

ELIAS MOTSOALEDI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT REPORT

JULY 2017

PART 1: IN - YEAR REPORT

PURPOSE

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

EXECUTIVE SUMMARY

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

IN YEAR BUDGET STATEMENT TABLES

Table C1 – Budget Statement Summary

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Financial Performance									
Property rates	23,780	26,472	-	1,884	1,884	2,206	(322)	-15%	26,472
Service charges	78,960	89,822	-	7,452	7,452	5,368	2,084	39%	89,822
Investment revenue	3,479	3,701	-	-	-	250	(250)	-100%	3,701
Transfers and subsidies	213,105	226,163	-	94,401	94,401	93,111	1,290	1%	226,163
Other own revenue	22,294	45,865	-	1,753	1,753	4,005	(2,252)	-56%	45,865
Total Revenue excluding capital transfers	341,618	392,023	-	105,490	105,490	104,940	550	1%	392,023
Employee costs	112,496	123,460	-	9,543	9,543	9,565	(22)	0%	123,460
Remuneration of Councillors	20,292	22,113	-	1,694	1,694	1,843	(148)	-8%	22,113
Depreciation & asset impairment	50,000	51,200	-	-	-	3,951	(3,951)	-100%	51,200
Finance charges	2,760	3,124	-	-	-	205	(205)	-100%	3,124
Materials and bulk purchases	73,404	82,662	-	7,726	7,726	7,800	(74)	-1%	82,662
Transfers and subsidies	2,248	3,724	-	1,727	1,727	1,610	117	7%	3,724
Other expenditure	107,161	100,105	-	13,697	13,697	13,593	104	1%	100,105
Total Expenditure	368,361	386,388	-	34,388	34,388	38,667	(4,179)	-11%	386,388
Surplus/(Deficit)	(26,743)	5,635	-	71,103	71,103	66,374	4,729	7%	6,635
Transfers and subsidies - capital	70,419	70,860	-	784	784	1,562	(778)	-50%	70,860
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	43,676	76,495	-	71,887	71,887	67,935	3,952	6%	76,495
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	43,676	76,495	-	71,887	71,887	67,935	3,952	6%	76,495
Capital expenditure & funds sources									
Capital expenditure	87,620	77,302	-	935	935	1,624	(689)	-42%	77,302
Capital transfers recognised	73,654	62,158	-	688	688	1,370	(682)	-50%	62,158
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	13,966	15,144	-	247	247	254	(7)	-3%	15,144
Total sources of capital funds	87,620	77,302	-	935	935	1,624	(689)	-42%	77,302
Financial position									
Total current assets	87,686	107,614	-		143,838				107,614
Total non current assets	1,040,124	1,066,797	-		1,053,418				1,066,797
Total current liabilities	79,705	60,491	-		100,205				60,491
Total non current liabilities	85,185	98,733	-		94,896				98,733
Community wealth/Equity	962,921	1,015,187	-		1,002,164				1,015,187
Cash flows									
Net cash from (used) operating	89,505	93,102	-	81,318	81,318	98,967	17,649	18%	93,102
Net cash from (used) investing	(87,620)	(77,302)	-	(935)	(935)	(1,624)	(689)	42%	(77,302)
Net cash from (used) financing	(8,187)	(8,497)	-	(433)	(433)	(696)	(263)	0	(8,497)
Cash/cash equivalents at the month/year end	26,664	32,968	-	-	100,863	122,311	21,447	18%	26,217
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-160 Dys	161-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	8,392	(6,363)	1,547	1,138	1,161	1,112	5,153	20,691	32,830
Debtors 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 July 2017 is R105, 490 million and the year to date budget of R104, 940 million and this reflects a positive variance of R550 Thousand that reflects performance of the operational revenue for the reporting

period. The following are the secondary revenue item categories reflecting a negative and material variance:

- Interest earned - external investments: 100% unfavorable variance,
- Interest earned – outstanding Debtors 38% unfavorable variance,
- Rental on Facilities and Equipment: 51% unfavorable
- License and Permits: 100% unfavorable variance
- Fines: 56% unfavorable variance
- Property Rates: 15% unfavorable variance
- Other revenue: 30% unfavorable variance

Operating Expenditure

The year to date operational expenditure as at end of July 2017 amounts to R34, 388 million and the year to date budget is R38, 567 million. This reflects an unfavorable variance of R4, 179 million that translates to 11% underspending variance as compared to the projected expenditure. Cognizance should be taken that the above spending does not include “expenditure” on non-cash items and as a results, the expenditure is the actual spending that resulted in actual outflow of cash. The municipality is 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:

- Other materials: 12% under performance variance
- Finance Charges : 100% under 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 July 2017 amounts to R935 Thousand and the year to date budget amounts to R1, 624 million and this gives rise to 42% under spending variance.

Surplus/Deficit

Taking the above into consideration, the net operating surplus for the month is R71, 887 million that is mainly attributed to equitable share and MIG.

Debtors

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of July 2017 amounts to R32, 830 million and this shows an increase of R344 thousand as compared to R33, 174 million as at end of 2016/17 financial year.

