by Vote</b>									
Vote 1 - Executive & Council	25 983	25 556	-	1 923	15 474	14 908	566	3.8%	25 556
Vote 2 - Office of the Municipal Manager	6 193	9 690	-	1 840	5 411	5 652	(241)	-4.3%	9 690
Vote 3 - Budget & Treasury	66 069	64 053	-	2 356	15 776	37 365	(21 589)	-57.8%	64 053
Vote 4 - Corporate Services	44 317	41 074	-	3 807	29 172	23 960	5 212	21.8%	41 074
Vote 5 - Community Services	41 393	63 405	-	4 114	29 401	36 986	(7 585)	-20.5%	63 405
Vote 6 - Technical Services	72 446	75 560	-	5 967	46 007	44 077	1 930	4.4%	75 560
Vote 7 - Strategic Deveopment	4 730	6 223	-	397	3 362	3 630	(267)	-7.4%	6 223
Vote 8 - Developmental Planning	5 543	5 936	-	370	2 635	3 462	(827)	-23.9%	5 936
<b>Total Expenditure by Vote</b>	<b>266 675</b>	<b>291 497</b>	<b>-</b>	<b>20 772</b>	<b>147 238</b>	<b>170 040</b>	<b>(22 802)</b>	<b>-13.4%</b>	<b>291 497</b>
<b>Surplus/ (Deficit) for the year</b>	<b>23 142</b>	<b>39 461</b>	<b>-</b>	<b>(9 325)</b>	<b>41 263</b>	<b>23 019</b>	<b>18 244</b>	<b>79.3%</b>	<b>39 461</b>

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 vote and standard classification 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	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue By Source</b>									
Property rates	20 450	30 000	--	2 504	12 799	17 500	(4 701)	-27%	30 000
Property rates - penalties & collection charges	--	--	--	--	--	--	--	--	--
Service charges - electricity revenue	53 899	55 300	--	5 049	33 899	32 258	1 640	5%	55 300
Service charges - water revenue	--	--	--	--	--	--	--	--	--
Service charges - sanitation revenue	--	--	--	--	--	--	--	--	--
Service charges - refuse revenue	2 721	5 188	--	292	2 013	3 026	(1 013)	-33%	5 188
Service charges - other	--	2 561	--	260	610	1 494	(884)	-59%	2 561
Rental of facilities and equipment	1 125	1 055	--	156	1 334	615	718	117%	1 055
Interest earned - external investments	3 588	2 800	--	520	2 205	1 633	572	35%	2 800
Interest earned - outstanding debtors	5 225	5 000	--	655	3 495	2 917	578	20%	5 000
Dividends received	--	--	--	--	--	--	--	--	--
Fines	1 666	610	--	51	217	356	(139)	-39%	610
Licences and permits	4 669	5 648	--	871	3 430	3 294	136	4%	5 648
Agency services	2 623	--	--	--	--	--	--	--	--
Transfers recognised - operational	146 878	170 641	--	1 040	123 745	99 541	24 204	24%	170 641
Other revenue	2 210	1 315	--	48	482	767	(285)	-37%	1 315
Gains on disposal of PPE	--	--	--	--	--	--	--	--	--
<b>Total Revenue excluding capital transfers</b>	<b>245 065</b>	<b>280 118</b>	<b>--</b>	<b>11 447</b>	<b>184 228</b>	<b>163 402</b>	<b>20 826</b>	<b>13%</b>	<b>280 118</b>
<b>Expenditure By Type</b>									
Employee related costs	87 146	97 177	--	7 289	53 662	56 687	(3 024)	-5%	97 177
Remuneration of councillors	16 037	16 273	--	1 373	10 170	9 493	677	7%	16 273
Debt impairment	10 245	3 000	--	--	--	1 750	(1 750)	-100%	3 000
Depreciation & asset impairment	32 828	35 000	--	--	--	20 417	(20 417)	-100%	35 000
Finance charges	--	--	--	--	--	--	--	--	--
Bulk purchases	48 014	47 000	--	3 678	31 508	27 417	4 091	15%	47 000
Other materials	1 677	3 013	--	176	1 058	1 758	(700)	-40%	3 013
Contracted services	9 800	8 700	--	1 041	6 194	5 075	1 119	22%	8 700
Transfers and grants	2 287	9 600	--	731	1 097	5 600	(4 503)	-80%	9 600
Other expenditure	58 640	71 733	--	6 484	43 550	41 844	1 705	4%	71 733
Loss on disposal of PPE	--	--	--	--	--	--	--	--	--
<b>Total Expenditure</b>	<b>266 675</b>	<b>291 497</b>	<b>--</b>	<b>20 772</b>	<b>147 238</b>	<b>170 040</b>	<b>(22 802)</b>	<b>-13%</b>	<b>291 497</b>
<b>Surplus/(Deficit)</b>	<b>(21 610)</b>	<b>(11 379)</b>	<b>--</b>	<b>(9 325)</b>	<b>36 990</b>	<b>(6 638)</b>	<b>43 627</b>	<b>(0)</b>	<b>(11 379)</b>
Transfers recognised - capital	44 723	50 840	--	--	4 274	29 657	(25 383)	(0)	50 840
Contributions recognised - capital	--	--	--	--	--	--	--	--	--
Contributed assets	--	--	--	--	--	--	--	--	--
<b>Surplus/(Deficit) after capital transfers</b>	<b>23 113</b>	<b>39 461</b>	<b>--</b>	<b>(9 325)</b>	<b>41 263</b>	<b>23 019</b>	<b>--</b>	<b>--</b>	<b>39 461</b>
Taxation	--	--	--	--	--	--	--	--	--
<b>Surplus/(Deficit) after taxation</b>	<b>23 113</b>	<b>39 461</b>	<b>--</b>	<b>(9 325)</b>	<b>41 263</b>	<b>23 019</b>	<b>--</b>	<b>--</b>	<b>39 461</b>
Attributable to minorities	--	--	--	--	--	--	--	--	--
<b>Surplus/(Deficit) attributable</b>	<b>23 113</b>	<b>39 461</b>	<b>--</b>	<b>(9 325)</b>	<b>41 263</b>	<b>23 019</b>	<b>--</b>	<b>--</b>	<b>39 461</b>
Share of surplus/ (deficit) of associate	--	--	--	--	--	--	--	--	--
<b>Surplus/ (Deficit) for the year</b>	<b>23 113</b>	<b>39 461</b>	<b>--</b>	<b>(9 325)</b>	<b>41 263</b>	<b>23 019</b>	<b>--</b>	<b>--</b>	<b>39 461</b>

Table C4 provides budget performance details for revenue by source and expenditure by type. For revenue, the main deviations from budget projections or targets are on property rates, refuse revenue, service charges other, fines, and other revenue. All other sources reflect a positive variance. In the case of expenditure, all year to date actuals reflects an under spending except the bulk purchase (15 % variance), contracted services (22 % variance) and remuneration of councillors (7% variance).

Reasons for deviations will only be provided for material variances and a variance is deemed to be material if it's 10% and more. These reasons are provided in Supporting Table SC1.