Consumer debtors is made up of service charges and property rates that amount to R27, 433 million and other debtors amounting to R5, 397 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	247,098	170,084	-	83,400	83,400	58,334	25,066	43%	170,084
Executive and council	-	35,581	-	21,084	21,084	14,825	6,259	42%	35,581
Finance and administration	247,098	128,101	-	55,913	55,913	40,841	15,073	37%	128,101
Internal audit	-	6,402	-	6,402	6,402	2,668	3,735	140%	6,402
Community and public safety	45	12,846	-	11,050	11,050	5,337	5,713	107%	12,846
Community and social services	44	6,377	-	5,946	5,946	2,642	3,304	125%	6,377
Sport and recreation	1	6,469	-	5,104	5,104	2,695	2,409	89%	6,469
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	75,609	150,237	-	4,374	4,374	27,790	(23,416)	-84%	150,237
Planning and development	1,811	13,512	-	2,285	2,285	4,895	(2,610)	-53%	13,512
Road transport	73,798	135,883	-	2,089	2,089	22,895	(20,806)	-91%	135,883
Environmental protection	-	842	-	-	-	-	-	-	842
Trading services	89,285	129,716	-	7,452	7,452	16,042	(7,591)	-50%	129,716
Energy sources	81,773	106,984	-	6,720	6,720	8,552	(1,832)	-21%	106,984
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	7,512	22,732	-	731	731	6,490	(5,759)	-89%	22,732
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	412,037	462,883	-	106,274	106,274	106,502	(228)	0%	462,883
Expenditure - Functional									
Governance and administration	163,829	147,263	-	18,956	18,956	16,762	2,194	13%	147,263
Executive and council	35,121	35,981	-	2,777	2,777	3,375	(598)	-18%	35,981
Finance and administration	123,110	104,880	-	16,023	16,023	13,191	2,832	21%	104,880
Internal audit	5,597	6,402	-	156	156	196	(40)	-20%	6,402
Community and public safety	12,439	15,633	-	700	700	760	(60)	-7%	15,633
Community and social services	4,605	6,541	-	323	323	337	(15)	-4%	6,541
Sport and recreation	7,835	9,092	-	378	378	413	(35)	-8%	9,092
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	86,031	117,737	-	3,655	3,655	3,621	34	1%	117,737
Planning and development	14,239	20,850	-	947	947	1,249	(302)	-24%	20,850
Road transport	70,426	96,045	-	2,669	2,669	2,323	346	15%	96,045
Environmental protection	1,365	842	-	39	39	49	(10)	-20%	842
Trading services	106,063	105,754	-	11,077	11,077	17,435	(6,358)	-36%	105,754
Energy sources	82,703	86,949	-	9,269	9,269	11,537	(2,268)	-20%	86,949
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	23,359	18,805	-	1,808	1,808	5,898	(4,090)	-69%	18,805
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	368,361	386,388	-	34,388	34,388	38,567	(4,179)	-11%	386,388
Surplus/ (Deficit) for the year	43,676	76,495	-	71,887	71,887	67,935	3,952	6%	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	-	21,084	21,084	13,142	7,942	0	31,540
Vote 2 - Municipal Manager	-	15,805	-	10,675	10,675	6,585	4,090	0	15,805
Vote 3 - Budget & Treasury	247,085	70,368	-	13,575	13,575	17,102	(3,527)	-21%	70,368
Vote 4 - Corporate Services	-	33,797	-	19,490	19,490	14,077	5,413	38%	33,797
Vote 5 - Community Services	19,413	89,322	-	12,873	12,873	25,966	(13,093)	-50%	89,322
Vote 6 - Technical Services	143,728	200,885	-	15,719	15,719	21,545	(5,827)	-27%	200,885
Vote 7 - Developmental Planning	1,811	8,435	-	126	126	2,780	(2,653)	-95%	8,435
Vote 8 - Executive Support	-	12,731	-	12,731	12,731	5,305	7,427	140%	12,731
Total Revenue by Vote	412,037	462,883	-	106,274	106,274	106,502	(228)	0%	462,883
Expenditure by Vote									
Vote 1 - Executive & Council	30,476	31,940	-	2,431	2,431	2,571	(140)	-5%	31,940
Vote 2 - Municipal Manager	22,673	15,826	-	987	987	1,470	(483)	-33%	15,826
Vote 3 - Budget & Treasury	44,416	39,702	-	11,936	11,936	6,640	5,295	80%	39,702
Vote 4 - Corporate Services	35,988	39,326	-	2,508	2,508	2,919	(411)	-14%	39,326
Vote 5 - Community Services	52,636	71,741	-	3,763	3,763	7,781	(4,018)	-52%	71,741
Vote 6 - Technical Services	157,089	165,483	-	11,211	11,211	15,479	(4,268)	-28%	165,483
Vote 7 - Developmental Planning	8,231	9,604	-	476	476	578	(102)	-18%	9,604
Vote 8 - Executive Support	16,852	12,767	-	1,075	1,075	1,128	(53)	-5%	12,767
Total Expenditure by Vote	368,361	386,388	-	34,388	34,388	38,567	(4,179)	-11%	386,388
Surplus/ (Deficit) for the year	43,676	76,495	-	71,887	71,887	67,935	3,952	6%	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	23,780	26,472		1,884	1,884	2,206	(322)	-15%	26,472
Service charges - electricity revenue	71,855	81,206		6,720	6,720	4,650	2,070	45%	81,206
Service charges - water revenue	-	-		-	-	-	-	-	-
Service charges - sanitation revenue	-	-		-	-	-	-	-	-
Service charges - refuse revenue	7,105	8,616		731	731	718	13	2%	8,616
Service charges - other	-	-		-	-	-	-	-	-
Rental of facilities and equipment	2,412	1,935		80	80	161	(82)	-51%	1,935
Interest earned - external investments	3,479	3,701		-	-	250	(250)	-100%	3,701
Interest earned - outstanding debtors	6,823	6,260		434	434	702	(268)	-38%	6,260
Dividends received	-	-		-	-	-	-	-	-
Fines, penalties and forfeits	7,000	30,000		1,093	1,093	2,500	(1,407)	-56%	30,000
Licences and permits	4,860	5,171		-	-	431	(431)	-100%	5,171
Agency services	-	-		-	-	-	-	-	-
Transfers and subsidies	213,105	226,163		94,401	94,401	93,111	1,290	1%	226,163
Other revenue	1,199	2,499		147	147	211	(64)	-30%	2,499
Gains on disposal of PPE	-	-		-	-	-	-	-	-
Total Revenue excluding capital transfers	341,618	392,023	-	105,490	105,490	104,940	550	1%	392,023
Expenditure By Type									
Employee related costs	112,496	123,460		9,543	9,543	9,565	(22)	0%	123,460
Remuneration of councillors	20,292	22,113		1,694	1,694	1,843	(148)	-8%	22,113
Debt impairment	10,688	26,372		-	-	-	-	-	26,372
Depreciation & asset impairment	50,000	51,200		-	-	3,951	(3,951)	-100%	51,200
Finance charges	2,760	3,124		-	-	205	(205)	-100%	3,124
Bulk purchases	62,906	69,165		7,038	7,038	7,014	25	0%	69,165
Other materials	10,498	13,497		688	688	786	(98)	-12%	13,497
Contracted services	43,272	25,350		6,156	6,156	5,858	298	5%	25,350
Transfers and subsidies	2,248	3,724		1,727	1,727	1,610	117	7%	3,724
Other expenditure	53,202	48,384		7,541	7,541	7,735	(194)	-3%	48,384
Loss on disposal of PPE	-	-		-	-	-	-	-	-
Total Expenditure	368,361	386,388	-	34,388	34,388	38,567	(4,179)	-11%	386,388
Surplus/(Deficit)	(26,743)	5,635	-	71,103	71,103	66,374	4,729	7%	5,635
Transfers and subsidies - capital	70,419	70,860		784	784	1,562	(778)	-50%	70,860
Transfers and subsidies - capital	-	-		-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-		-	-	-	-	-	-
Surplus/(Deficit) after capital transfers	43,676	76,495	-	71,887	71,887	67,935			76,495
Taxation	-	-		-	-	-	-	-	-
Surplus/(Deficit) after taxation	43,676	76,495	-	71,887	71,887	67,935			76,495
Attributable to minorities	-	-		-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	43,676	76,495	-	71,887	71,887	67,935			76,495
Share of surplus/ (deficit) of associate	-	-		-	-	-	-	-	-
Surplus/ (Deficit) for the year	43,676	76,495	-	71,887	71,887	67,935			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 service charges refuse removal, fines, and interest earned – external investments, license and permits, and other revenue. In the case of expenditure the following line items reflect material variance; Finance charges, contracted services, other material, 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.

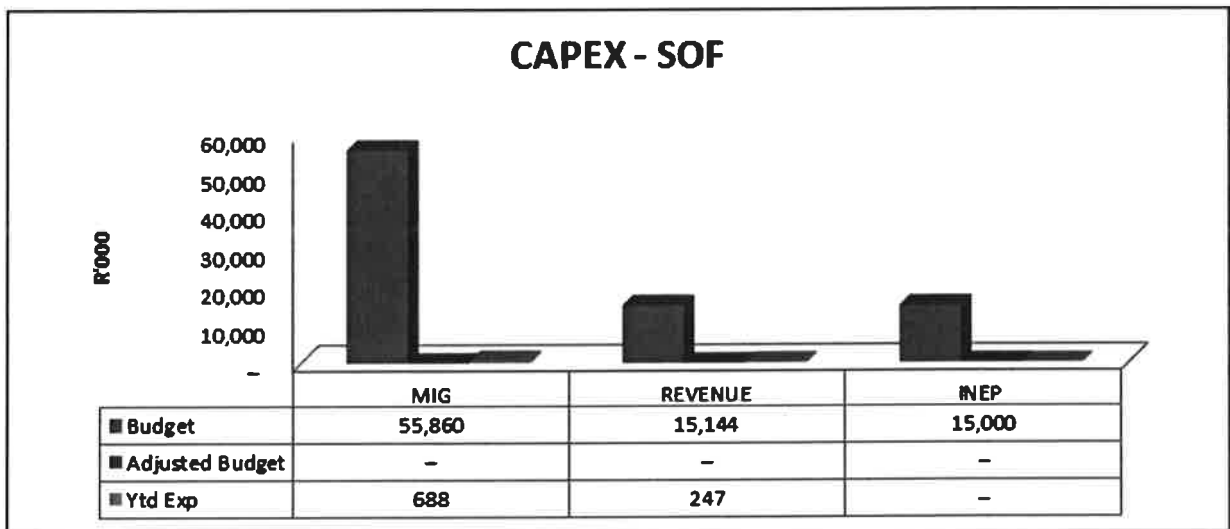
Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding

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	2,550	500	-	160	160	24	136	566%	500
Executive and council	-	-					-		-
Finance and administration	2,550	500		160	160	24	136	566%	500
Internal audit	-	-					-		-
Community and public safety	1,280	700	-	-	-	-	-		700
Community and social services	1,100	-					-		-
Sport and recreation	-	700					-		700
Public safety	180	-					-		-
Housing	-	-					-		-
Health	-	-					-		-
Economic and environmental services	56,986	62,944	-	775	775	1,600	(825)	-52%	62,944
Planning and development	-	-					-		-
Road transport	56,986	62,944		775	775	1,600	(825)	-52%	62,944
Environmental protection	-	-					-		-
Trading services	6,804	13,158	-	-	-	-	-		13,158
Energy sources	6,404	13,158					-		13,158
Water management		-					-		-
Waste water management		-					-		-
Waste management	400	-					-		-
Other		-					-		-
Total Capital Expenditure - Functional Classification	67,620	77,302	-	935	935	1,624	(689)	-42%	77,302
Funded by:									
National Government	73,654	62,158		688	688	1,370	(682)	-50%	62,158
Provincial Government							-		
District Municipality							-		
Other transfers and grants							-		
Transfers recognised - capital	73,654	62,158	-	688	688	1,370	(682)	-50%	62,158
Public contributions & donations							-		
Borrowing							-		
Internally generated funds	13,966	15,144		247	247	254	(7)	-3%	15,144
Total Capital Funding	87,620	77,302	-	935	935	1,624	(689)	-42%	77,302

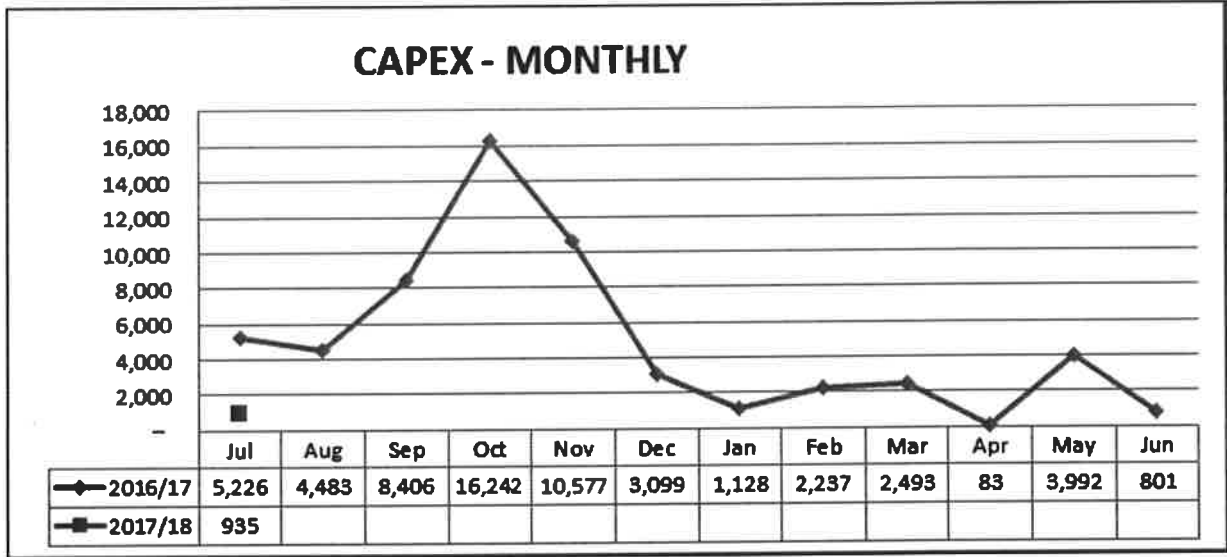
Table C5C: Monthly Capital Expenditure by Vote