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

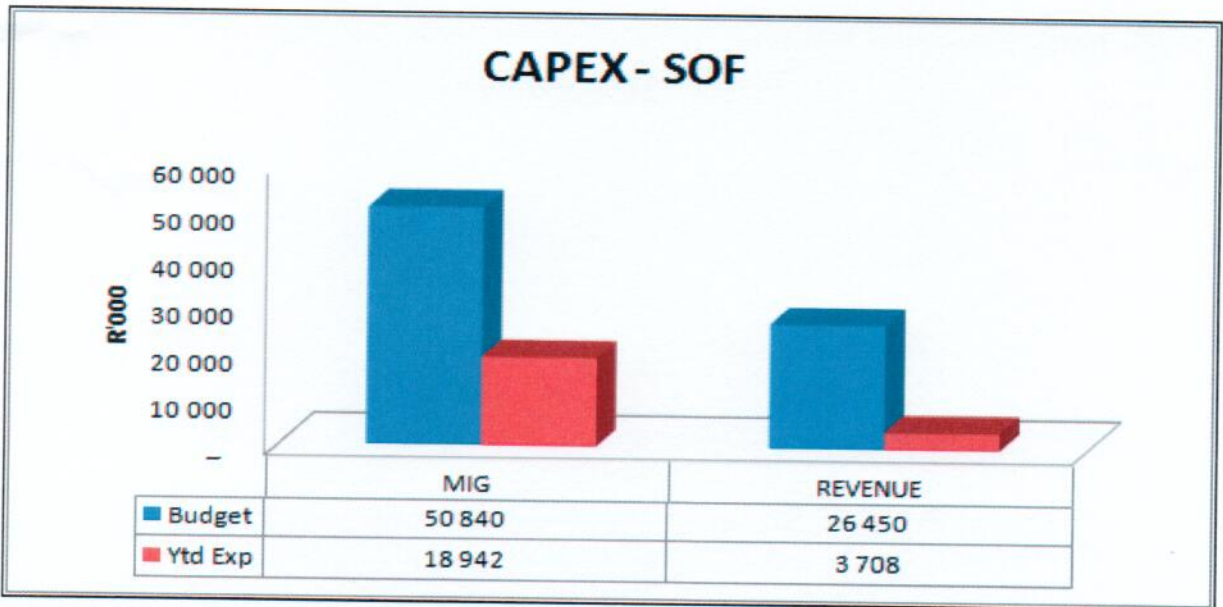
Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital Expenditure - Standard Classification</b>									
<b>Governance and administration</b>	2 057	1 300	-	246	874	758	115	15%	1 300
Executive and council	-	-	-	-	-	-	-	-	-
Budget and treasury office	75	-	-	-	-	-	-	-	-
Corporate services	1 982	1 300	-	246	874	758	115	15%	1 300
<b>Community and public safety</b>	-	500	-	-	-	292	(292)	-100%	500
Community and social services	-	-	-	-	-	292	(292)	-100%	500
<b>Economic and environmental services</b>	38 257	66 940	-	8 532	19 713	39 048	(19 335)	-50%	66 940
Planning and development	-	1 500	-	-	395	875	(480)	-55%	1 500
Road transport	38 257	65 440	-	8 532	19 318	38 173	(18 855)	-49%	65 440
Environmental protection	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	9 350	7 950	-	1 887	2 063	4 638	(2 574)	-56%	7 950
Electricity	9 350	7 950	-	1 887	2 063	4 638	(2 574)	-56%	7 950
<b>Other</b>	-	600	-	-	-	350	(350)	-100%	600
<b>Total Capital Expenditure - Standard Classification</b>	<b>49 665</b>	<b>77 290</b>	<b>-</b>	<b>10 665</b>	<b>22 650</b>	<b>45 086</b>	<b>(22 436)</b>	<b>-50%</b>	<b>77 290</b>
<b>Funded by:</b>									
National Government	40 235	50 840	-	8 182	18 942	29 657	(10 715)	-36%	50 840
Provincial Government	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>40 235</b>	<b>50 840</b>	<b>-</b>	<b>8 182</b>	<b>18 942</b>	<b>29 657</b>	<b>(10 715)</b>	<b>-36%</b>	<b>50 840</b>
<b>Public contributions &amp; donations</b>							-		
<b>Borrowing</b>							-		
<b>Internally generated funds</b>	9 430	26 450		2 483	3 708	15 429	(11 721)	-76%	26 450
<b>Total Capital Funding</b>	<b>49 665</b>	<b>77 290</b>	<b>-</b>	<b>10 665</b>	<b>22 650</b>	<b>45 086</b>	<b>(22 436)</b>	<b>-50%</b>	<b>77 290</b>



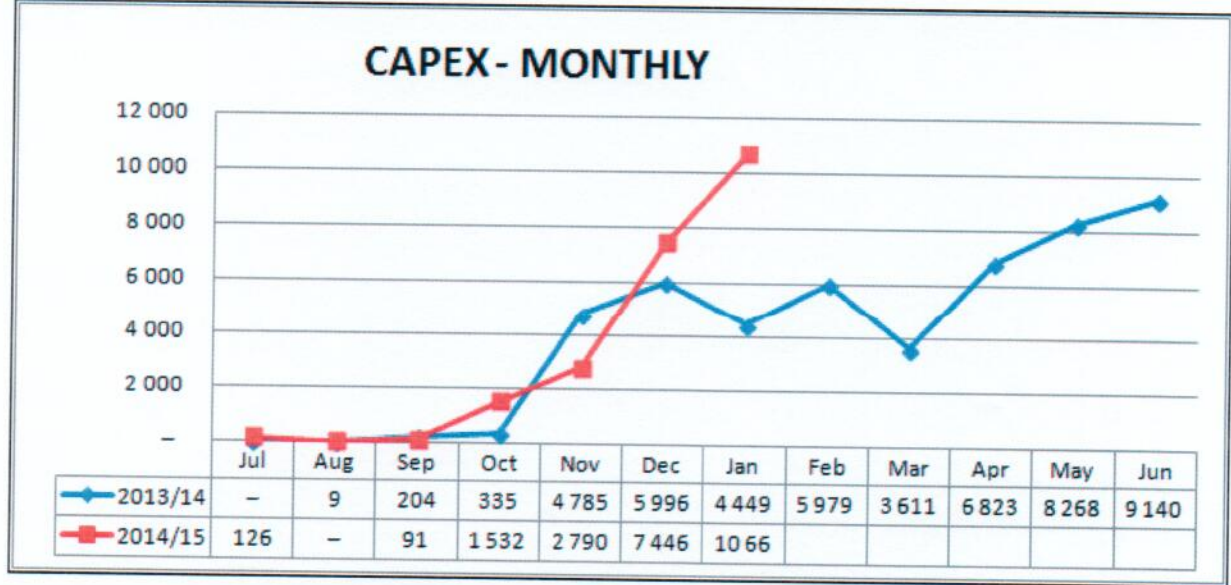
**Table C5C: Monthly Capital Expenditure by Vote**