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	-	160	160	24	136	556%	500
Vote 5 - Community Services	600	500	-	-	-	-	-	-	500
Vote 6 - Technical Services	58,257	52,539	-	688	688	1,370	(682)	-50%	52,539
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	58,857	53,539	-	848	848	1,394	(547)	-39%	53,539
Single Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	1,950	-	-	-	-	-	-	-	-
Vote 5 - Community Services	1,080	700	-	-	-	-	-	-	700
Vote 6 - Technical Services	25,133	23,063	-	87	87	230	(143)	-62%	23,063
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	600	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	28,763	23,763	-	87	87	230	(143)	-62%	23,763
Total Capital Expenditure	87,620	77,302	-	935	935	1,624	(689)	-42%	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 July 2017, R 935 million spending was incurred and the year to date expenditure is R 935 million whilst the year to date budget is R 1, 624 million and this gave rise to unfavorable spending variance of R 689 Thousand that translates to 42%.



The above graph shows the components of sources of finance for capital budget. Of the total capital budget of R86, 000 million, R55, 860 million is funded from Municipal Infrastructure grant, R15, 000 million from INEP and R15, 000 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.

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	14,369	4,400		40,709	4,400
Call investment deposits	11,294	28,568		60,154	28,568
Consumer debtors	32,082	34,600		7,323	34,600
Other debtors	26,955	36,846		32,506	36,846
Current portion of long-term receivables		-		-	-
Inventory	2,986	3,200		3,145	3,200
Total current assets	87,686	107,614	-	143,838	107,614
Non current assets					
Long-term receivables		-		-	-
Investments		-		-	-
Investment property	93,468	96,146		93,472	96,146
Investments in Associate		-		-	-
Property, plant and equipment	934,417	957,866		948,047	957,866
Agricultural		-		-	-
Biological assets		-		-	-
Intangible assets	178	-		496	-
Other non-current assets	12,061	12,786		11,404	12,786
Total non current assets	1,040,124	1,066,797	-	1,053,418	1,066,797
TOTAL ASSETS	1,127,810	1,174,411	-	1,197,256	1,174,411
LIABILITIES					
Current liabilities					
Bank overdraft		-		-	-
Borrowing	10,100	8,608		444	8,608
Consumer deposits	5,900	5,089		5,198	5,089
Trade and other payables	62,253	45,253		92,277	45,253
Provisions	1,452	1,542		2,286	1,542
Total current liabilities	79,705	60,491	-	100,205	60,491
Non current liabilities					
Borrowing	-	16,500		11,520	16,500
Provisions	85,185	82,233		83,377	82,233
Total non current liabilities	85,185	98,733	-	94,896	98,733
TOTAL LIABILITIES	164,890	159,224	-	195,102	159,224
NET ASSETS	962,921	1,015,187	-	1,002,154	1,015,187
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	962,921	1,015,187		1,002,154	1,015,187
Reserves		-		-	-
TOTAL COMMUNITY WEALTH/EQUIT	962,921	1,015,187	-	1,002,154	1,015,187

The above table shows that community wealth amounts to R 1, 002 billion, total liabilities R195, 102 million and the total assets R1, 197 billion. Non-current liabilities is mainly made up of provisions for long service award, landfill site and bonus, and borrowing that is exclusively finance lease for yellow fleet.

Included in the trade and other payables is unspent conditional grants amounting to R46, 715 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	17,579	21,177		1,611	1,611	1,765	(154)	-9%	21,177
Service charges	70,069	83,078		6,345	6,345	4,730	1,615	34%	83,078
Other revenue	13,403	13,516		1,422	1,422	1,124	298	26%	13,516
Government - operating	213,105	226,163		94,626	94,626	94,624	2	0%	226,163
Government - capital	85,419	70,860		28,330	28,330	23,444	4,886	21%	70,860
Interest	4,136	5,579		268	268	611	(342)	-56%	5,579
Dividends	-	-					-		-
Payments									
Suppliers and employees	(309,616)	(320,424)		(49,557)	(49,557)	(26,816)	22,741	-85%	(320,424)
Finance charges	(2,341)	(3,124)		-	-	(205)	(205)	100%	(3,124)
Transfers and Grants	(2,248)	(3,724)		(1,727)	(1,727)	(310)	1,417	-457%	(3,724)
NET CASH FROM/(USED) OPERATING ACTIVITIES	89,505	93,102	-	81,318	81,318	98,967	17,649	18%	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		-					-		-
Decrease (increase) in non-current investments		-					-		-
Payments									
Capital assets	(67,620)	(77,302)		(935)	(935)	(1,624)	(689)	42%	(77,302)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(67,620)	(77,302)	-	(935)	(935)	(1,624)	(689)	42%	(77,302)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		-					-		-
Borrowing long term/refinancing		-					-		-
Increase (decrease) in consumer deposits	(17)	111		58	58	10	48	476%	111
Payments									
Repayment of borrowing	(8,170)	(8,608)		(490)	(490)	(706)	(216)	31%	(8,608)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(8,187)	(8,497)	-	(433)	(433)	(696)	(263)	38%	(8,497)
NET INCREASE/ (DECREASE) IN CASH HELD	13,698	7,304	-	79,950	79,950	96,647			7,304
Cash/cash equivalents at beginning:	11,965	25,664			20,913	25,664			20,913
Cash/cash equivalents at month/year end:	25,664	32,968			100,863	122,311			28,217

Table C7 presents details pertaining to cash flow performance. As at end of July 2017, the net cash inflow from operating activities is R81, 318 million whilst net cash outflow from investing activities is R 935 thousand that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R 433 thousand. The cash and cash equivalent held at end of July 2017 amounted to R100, 863 million and the net effect of the above cash flows is cash outflow movement of R79, 950 million. The cash and cash equivalent at end of the reporting period of R 100, 863 million is made up of cash amounting to R40, 709 million and short term investments of R60, 154 million as presented in Table A6 under current assets.

PART 2: SUPPORTING TABLES

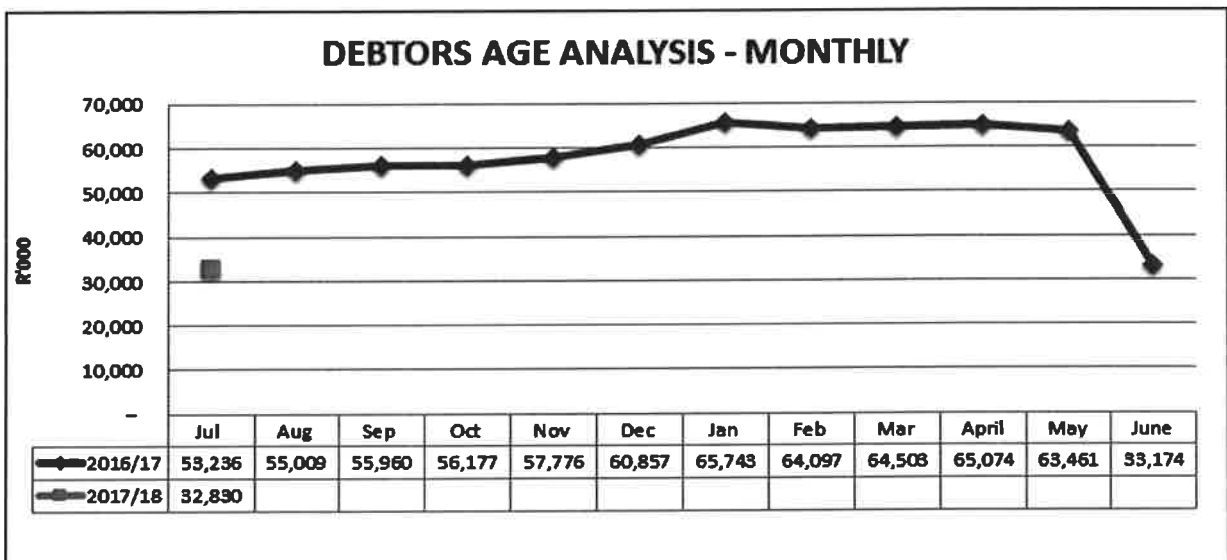
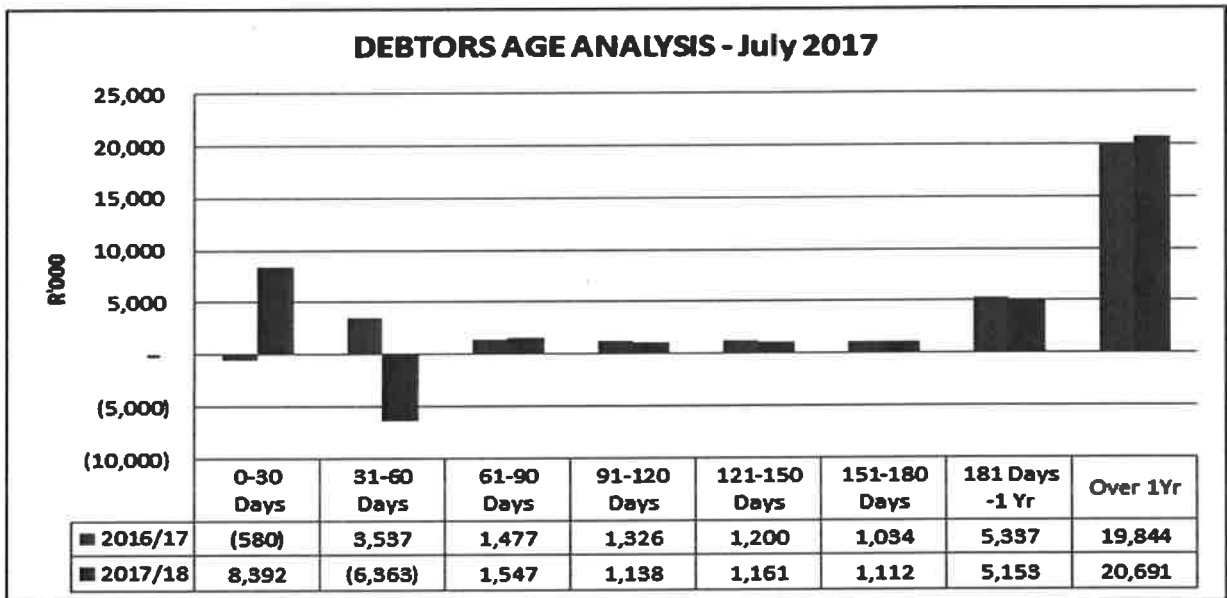
Supporting Table: SC 3 - Debtors Age Analysis

Description	Budget Year 2017/18											Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.to Council Policy		
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dye	151-180 Dye	181 Dye-1 Yr	Over 1Yr	Total	Total	Total					
Debtors Age Analysis By Income Source																
Trade and Other Receivables from Exchange Transactions - Water																
Trade and Other Receivables from Exchange Transactions - Electricity	5,057	1,518	574	208	227	197	1,074	1,830	10,684	3,535						
Receivables from Non-exchange Transactions - Property Rates	1,838	(3,003)	533	496	480	448	2,444	11,894	15,129	15,761						
Receivables from Exchange Transactions - Waste Water Management																
Receivables from Exchange Transactions - Waste Management	729	(1,055)	85	67	63	59	342	1,329	1,619	1,861						
Receivables from Exchange Transactions - Property Rental Debtors	80	(12)	18	22	20	80	106	812	1,124	1,039						
Interest on Arrear Debtor Accounts	447	(2,264)	396	381	366	353	1,857	6,793	8,329	9,750						
Recoverable unauthorised, irregular, fruitless and wasteful expenditure																
Other	242	(1,548)	(59)	(36)	5	(25)	(670)	(1,967)	(4,057)	(2,692)						
Total By Income Source	8,392	(6,363)	1,547	1,138	1,161	1,112	5,163	20,691	32,830	29,255						
2016/17 - totals only	(580)	3,537	1,477	1,326	1,200	1,034	5,337	19,844	33,174	28,740						
Debtors Age Analysis By Customer Group																
Organs of State	1,143	(410)	8	49	49	16	631	1,401	2,885	2,145						
Commercial	3,299	491	676	361	302	246	672	3,005	9,054	4,587						
Households	2,883	(6,400)	391	260	247	221	1,148	6,137	4,887	8,013						
Other	1,067	(44)	472	467	563	628	2,702	10,149	16,004	14,509						
Total By Customer Group	8,392	(6,363)	1,547	1,138	1,161	1,112	5,163	20,691	32,830	29,255						

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of July amount to R32, 830 million. The debtors' book is made up as follows:

- Rates 46%
- Electricity 33%
- Rental 3%
- Refuse removal 5%
- Interest on Debtors 25%
- Other -12%