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital expenditure - Municipal Vote</b>									
<b>Expenditure of multi-year capital appropriation</b>									
<b>Vote 4 - Corporate Services</b>	-	1 300	-	246	874	758	115	15%	1 300
4.1 - Corporate Services 505		1 300		246	874	758	115	15%	1 300
<b>Vote 5 - Community Services</b>	-	500	-	-	-	292	(292)	-100%	500
5.7 - Parks & Cemetery 405 & 425		500				292	(292)	-100%	500
<b>Vote 6 - Technical Services</b>	43 439	43 379	-	4 506	9 061	25 305	(16 243)	-64%	43 379
6.1 - Electricity 260	5 405	1 150		-	176	671	(495)	-74%	1 150
6.6 - Technical Services 645	38 034	42 229		4 506	8 886	24 634	(15 748)	-64%	42 229
<b>Total multi-year capital expenditure</b>	<b>43 439</b>	<b>45 179</b>	<b>-</b>	<b>4 752</b>	<b>9 935</b>	<b>26 355</b>	<b>(16 420)</b>	<b>-62%</b>	<b>45 179</b>
<b>Capital expenditure - Municipal Vote</b>									
<b>Expenditure of single-year capital appropriation</b>									
<b>Vote 3 - Budget &amp; Treasury</b>	75	-	-	-	-	-	-	-	-
3.1 - Budget & Treasury 800	75								
<b>Vote 4 - Corporate Services</b>	1 982	-	-	-	-	-	-	-	-
4.1 - Corporate Services 505	1 982								
<b>Vote 6 - Technical Services</b>	4 169	30 611	-	5 913	12 320	17 856	(5 536)	-31%	30 611
6.1 - Electricity 260	3 945	4 200		1 887	1 887	2 450	(563)	-23%	4 200
<b>Vote 8 - Developmental Planning</b>	-	1 500	-	-	395	875	(480)	-55%	1 500
8.1 - Planning & LED 641	-	-	-	-	395	875	(480)	-55%	1 500
<b>Total single-year capital expenditure</b>	<b>6 226</b>	<b>32 111</b>	<b>-</b>	<b>5 913</b>	<b>12 715</b>	<b>18 731</b>	<b>(6 016)</b>	<b>(0)</b>	<b>32 111</b>
<b>Total Capital Expenditure</b>	<b>49 665</b>	<b>77 290</b>	<b>-</b>	<b>10 665</b>	<b>22 650</b>	<b>45 086</b>	<b>(22 436)</b>	<b>(0)</b>	<b>77 290</b>

The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and funding. For the month of January 2015, R10, 6 million spending was incurred and the year to date capital expenditure amounts to R22, 6 million which shows an unfavourable variance of R22, 4 million against the year to date budget of R 45, 0 million and this constitutes a 50% under spending variance.



The above graph shows the components of sources of finance for capital budget. Of the total capital budget of R77, 2 million, R50, 8 million is funded from Municipal Infrastructure grant and R26, 4 million from Own Revenue. The spending to date per sources of finance is R18, 9 million on MIG and R3, 7 million on own revenue.



The above graph compares the 2013/14 and 2014/15 monthly capital expenditure performance. In addition, the graph shows adoption of 2013/14 spending pattern that was below par and poses concern regarding the material underspending of MIG allocation since only 42% of this allocation is spent as at end of January 2015.

Table C6: Monthly Budget Statement Financial Position

Description	2013/14	Budget Year 2014/15			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	2 910	5 769	–	9 763	5 769
Call investment deposits	32 337	15 000	–	46 974	15 000
Consumer debtors	20 229	30 000	–	22 491	30 000
Other debtors	32 854	16 500	–	62 017	16 500
Current portion of long-term receivables	–	–	–	–	–
Inventory	2 288	5 000	–	2 394	5 000
<b>Total current assets</b>	<b>90 618</b>	<b>72 269</b>	<b>–</b>	<b>143 640</b>	<b>72 269</b>
<b>Non current assets</b>					
Long-term receivables	644	–	–	–	–
Investments	–	–	–	–	–
Investment property	85 382	220 000	–	85 382	220 000
Investments in Associate	–	–	–	–	–
Property, plant and equipment	694 407	830 229	–	724 183	830 229
Agricultural	–	–	–	–	–
Biological assets	311	18	–	–	18
Intangible assets	22 674	27 000	–	–	27 000
Other non-current assets	10 081	–	–	–	–
<b>Total non current assets</b>	<b>813 499</b>	<b>1 077 247</b>	<b>–</b>	<b>809 565</b>	<b>1 077 247</b>
<b>TOTAL ASSETS</b>	<b>904 116</b>	<b>1 149 516</b>	<b>–</b>	<b>953 205</b>	<b>1 149 516</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	–	–	–	–	–
Borrowing	–	–	–	–	–
Consumer deposits	4 211	5 000	–	3 224	5 000
Trade and other payables	42 917	38 000	–	111 684	38 000
Provisions	35 049	–	–	–	–
<b>Total current liabilities</b>	<b>82 178</b>	<b>43 000</b>	<b>–</b>	<b>114 908</b>	<b>43 000</b>
<b>Non current liabilities</b>					
Borrowing	–	–	–	–	–
Provisions	34 693	40 000	–	30 512	40 000
<b>Total non current liabilities</b>	<b>34 693</b>	<b>40 000</b>	<b>–</b>	<b>30 512</b>	<b>40 000</b>
<b>TOTAL LIABILITIES</b>	<b>116 871</b>	<b>83 000</b>	<b>–</b>	<b>145 421</b>	<b>83 000</b>
<b>NET ASSETS</b>	<b>787 245</b>	<b>1 066 516</b>	<b>–</b>	<b>807 784</b>	<b>1 066 516</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)	787 245	1 066 516	–	807 784	1 066 516
Reserves	–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>787 245</b>	<b>1 066 516</b>	<b>–</b>	<b>807 784</b>	<b>1 066 516</b>

The above table shows that community wealth amounts to R807, 7 million, total liabilities R145, 4 million and the total assets R 953, 2 million.

Table C7: Monthly Budget Statement Cash Flow

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Receipts</b>									
Ratepayers and other	83 043	107 021	-	7 532	47 448	53 511	(6 063)	-11%	107 021
Government - operating	146 878	170 641	-	1 040	123 745	85 321	38 424	45%	170 641
Government - capital	44 723	50 840	-	-	4 274	25 420	(21 146)	-83%	50 840
Interest	8 437	8 105	-	624	3 301	4 053	(752)	-19%	8 105
Dividends	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Suppliers and employees	(204 285)	(254 448)	-	(20 041)	(152 522)	(127 224)	25 298	-20%	(254 448)
Finance charges	-	-	-	-	-	-	-	-	-
Transfers and Grants	(2 287)	(9 600)	-	(731)	(1 097)	(4 800)	(3 703)	77%	(9 600)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>76 508</b>	<b>72 559</b>	<b>-</b>	<b>(11 577)</b>	<b>25 149</b>	<b>36 280</b>	<b>11 131</b>	<b>31%</b>	<b>72 559</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	-	5 000	-	-	500	2 500	(2 000)	-80%	5 000
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Capital assets	(56 618)	(77 290)	-	(12 158)	(25 821)	(38 645)	(12 824)	33%	(77 290)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(56 618)</b>	<b>(72 290)</b>	<b>-</b>	<b>(12 158)</b>	<b>(25 321)</b>	<b>(36 145)</b>	<b>(10 824)</b>	<b>30%</b>	<b>(72 290)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	22	500	-	3	8	250	(242)	-97%	500
<b>Payments</b>									
Repayment of borrowing	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>22</b>	<b>500</b>	<b>-</b>	<b>3</b>	<b>8</b>	<b>250</b>	<b>242</b>	<b>97%</b>	<b>500</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>19 912</b>	<b>769</b>	<b>-</b>	<b>(23 732)</b>	<b>(165)</b>	<b>385</b>	<b>-</b>	<b>-</b>	<b>769</b>
Cash/cash equivalents at beginning:	15 334	20 000	-	-	56 902	20 000	-	-	56 902
Cash/cash equivalents at month/year end:	35 247	20 769	-	-	56 738	20 385	-	-	57 671

Table C7 presents details pertaining to cash flow performance. For the month of January 2015, the net cash outflow from operating activities is R11, 5 million (year to date actual R25, 1 million - inflow) whilst net cash outflow from investing activities is R12, 1 million (year to date actual R25, 3 million) that is mainly comprised of capital expenditure movement; and the net cash outflow from financing activities is R 3 thousand (year to date actual R 8 thousand). The cash and cash equivalent held at the end of January 2015 amounted to R56, 7 million that is made up of cash amounting R9, 8 million and short term investments of R46, 9 million.