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

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

TOP TWENTY DEBTORS

ACCOUNT NO	ACCOUNT HOLDER NAME	OUT BALANCE	REMARKS
9012345	BREED J & OOSTHUIZEN J F	880,568.93	HANDED-OVER
9900067	WATER PURIFICATION PLANT (SDM)	811,117.19	ACCOUNT ON 60 DAYS, MATTER WAS DISCUSSED WITH SEKHUKHUNE CFO
201885	SHOPRITE CHECKERS (PTY) LTD	683,341.05	CURRENT AMOUNT
214913	MEAT SPOT	456,230.34	HANDED-OVER
200106	ANABEL AND T INVESTMENTS (WALTLOO MEAT & CHICKEN)	389,557.12	ARRANGEMENTS
9000000	REPUBLIEK VAN SUID-AFRIKA	341,599.73	MATTER DISCUSSED AT PROVINCIAL DEBT FORUM
9001077	ROYAL SQUARE INV 361 CC	304,414.36	HANDED-OVER
2000270	PROVINSIALE HOSPITAAL	274,026.36	CURRENT AMOUNT
1501364	JAN JOUBERT TR (JO JO TANKS)	266,919.44	CURRENT AMOUNT
9000804	NATIONAL GOVERNMENT REPUBLIC OF SOUTH AFRICA	259,605.91	MATTER DISCUSSED AT PROVINCIAL DEBT FORUM
2913	SHOPRITE/CHECKERS	216,697.30	CURRENT AMOUNT
1200305	BUNGELA LAMOLA BOTTLE STORE	199,251.41	HANDED-OVER
506535	BUMAZI PROPERTIES C/O BFW METERING	196,232.70	CURRENT AMOUNT
5001708	UNITRADE 518 (PTY) LTD	158,980.06	HANDED-OVER
9002958	PROVINCIAL GOVERNMENT OF LIMPO	155,894.15	CURRENT AMOUNT
211693	BOXER SUPERSTORE'ATT KERSHNEE	143,750.72	CURRENT AMOUNT
9001763	TSHEHLA TRUST MAMAILE GEORGE	133,644.53	HANDED-OVER
5002109	VAN AARD F J (MAPOCH HOTEL)	129,276.82	HANDED-OVER
9002065	GOVERNMENT OF KWANDEBELE	127,600.19	HANDED-OVER
9002067	NATIONAL GOVERNMENT OF THE REP	127,393.39	MATTER DISCUSSED AT PROVINCIAL DEBT FORUM
TOTAL		6,256,101.70	

Supporting Table: SC 4 - Creditors Age Analysis

Description	Budget Year 2017/18								Total	Prior year totals for chart (same period)
	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		
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
37621	GROBBY TRADING	128,238
35403	BONGILEMASHUMI C C	126,040
1004	LERMAT CONSTRUCTION & PROJECTS	110,466
32409	MAKGONATSOHLE TRADING ENTERPRI	84,461
35516	MAHLOME TRADING ENTERPRISE	63,826
80571	ALGAMATED LEBONE TRAVEL SERVIC	27,149
37552	SELEWE TRANSPORT & CONSTRUCTIO	25,800
80223	RENA BATSWAKO TRANSPORT AND CO	22,240
80569	MSQUARED HOLDINGS (PTY) LTD	22,233
80570	TDS HOLDINGS	22,000
530	RENA BATSWAKO TRANSPORT AND CO	13,700
32028	MCETETE CATERING AND CONSTRUC	4,900
41095	REAKGONA TRAVEL SERVICES	2,070
TOTAL		653,124

The above table presents the top twenty creditors paid during the month of July 2017 and an amount of R 653 thousand 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	4-Apr-17	Short term	2-Jul-17	-	9.25%	15,631	(15,631)	-
VBS	20-Jul-17	Short term	20-Aug-17	50	7.65%	-	20,000	20,050
VBS	20-Jul-17	Short term	20-Sep-17	52	7.85%	-	20,000	20,052
VBS	21-Jul-17	Short term	20-Oct-17	52	7.95%	-	20,000	20,052
TOTAL				154		15,631	44,369	60,154

Supporting table SC5 presents all investments that indicate that the total amount of R60, 154 million had been invested as at end of July 2017. The opening balance was R15, 631 million, and an amount of R15, 631 million was withdrawn in the reporting period. Accrued interest for the month amounted to R154 thousand.

Supporting Table: SC 6 - Transfers and Grant Receipts

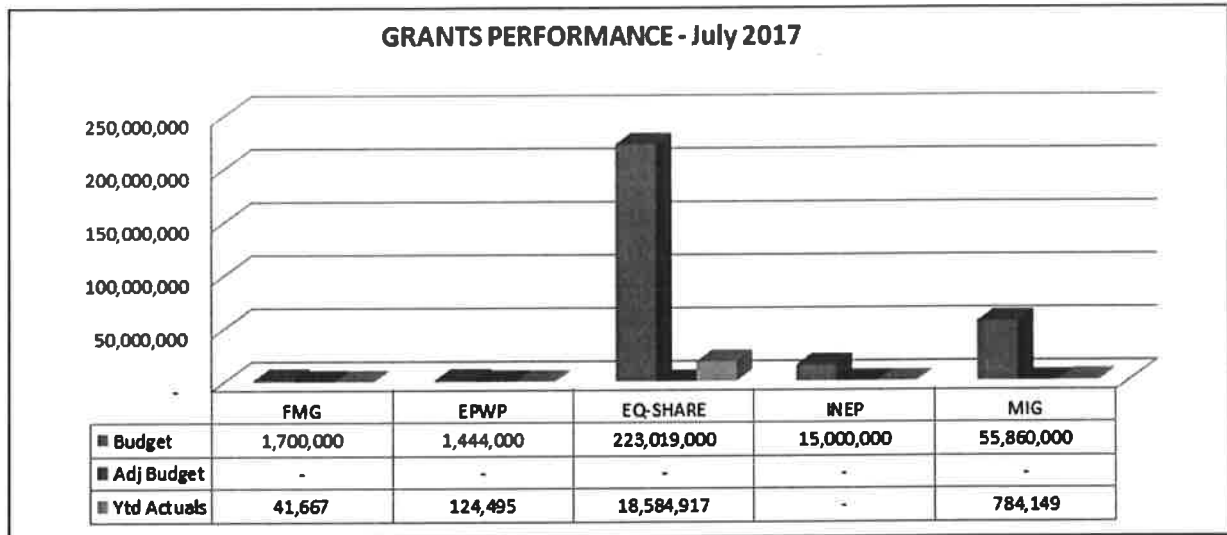
Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
RECEIPTS:									
Operating Transfers and Grants									
National Government:	213,105	226,163	-	94,626	94,626	94,626	-		226,163
Local Government Equitable Share	210,385	223,019	-	92,926	92,926	92,926	-		223,019
Finance Management	1,625	1,700	-	1,700	1,700	1,700			1,700
EPWP Incentive	1,095	1,444	-	-	-	-			1,444
Provincial Government:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
District Municipality:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
Other grant providers:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
Total Operating Transfers and Grants	213,105	226,163	-	94,626	94,626	94,626	-		226,163
Capital Transfers and Grants									
National Government:	85,419	70,860	-	28,330	28,330	28,330	-		70,860
Municipal Infrastructure Grant (MIG)	72,419	55,860	-	23,330	23,330	23,330	-		55,860
Integrated National Electrification Grant	13,000	15,000	-	5,000	5,000	5,000	-		15,000
Provincial Government:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
District Municipality:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
Other grant providers:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
Total Capital Transfers and Grants	85,419	70,860	-	28,330	28,330	28,330	-		70,860
TOTAL RECEIPTS OF TRANSFERS & GRANTS	298,524	297,023	-	122,956	122,956	122,956	-		297,023

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R122, 956 million of which the major portion is attributed to equitable share. An amount of R92, 926 Million has been received in July.

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:	213,105	226,163	-	18,751	18,751	18,772	(21)	0%	226,163
Local Government Equitable Share	210,385	223,019		18,585	18,585	18,585	-		223,019
Finance Management	1,625	1,700		42	42	67	(25)	-37%	1,700
EPWP Incentive	1,095	1,444		124	124	120	4	3%	1,444
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A	-	-		-	-	-	-		-
District Municipality:	-	-	-	-	-	-	-	-	-
N/A	-	-		-	-	-	-		-
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A	-	-		-	-	-	-		-
Total operating expenditure of Transfers and Grants:	213,105	226,163	-	18,751	18,751	18,772	(21)	0%	226,163
Capital expenditure of Transfers and Grants									
National Government:	68,895	70,860	-	784	784	992	(208)	-21%	70,860
Municipal Infrastructure Grant (MIG)	56,084	55,860		784	784	992	(208)	-21%	55,860
Integrated National Electrification Grant	12,811	15,000		-	-	-	-		15,000
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A	-	-		-	-	-	-		-
District Municipality:	-	-	-	-	-	-	-	-	-
N/A	-	-		-	-	-	-		-
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A	-	-		-	-	-	-		-
Total capital expenditure of Transfers and Grants	68,895	70,860	-	784	784	992	(208)	-21%	70,860
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	282,000	297,023	-	19,535	19,535	19,764	(228)	-1%	297,023

An amount of R19, 535 million has been spent on grants during the month of July 2017 and the year to date actuals is R19, 535 million whilst the year to date budget amounts to R19, 764 million and this results in under spending variance of R228 thousand that translates to 1%. Of the total spending amounting to R19, 535 million, R18, 751 million is spent on operational grants whilst R 784 thousand is spent of capital grants.



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

- Financial Management Grant 2,45%
- Expanded Public Work Programme 8, 62%
- Equitable Share 8, 33%
- Municipal Infrastructure Grant 1, 40%
- Integrated National Electrification Grant 0.0%

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	13,435	14,748		1,003	1,003	1,202	(200)	-17%	14,748
Pension and UIF Contributions	1,555	1,670		146	146	139	6	5%	1,670
Medical Aid Contributions	266	285		21	21	24	(3)	-12%	285
Motor Vehicle Allowance	4,458	4,788		390	390	399	(9)	-2%	4,788
Cellphone Allowance	570	612		135	135	51	84	165%	612
Housing Allowances									
Other benefits and allowances	8	9				1	(1)	-100%	9
Sub Total - Councillors	20,292	22,113	-	1,694	1,694	1,816	(122)	-7%	22,113
% Increase		9%							9%
Senior Managers of the Municipality									
Basic Salaries and Wages	7,311	4,745		436	436	654	(218)	-33%	4,745
Pension and UIF Contributions	564	1,021		26	26	63	(37)	-59%	1,021
Medical Aid Contributions	139	228		10	10	16	(5)	-34%	228
Overtime	-	-		-	-	-	-	-	-
Performance Bonus	-	-		-	-	-	-	-	-
Motor Vehicle Allowance	1,018	840		74	74	160	(86)	-54%	840
Cellphone Allowance	-	14		2	2		2	0%	14
Housing Allowances	-	-		-	-	-	-	-	-
Other benefits and allowances	267	75		86	86	4	82	1907%	75
Payments in lieu of leave	-	-		82	82		82	0%	-
Long service awards	-	-		-	-	-	-	-	-
Post-retirement benefit obligations	-	-		-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	9,300	6,923	-	718	718	898	(180)	-20%	6,923
% Increase		-26%							-26%
Other Municipal Staff									
Basic Salaries and Wages	67,431	78,939		6,099	6,099	6,098	0	0%	78,939
Pension and UIF Contributions	14,021	14,523		1,250	1,250	1,256	(6)	0%	14,523
Medical Aid Contributions	3,944	4,340		354	354	353	1	0%	4,340
Overtime	2,076	1,595		249	249	90	159	177%	1,595
Performance Bonus	-	-		-	-	-	-	-	-
Motor Vehicle Allowance	7,501	8,062		729	729	671	58	9%	8,062
Cellphone Allowance	127	636		37	37	27	10	37%	636
Housing Allowances	175	145		13	13	16	(3)	-19%	145
Other benefits and allowances	6,846	7,333		46	46	78	(32)	-41%	7,333
Payments in lieu of leave	952	802		19	19	36	(17)	-47%	802
Long service awards	123	162		29	29	10	19	191%	162
Post-retirement benefit obligations	-	-		-	-	-	-	-	-
Sub Total - Other Municipal Staff	103,196	116,537	-	8,825	8,825	8,635	190	2%	116,537
% Increase		13%							13%
Total Parent Municipality	132,788	145,573	-	11,237	11,237	11,349	(112)	-1%	145,573
% Increase		10%							10%
TOTAL SALARY, ALLOWANCES & BENEFITS	132,788	145,573	-	11,237	11,237	11,349	(112)	(0)	145,573
% Increase		10%							10%
TOTAL MANAGERS AND STAFF	112,496	123,460	-	9,543	9,543	9,532	10	0	123,460

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid for July 2017 amounts to R11, 237 million and the year to date actual expenditure is R11, 237 million and the expenditure for remuneration of councilors for the month amounts to R1, 694 million while the year to date actual expenditure is R1, 694 million and the year to date budget is R1, 816 million giving rise to under spending variance of R122 thousand that translates to 7%.