**PART 2: SUPPORTING TABLES**

**Supporting Table: SC 1 – Material variance explanations**

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Revenue By Source</b>			
Property rates	-27%	Revenue forgone including transactions that are supposed to be classified as grants paid out.	Budget will be adjusted downwards.
Service charges - other	-59%	Effluent charges and line items such as reconnection fees appear to be occurring at lower rate relative to the anticipated rate thereof.	Budget will be adjusted downwards.
Service charges - refuse revenue	-33%	Some areas/townships that enjoy this service type are not getting billed for it (e.g. Motetema township).	Budget will be adjusted downwards.
Fines	-39%	Low rate of traffic fines issued relative to 2013/14 performance	Budget will be adjusted downwards.
<b>Expenditure By Type</b>			
Depreciation & asset impairment	-100%	Non calculation of monthly actual depreciation.	Asset register will be uploaded on to the financial system and the monthly depreciation would then be generated automatically by the system
Transfers and grants	-77%	This is caused by some of pertinent transactions being classified as revenue forgone as opposed to transfers and grants paid out.	Budget will be adjusted downwards.
Debt impairment	-100%	Non writing of bad or uncollectable debts.	Bad or uncollectable debts will be identified and submission will then be made to Council for write off.
<b>Capital Expenditure</b>			
Grants funded projects	-36%	Most of the major projects have not yet kick started.	The sitting of bid committees will be given thorough consideration as this will expedite the spending
Own revenue funded projects	-76%	All major projects that are funded internally have not yet kick started as well.	The sitting of bid committees will be given thorough consideration as this will expedite the spending
<b>Cash Flow</b>			
Proceeds on disposal of PPE	-80%	Non conducting of auctions of assets that are not in use.	Only one auction has been conducted in the current financial year.
Government - capital	33%	Underspending on MIG.	The majority of the projects have started spending ad this is evident in the improved percentage spending on MIG projects
Increase (decrease) in consumer deposits	-97%	The budget was provided in favour of the increase in consumer deposit, however the actuals for the first quarter reflect a decrease.	Budget will be adjusted downwards.

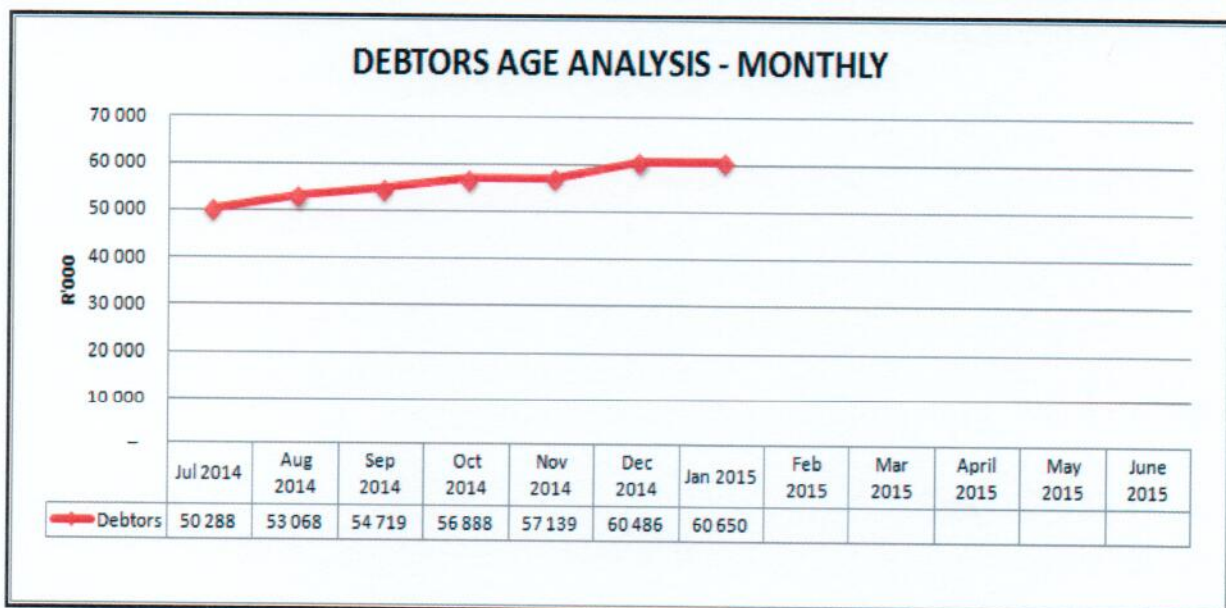
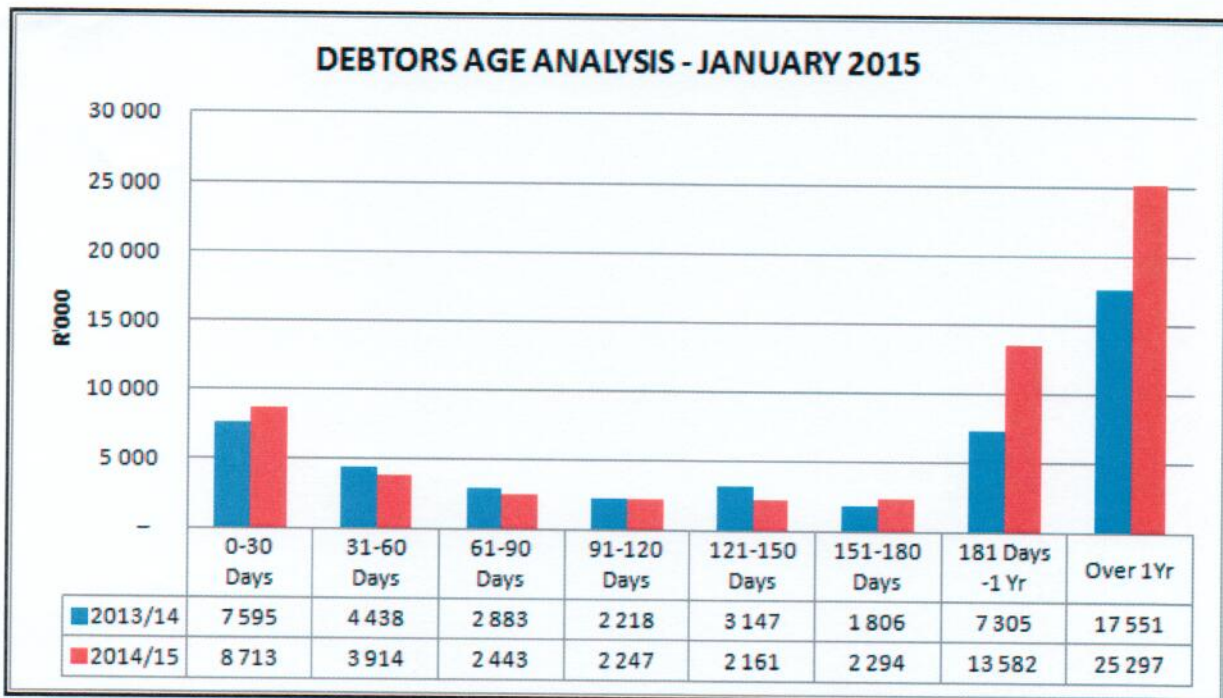
## Supporting Table: SC 3 - Debtors Age Analysis

Description	Budget Year 2014/15								Total
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Year	
<b>Debtors Age Analysis By Income Source</b>									
Trade and Other Receivables from Exchange Transactions - Water	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	5 084	1 853	821	609	667	401	2 111	4 144	15 689
Receivables from Non-exchange Transactions - Property Rates	1 869	1 127	964	912	851	833	9 480	13 409	29 445
Receivables from Exchange Transactions - Waste Water Management	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	299	138	85	60	44	36	157	1 251	2 070
Receivables from Exchange Transactions - Property Rental Debtors	137	20	13	13	12	587	5	77	864
Interest on Arrear Debtor Accounts	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-
Other	1 324	776	560	653	586	437	1 829	6 415	12 581
<b>Total By Income Source</b>	<b>8 713</b>	<b>3 914</b>	<b>2 443</b>	<b>2 247</b>	<b>2 161</b>	<b>2 294</b>	<b>13 582</b>	<b>25 297</b>	<b>60 650</b>
<b>2013/14 - totals only</b>	<b>6 781</b>	<b>3 830</b>	<b>2 646</b>	<b>1 783</b>	<b>28 586</b>	-	-	-	<b>43 626</b>
<b>Debtors Age Analysis By Customer Group</b>									
Organs of State	936	524	517	482	569	396	2 234	3 801	9 460
Commercial	3 842	1 583	594	577	525	552	2 508	7 918	18 099
Households	2 597	1 062	766	664	589	421	1 912	10 246	18 257
Other	1 338	745	566	524	478	925	6 927	3 332	14 834
<b>Total By Customer Group</b>	<b>8 713</b>	<b>3 914</b>	<b>2 443</b>	<b>2 247</b>	<b>2 161</b>	<b>2 294</b>	<b>13 582</b>	<b>25 297</b>	<b>60 650</b>

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of January amount to R60, 650 million. The debtors' book is made up as follows:

- Rates 48,55%
- Electricity 25,87%
- Rental 1, 42%
- Refuse removal 3,41%
- Other 20,74%

The debtors' age analysis is graphically presented below.



The initial graph compares debtors' age analysis for 2013/14 (January 2014) and 2014/15 (as at end of January 2015) whilst the latter shows monthly movement of debtors in the current financial year.

**Supporting Table: SC 4 - Creditors Age Analysis**

Description	Budget Year 2014/15								Total
	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	
<b>Creditors Age Analysis By Customer Type</b>									
Bulk Electricity	-	-	-	-	-	-	-	-	-
Bulk Water	-	-	-	-	-	-	-	-	-
PAYE deductions	-	-	-	-	-	-	-	-	-
VAT (output less input)	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-
Trade Creditors	-	-	-	-	-	-	-	-	-
Auditor General	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	-	-	-	-	-	-	-	-	-

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:**

<b>NUMBER</b>	<b>CREDITOR NAME</b>	<b>AMOUNT</b>
32409	MAKGONATSOHLE TRADING ENTERPRISE	481 774.00
4001	MOKWENA MOTORS T/A NONYANE MOTORS	349 690.00
37711	BAUPA TRADING & PROJECTS	190 685.00
37772	BCOS OF ME TRADING & PROJECTS	172 400.47
37793	ELEKTRO VROOMEN (PTY)LTD	150 480.00
35518	MMIRAH EVENTS AND FUNCTIONS	122 720.00
40006	NKONKI BRAND (PTY)LTD	113 489.28
777	VISION PRINT GRAPHICS & DESIGN	113 065.20
40009	LEKONARE CONSTRUCTION PTY LTD	97 500.00
1256	MANY LE MANG CONSTRUCTION	95 900.01
37770	BAHLOTSE TRADING (PTY)LTD	89 401.40
1244	BUSI NTULI COMMUNICATION	76 989.60
37537	FITO & SONS CONSYRACTION	73 800.00
1249	POWER AUTO ENGINEERING	67 516.40
35402	TSHEPA MOTHEO 211 TRADING	63 540.00
35595	WITS BUSINESS SCHOOL 84	55 000.00
37784	NRESNZALO RELEBOGILE ENGENNERING	54 896.70
453	MOJEKANA MJ CONSTRUCTION	53 720.00
40011	MZWAKHE AND KHETHIWE TRADING	52 000.00
7989	MUNSOFT (PTY) LTD	-
<b>GRAND TOTAL</b>		<b>2 474 568</b>

The above table presents the top twenty creditors paid during the month of January 2015 and an amount of R2, 474 million was paid during the month of January 2015.

### Supporting Table: SC 5 - Investment Portfolio

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
<b>Municipality</b>								
Sanlam	1 Month	Short term	31-Jan-2015	-	0.00%	326	-	326
Nedbank	3 Months	Short term	31-Jan-2015	174	0.54%	32 460	-	32 633
Absa	3 Months	Short term	31-Jan-2015	82	8.81%	933	13 000	14 016
<b>TOTAL INVESTMENTS AND INTEREST</b>				<b>256</b>		<b>33 718</b>	<b>13 000</b>	<b>46 974</b>

Supporting table SC5 presents all investments that indicate that the total amount of R 46, 9 million has been invested as at end of January 2015. The opening balance was R33, 7 million, accrued interest for the month amounted to R256 thousand and a reinvestment of R13, 000 million was made during the month of January 2015.

### Supporting Table: SC 6 - Transfers and Grant Receipts

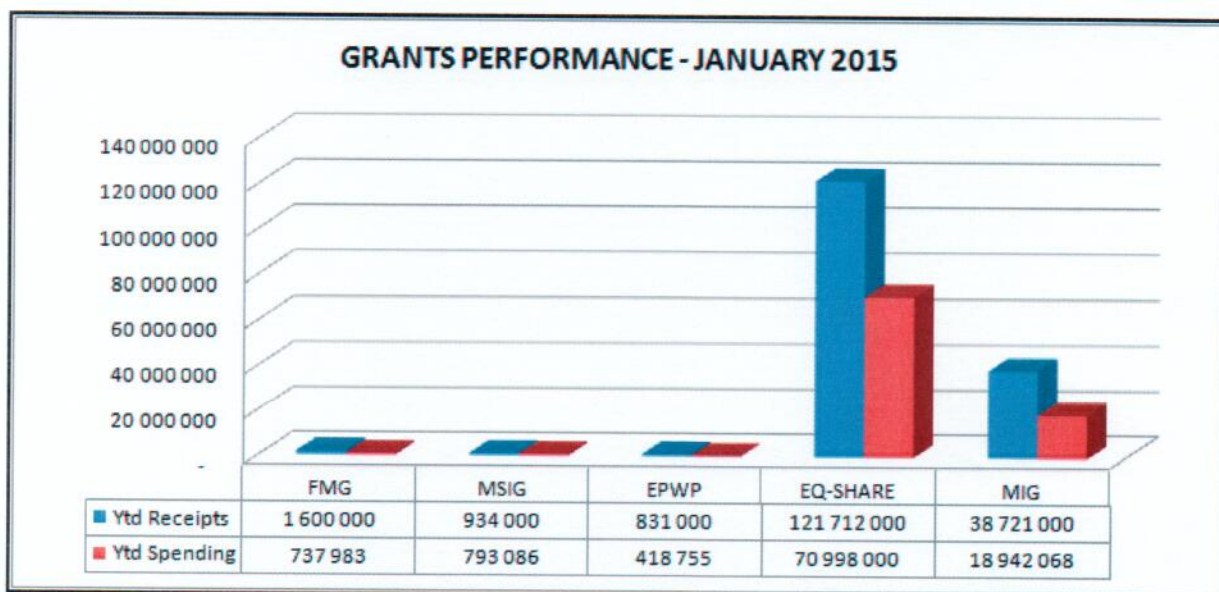
Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	<b>146 878</b>	<b>170 641</b>	<b>-</b>	<b>-</b>	<b>125 077</b>	<b>125 077</b>	<b>-</b>	<b>-</b>	<b>170 641</b>
Local Government Equitable Share	143 438	166 920	-	-	121 712	121 712	-	-	166 920
Finance Management	1 550	1 600	-	-	1 600	1 600	-	-	1 600
Municipal Systems Improvement	890	934	-	-	934	934	-	-	934
EPWP Incentive	1 000	1 187	-	-	831	831	-	-	1 187
<b>Total Operating Transfers and Grants</b>	<b>146 878</b>	<b>170 641</b>	<b>-</b>	<b>-</b>	<b>125 077</b>	<b>125 077</b>	<b>-</b>	<b>-</b>	<b>170 641</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>53 596</b>	<b>50 840</b>	<b>-</b>	<b>21 814</b>	<b>38 721</b>	<b>38 721</b>	<b>-</b>	<b>-</b>	<b>50 840</b>
Municipal Infrastructure Grant (MIG)	43 596	50 840	-	21 814	38 721	38 721	-	-	50 840
Integrated National Electrification Grant	10 000	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	<b>53 596</b>	<b>50 840</b>	<b>-</b>	<b>21 814</b>	<b>38 721</b>	<b>38 721</b>	<b>-</b>	<b>-</b>	<b>50 840</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>200 474</b>	<b>221 481</b>	<b>-</b>	<b>21 814</b>	<b>163 798</b>	<b>163 798</b>	<b>-</b>	<b>-</b>	<b>221 481</b>

Supporting tables SC6 provide details of grants received. The year to date actual receipts amounts to R163, 7 million of which the major portion is attributed to equitable share (i.e. R121, 7 million) received. Other grants include amongst others, FMG, MSIG, EPWP and MIG. An amount of R 21, 8 million was received from MIG during January month. Cognizance should be taken that not all transfers and grants for the financial year 2014/15 have been received from National treasury except FMG and MSIG that have been fully received.

## Supporting Table: SC 7 Transfers and grants - Expenditure

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>EXPENDITURE</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>146 878</b>	<b>170 641</b>	<b>-</b>	<b>5 743</b>	<b>40 492</b>	<b>99 541</b>	<b>(59 049)</b>	<b>-59.3%</b>	<b>170 641</b>
Local Government Equitable Share	143 438	166 920	-	5 506	38 542	97 370	(58 828)	-60.4%	166 920
Finance Management	1 550	1 600	-	78	738	933	(195)	-20.9%	1 600
Municipal Systems Improvement	890	934	-	127	793	545	248	45.6%	934
EPWP Incentive	1 000	1 187	-	32	419	692	(274)	-39.5%	1 187
<b>Total operating expenditure of Transfers and Grants:</b>	<b>146 878</b>	<b>170 641</b>	<b>-</b>	<b>5 743</b>	<b>40 492</b>	<b>99 541</b>	<b>(59 049)</b>	<b>-59.3%</b>	<b>170 641</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>44 723</b>	<b>50 840</b>	<b>-</b>	<b>8 182</b>	<b>18 942</b>	<b>25 420</b>	<b>(6 478)</b>	<b>-25.5%</b>	<b>50 840</b>
Municipal Infrastructure Grant (MIG)	38 710	50 840	-	8 182	18 942	25 420	(6 478)	-25.5%	50 840
Intergrated National Electrification Grant	6 012	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>	<b>44 723</b>	<b>50 840</b>	<b>-</b>	<b>8 182</b>	<b>18 942</b>	<b>25 420</b>	<b>(6 478)</b>	<b>-25.5%</b>	<b>50 840</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>191 601</b>	<b>221 481</b>	<b>-</b>	<b>13 925</b>	<b>59 434</b>	<b>124 961</b>	<b>(65 527)</b>	<b>-52.4%</b>	<b>221 481</b>

An amount of R13, 9 million has been spent on grants during the month of January 2015 and the year to date actual expenditure amounts to R 59, 4 million. R40, 4 million is spent from operational grants while R18, 9 million is spent from capital grant (MIG in particular).



The above graph depicts the year to date receipts on grants and the year to date expenditure thereof. The grants expenditure on funds already received (as opposed to budget) is further shown below in percentages:

- Financial Management Grant 46,12%
- Municipal Systems Improvement Grant 84,91%
- Expanded Public Work Programme 50,39%
- Equitable Share 58,33%
- Municipal Infrastructure Grant 48,92%

## Supporting Table: SC8 - Councilor Allowances and Employee Related Costs

Summary of Employee and Councillor remuneration	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	10 270	10 586	--	894	7 012	6 175	837	14%	10 586
Pension and UIF Contributions	953	1 417	--	81	568	827	(258)	-31%	1 417
Medical Aid Contributions	170	160	--	20	147	93	54	58%	160
Motor Vehicle Allowance	3 840	4 066	--	321	2 255	2 372	(117)	-5%	4 066
Cellphone Allowance	--	--	--	--	--	--	--	--	--
Housing Allowances	--	--	--	--	--	--	--	--	--
Other benefits and allowances	0	45	--	57	187	26	160	611%	45
<b>Sub Total - Councillors</b>	<b>15 233</b>	<b>16 273</b>	<b>--</b>	<b>1 373</b>	<b>10 170</b>	<b>9 493</b>	<b>677</b>	<b>7%</b>	<b>16 273</b>
<b>% increase</b>		<b>6.8%</b>							<b>6.8%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	3 335	5 131	--	344	2 561	2 993	(432)	-14%	5 131
Pension and UIF Contributions	--	400	--	20	168	233	(66)	-28%	400
Medical Aid Contributions	--	--	--	--	--	--	--	--	--
Overtime	--	--	--	--	--	--	--	--	--
Performance Bonus	--	--	--	--	--	--	--	--	--
Motor Vehicle Allowance	827	1 292	--	65	474	753	(279)	-37%	1 292
Cellphone Allowance	--	--	--	--	--	--	--	--	--
Housing Allowances	--	--	--	--	--	--	--	--	--
Other benefits and allowances	--	67	--	0	50	39	11	29%	67
Payments in lieu of leave	--	60	--	--	--	35	(35)	-100%	60
Long service awards	--	--	--	--	--	--	--	--	--
Post-retirement benefit obligations	--	--	--	--	--	--	--	--	--
<b>Sub Total - Senior Managers of Municipality</b>	<b>4 162</b>	<b>6 949</b>	<b>--</b>	<b>429</b>	<b>3 253</b>	<b>4 054</b>	<b>(801)</b>	<b>-20%</b>	<b>6 949</b>
<b>% increase</b>		<b>67.0%</b>							<b>67.0%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	49 972	60 245	--	4 646	32 863	35 143	(2 280)	-6%	60 245
Pension and UIF Contributions	9 902	13 223	--	917	6 445	7 713	(1 268)	-16%	13 223
Medical Aid Contributions	2 621	3 076	--	253	1 621	1 794	(173)	-10%	3 076
Overtime	1 172	775	--	231	782	452	329	73%	775
Performance Bonus	--	--	--	--	--	--	--	--	--
Motor Vehicle Allowance	3 718	4 451	--	392	2 797	2 596	200	8%	4 451
Cellphone Allowance	--	--	--	--	--	--	--	--	--
Housing Allowances	67	120	--	8	54	70	(16)	-23%	120
Other benefits and allowances	699	7 483	--	176	5 327	4 365	962	22%	7 483
Payments in lieu of leave	4 528	855	--	237	521	499	23	5%	855
Long service awards	--	--	--	--	--	--	--	--	--
Post-retirement benefit obligations	--	--	--	--	--	--	--	--	--
<b>Sub Total - Other Municipal Staff</b>	<b>72 680</b>	<b>90 228</b>	<b>--</b>	<b>6 860</b>	<b>50 410</b>	<b>52 633</b>	<b>(2 223)</b>	<b>-4%</b>	<b>90 228</b>
<b>% increase</b>		<b>24.1%</b>							<b>24.1%</b>
<b>Total Parent Municipality</b>	<b>92 075</b>	<b>113 451</b>	<b>--</b>	<b>8 662</b>	<b>63 832</b>	<b>66 180</b>	<b>(2 348)</b>	<b>-4%</b>	<b>113 451</b>
		<b>23.2%</b>							<b>23.2%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>92 075</b>	<b>113 451</b>	<b>--</b>	<b>8 662</b>	<b>63 832</b>	<b>66 180</b>	<b>(2 348)</b>	<b>-4%</b>	<b>113 451</b>
<b>% increase</b>		<b>23.2%</b>							<b>23.2%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>76 842</b>	<b>97 177</b>	<b>--</b>	<b>7 289</b>	<b>53 662</b>	<b>56 687</b>	<b>(3 024)</b>	<b>-5%</b>	<b>97 177</b>

Table SC8 provides details for Remuneration of Councillors and Employee related cost. The total salaries, allowances and benefits paid for January 2015 amounts to R7, 2 million and the year to date actual expenditure amounted to R53, 6 million that is less by 5%. The expenditure for remuneration of councillors as at January 2015 amounts to R 10, 1 million.

Description	Budget Year 2014/15												2014/15 Medium Term Revenue			
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year	Budget Year +1	Budget Year +2	
<b>Cash Receipts By Source</b>																
Property rates	1 342	1 095	1 961	971	1 297	871	1 817	-	-	-	-	20 646	30 000	32 674	33 438	
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	4 572	3 825	5 813	4 100	3 963	2 952	5 331	-	-	-	-	24 744	55 300	57 170	58 255	
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse	273	223	308	243	218	181	293	-	-	-	-	3 449	5 188	6 475	6 824	
Service charges - other	63	63	(7)	253	23	27	260	-	-	-	-	1 879	2 561	2 884	3 039	
Rental of facilities and equipment	57	46	110	114	88	65	156	-	-	-	-	4 119	1 055	1 081	1 150	
Interest earned - external investments	444	444	1 082	724	59	38	520	-	-	-	-	(8)	2 800	3 273	3 449	
Interest earned - outstanding debtors	98	64	729	59	58	56	104	-	-	-	-	3 833	5 000	5 270	5 555	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	24	34	18	26	50	14	51	-	-	-	-	393	610	1 065	1 122	
Licences and permits	-	531	532	517	534	347	871	-	-	-	-	2 315	5 648	5 810	6 124	
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operating	66 140	84	42	476	55 962	-	1 040	-	-	-	-	46 896	170 641	216 460	220 780	
Other revenue	1 632	266	7 632	52	221	98	22 324	-	-	-	-	(25 911)	6 315	1 480	1 560	
<b>Cash Receipts by Source</b>	<b>74 201</b>	<b>6 676</b>	<b>18 220</b>	<b>7 535</b>	<b>62 414</b>	<b>4 647</b>	<b>32 766</b>	-	-	-	-	<b>78 657</b>	<b>285 118</b>	<b>333 651</b>	<b>341 297</b>	
<b>Other Cash Flows by Source</b>																
Transfer receipts - capital	-	-	-	1 058	3 112	-	-	-	-	-	-	-	-	-	-	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits	(3)	(22)	(1)	24	(4)	10	3	-	-	-	-	-	-	-	-	-
Receipt of non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>74 198</b>	<b>6 654</b>	<b>18 220</b>	<b>8 617</b>	<b>65 522</b>	<b>4 658</b>	<b>32 770</b>	-	-	-	-	<b>130 820</b>	<b>341 458</b>	<b>396 452</b>	<b>400 342</b>	
<b>Cash Payments by Type</b>																
Employee related costs	6 941	6 937	6 388	7 120	7 071	11 317	7 289	-	-	-	-	44 115	97 177	112 826	119 245	
Remuneration of councillors	1 931	1 324	1 324	1 349	1 343	1 331	1 373	-	-	-	-	6 288	16 273	17 163	18 090	
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity	5 635	6 018	4 094	4 590	(860)	7 854	3 678	-	-	-	-	15 992	47 000	49 538	52 213	
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	280	136	130	141	180	3	176	-	-	-	-	1 955	3 013	1 918	2 022	
Contracted services	872	872	867	867	-	1 675	1 041	-	-	-	-	2 506	8 700	11 067	11 665	
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other	94	53	55	55	(55)	164	731	-	-	-	-	8 503	9 600	12 859	13 553	
General expenses	9 563	6 282	595	17 523	13 588	7 292	6 487	-	-	-	-	10 403	71 733	89 486	90 373	
<b>Cash Payments by Type</b>	<b>25 326</b>	<b>21 623</b>	<b>13 452</b>	<b>31 644</b>	<b>21 267</b>	<b>29 636</b>	<b>20 776</b>	-	-	-	-	<b>89 773</b>	<b>253 497</b>	<b>294 858</b>	<b>307 160</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	126	-	91	1 532	- 3 181	8 488	12 158	-	-	-	-	51 714	77 290	96 225	90 589	
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>25 452</b>	<b>21 623</b>	<b>13 544</b>	<b>33 176</b>	<b>24 447</b>	<b>38 125</b>	<b>32 934</b>	-	-	-	-	<b>141 487</b>	<b>330 787</b>	<b>391 082</b>	<b>397 749</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>48 745</b>	<b>(14 968)</b>	<b>4 676</b>	<b>(24 659)</b>	<b>41 075</b>	<b>(33 467)</b>	<b>(164)</b>	-	-	-	-	<b>(10 667)</b>	<b>10 671</b>	<b>5 370</b>	<b>2 892</b>	
Cash/cash equivalents at the month/year beginning:	35 400	84 146	69 178	73 854	49 295	90 369	56 738	56 738	56 738	56 738	56 738	56 738	35 400	46 071	51 441	
Cash/cash equivalents at the month/year end:	84 146	69 178	73 854	49 295	90 369	56 902	56 738	56 738	56 738	56 738	56 738	46 071	46 071	51 441	54 033	

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 R 32, 7 million excluding the capital transfer receipts and the total cash payment for the month were R 20, 7 million. This is a supporting table for table C7 – Cash Flow Statement.

#### Supporting Table: SC 12 Capital Expenditure Trend

Month	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
<b>Monthly expenditure performance</b>									
July	-	274	-	126	126	274	148	54.1%	0.16%
August	9	634	-	-	126	908	908	100.0%	0.16%
September	204	4 420	-	91	217	5 327	5 110	95.9%	0.28%
October	335	6 173	-	1 532	1 749	11 501	9 752	84.8%	2%
November	4 785	13 178	-	2 790	4 539	24 679	20 140	81.6%	6%
December	5 996	4 883	-	7 446	11 985	29 562	17 577	59.5%	16%
January	4 449	2 130	-	10 665	22 650	31 692	9 042	28.5%	29%
February	5 979	6 039	-	-	-	37 731	-	-	-
March	3 611	5 274	-	-	-	43 005	-	-	-
April	6 823	13 008	-	-	-	56 013	-	-	-
May	8 268	5 464	-	-	-	61 477	-	-	-
June	5 413	15 813	-	-	-	77 290	-	-	-
<b>Total Capital expenditure</b>	<b>45 872</b>	<b>77 290</b>	<b>-</b>	<b>22 650</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Supporting table SC12 provides information on the monthly trends for capex. In terms of this table the capital expenditure for the month of December amounts to R10, 6 million. The capital budget spending still need to be given thorough consideration since the average monthly spending is lower than the projected monthly expenditure.

In terms of the year to date budget, the spending was anticipated to be at R 31, 6 million based on the original budget and only R22, 6 million has actually been spent to date. This reflects year to date variance of 28, 5%.

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

LIM472 Elias Motsoaledi - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M07									
Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital expenditure on new assets</b>									
<b>Infrastructure</b>	37 052	51 239	-	7 678	17 575	29 889	12 314	41.2%	51 239
Infrastructure - Road transport	30 589	49 239	-	7 678	17 575	28 723	11 148	38.8%	49 239
<i>Roads, Pavements &amp; Bridges</i>	30 589	47 739	-	7 634	17 504	27 848	10 343	37.1%	47 739
<i>Storm water</i>	-	1 500	-	44	70	875	805	91.9%	1 500
Infrastructure - Electricity	6 463	2 000	-	-	-	1 167	1 167	100.0%	2 000
<i>Transmission &amp; Reticulation</i>	3 898	-	-	-	-	-	-	-	-
<i>Street Lighting</i>	2 565	2 000	-	-	-	1 167	1 167	100.0%	2 000
<b>Community</b>	175	500	-	-	-	292	292	100.0%	500
Parks & gardens	-	500	-	-	-	292	292	100.0%	500
Cemeteries	175	-	-	-	-	-	-	-	-
<b>Other assets</b>	6	600	-	-	-	350	350	100.0%	600
Other	6	600	-	-	-	350	350	100.0%	600
<b>Total Capital Expenditure on new assets</b>	<b>37 233</b>	<b>52 339</b>	<b>-</b>	<b>7 678</b>	<b>17 575</b>	<b>30 531</b>	<b>12 956</b>	<b>42.4%</b>	<b>52 339</b>

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

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital expenditure on renewal of existing assets</b>									
<b>Infrastructure</b>	10 431	19 851	-	2 583	3 649	11 580	7 931	68.5%	19 851
Infrastructure - Road transport	6 639	13 601	-	696	1 585	7 934	6 348	80.0%	13 601
<i>Roads, Pavements &amp; Bridges</i>	6 639	13 601	-	696	1 585	7 934	6 348	80.0%	13 601
<i>Storm water</i>	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	3 792	6 250	-	1 887	2 063	3 646	1 583	43.4%	6 250
<i>Generation</i>	-	-	-	-	-	-	-	-	-
<i>Transmission &amp; Reticulation</i>	3 792	6 250	-	1 887	2 063	3 646	1 583	43.4%	6 250
<b>Other assets</b>	2 001	5 100	-	404	1 426	2 975	1 549	52.1%	5 100
General vehicles	-	200	-	-	-	117	117	100.0%	200
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	-	600	-	-	-	350	350	100.0%	600
Computers - hardware/equipment	1 311	500	-	172	354	292	(63)	-21.5%	500
Furniture and other office equipment	356	300	-	-	282	175	(107)	-61.0%	300
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	1 500	-	158	158	875	717	82.0%	1 500
Other Buildings	43	-	-	-	-	-	-	-	-
Other Land	-	1 500	-	-	395	875	480	54.9%	1 500
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	291	500	-	74	237	292	54	18.6%	500
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>12 432</b>	<b>24 951</b>	<b>-</b>	<b>2 987</b>	<b>5 075</b>	<b>14 555</b>	<b>9 480</b>	<b>65.1%</b>	<b>24 951</b>

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

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Repairs and maintenance expenditure</b>									
<b>Infrastructure</b>	<b>4 529</b>	<b>3 200</b>	<b>-</b>	<b>309</b>	<b>2 407</b>	<b>1 867</b>	<b>(540)</b>	<b>-28.9%</b>	<b>3 200</b>
Infrastructure - Road transport	2 448	1 200	-	17	717	700	(17)	-2.5%	1 200
<i>Roads, Pavements &amp; Bridges</i>	2 266	1 000	-	17	491	583	92	15.9%	1 000
<i>Storm water</i>	183	200	-	-	227	117	(110)	-94.1%	200
Infrastructure - Electricity	973	1 000	-	292	806	583	(223)	-38.2%	1 000
<i>Transmission &amp; Reticulation</i>	973	1 000	-	292	806	583	(223)	-38.2%	1 000
Infrastructure - Other	1 107	1 000	-	-	883	583	(300)	-51.4%	1 000
<i>Waste Management</i>	1 107	1 000	-	-	883	583	(300)	-51.4%	1 000
<b>Community</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Community halls	13	-	-	-	-	-	-	-	-
<b>Other assets</b>	<b>5 043</b>	<b>5 576</b>	<b>-</b>	<b>825</b>	<b>4 753</b>	<b>3 253</b>	<b>(1 501)</b>	<b>-46.1%</b>	<b>5 576</b>
General vehicles	32	2 067	-	558	2 206	1 206	(1 000)	-83.0%	2 067
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	1 376	500	-	1	382	292	(90)	-30.9%	500
Other Buildings	914	1 250	-	251	925	729	(196)	-26.9%	1 250
Other	2 721	1 759	-	14	1 240	1 026	(214)	-20.9%	1 759
<b>Total Repairs and Maintenance Expenditure</b>	<b>9 585</b>	<b>8 776</b>	<b>-</b>	<b>1 134</b>	<b>7 160</b>	<b>5 119</b>	<b>(2 041)</b>	<b>-39.9%</b>	<b>8 776</b>

Supporting table SC13a and SC13b 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. These tables present the capital programme performance of the Municipality.

The total year to date actuals for new capital projects amounts to R 17, 5 million and the year to date budget is R30, 5 million which reflects 42% less expenditure on new assets. The year to date expenditure on renewal of existing assets is R 2, 9 million and the year to date budget is R14, 5 million and this reflects 65% unfavourable variance.

The actual expenditure for the month of January 2015 on repairs and maintenance is R 1, 1 million and the year to date actual amounts to R 7, 1 million and the year to date budget is R5, 1 million, reflecting over spending variance of 39, 9%.



**Quality certificate**

I **RAMAKGAHLELE MAREDI**, the Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the monthly budget statement report and supporting documentation for the month of January 2015 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 ..... *L. Greda* .....

Date ..... *11/2/2015* .....