Description	Budget Year 2017/18												2017/18 Medium Term Revenue			
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year	Budget Year+1	Budget Year+2	
	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Cash Receipts By Source																
Property rates	1,611	1,765	1,765	1,765	1,765	1,765	1,765	1,765	1,765	1,765	1,765	1,919	21,177	22,384	23,638	
Service charges - electricity revenue	5,932	4,603	4,385	5,914	5,816	6,301	6,984	7,513	8,144	8,271	8,284	6,663	78,770	81,133	83,729	
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse	354	220	226	350	410	410	410	410	410	410	410	288	4,308	4,553	4,808	
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	28	153	153	153	153	153	153	153	153	153	153	375	1,935	2,046	2,160	
Interest earned - external investments	154	380	280	270	388	184	178	240	440	300	308	569	3,701	3,912	4,132	
Interest earned - outstanding debtors	114	209	208	134	131	159	143	144	106	128	156	245	1,878	1,985	2,096	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	25	360	390	315	330	435	345	353	405	390	413	740	4,500	4,757	5,023	
Licences and permits	-	431	431	431	431	431	431	431	431	431	431	791	5,100	5,391	5,693	
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operating	94,626	361	-	-	649	74,339	-	434	55,756	-	-	(2)	226,163	238,214	247,841	
Other revenue	1,369	165	165	165	165	165	165	165	165	165	165	(1,039)	1,981	2,094	2,211	
Cash Receipts by Source	104,272	8,648	8,003	9,497	10,247	84,343	10,474	11,607	67,775	12,013	12,085	10,550	349,514	366,469	381,331	
Other Cash Flows by Source																
Transfer receipts - capital	28,330	-	-	6,000	30,589	-	4,615	-	6,201	-	-	(4,886)	70,860	69,013	86,340	
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowing long term/financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Increase in consumer deposits	58	4	6	2	12	6	4	20	10	14	12	(37)	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	8,652	8,009	16,499	40,869	84,349	15,093	11,627	73,986	12,027	12,097	5,628	420,485	435,624	467,839	
Cash Payments by Type																
Employee related costs	9,543	9,658	9,796	9,725	9,719	16,328	10,029	9,808	9,775	9,705	9,717	9,657	123,460	130,069	137,325	
Remuneration of councillors	1,694	1,843	1,843	1,843	1,843	1,843	1,843	1,843	1,843	1,843	1,843	1,872	21,794	23,036	24,326	
Interest paid	-	200	198	196	194	190	188	186	400	398	395	579	3,124	790	645	
Bulk purchases - Electricity	7,038	4,513	4,613	5,200	5,300	5,513	5,700	5,950	6,012	7,250	7,300	4,775	69,937	69,937	73,853	
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other materials	688	2,890	475	522	3,105	215	1,225	545	1,122	807	1,330	573	13,497	14,795	15,623	
Contracted services	6,156	2,133	2,733	1,733	3,316	1,783	1,693	1,838	2,328	2,003	1,858	(2,227)	25,350	23,279	23,118	
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and subsidies paid - other	1,727	310	310	310	310	310	310	310	310	310	310	(1,106)	3,724	3,936	4,156	
General expenses	24,438	3,473	4,420	2,850	3,545	4,120	3,352	3,077	6,480	3,261	2,762	(13,075)	48,703	46,114	47,108	
Cash Payments by Type	61,284	26,020	24,369	22,379	27,333	30,303	24,340	23,557	28,270	25,577	25,515	849	308,817	311,956	326,154	
Other Cash Flows/Payments by Type																
Capital assets	935	4,590	7,000	8,227	9,672	10,917	6,450	8,552	6,630	4,221	4,180	5,928	77,302	84,306	91,111	
Repayment of borrowing	490	706	706	706	706	706	706	706	706	706	750	969	8,608	6,000	6,000	
Other Cash Flows/Payments	-	1,000	1,580	1,400	1,600	4,000	1,500	1,000	1,150	1,400	1,000	2,825	18,455	18,576	26,322	
Total Cash Payments by Type	62,710	31,316	33,675	32,712	39,311	46,925	32,996	33,816	36,756	31,948	31,445	10,671	413,181	420,837	449,586	
NET INCREASE/(DECREASE) IN CASH HELD	79,960	(22,664)	(25,666)	(17,213)	1,548	38,423	(17,903)	(22,188)	37,230	(19,921)	(19,348)	(4,943)	7,304	14,787	18,253	
Cash/cash equivalents at the month/year beginning:	20,913	100,863	78,199	52,533	35,319	36,867	75,290	57,387	35,200	72,429	52,508	33,160	20,913	28,217	43,004	
Cash/cash equivalents at the month/year end:	100,863	78,199	52,533	35,319	36,867	75,290	57,387	35,200	72,429	52,508	33,160	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 R132, 660 million and the total cash payment for the month were R51, 284 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				6,214	-		
September	8,406	7,000				13,214	-		
October	16,242	8,227				21,442	-		
November	10,577	9,672				31,114	-		
December	3,099	10,917				42,030	-		
January	1,128	6,450				48,480	-		
February	2,237	8,552				57,032	-		
March	2,493	6,630				63,662	-		
April	83	4,221				67,883	-		
May	3,992	4,180				72,063	-		
June	801	5,239				77,302	-		
Total Capital expenditure	58,767	77,302	-	935					

Supporting table SC12 provides information on the monthly trends for capex. In terms of this table the capital expenditure for the month of July amounts to R 935 thousand. The year to date capital budget is R 1, 624 million that give rise to under spending variance of R 689 million or 42%.

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	35,057	32,281	-	-	-	404	404	100%	32,281
Roads Infrastructure	23,653	19,123	-	-	-	404	404	100%	19,123
Roads	23,653	19,123				404	404	100%	19,123
Road Structures	-	-				-	-	-	-
Road Furniture	-	-				-	-	-	-
Capital Spares	-	-				-	-	-	-
Electrical Infrastructure	11,404	13,158	-	-	-	-	-	-	13,158
Power Plants	-	-				-	-	-	-
HV Substations	-	-				-	-	-	-
HV Switching Station	-	-				-	-	-	-
HV Transmission Conductors	11,404	13,158				-	-	-	13,158
MV Substations	-	-				-	-	-	-
MV Switching Stations	-	-				-	-	-	-
MV Networks	-	-				-	-	-	-
LV Networks	-	-				-	-	-	-
Capital Spares	-	-				-	-	-	-
Community Assets	600	300	-	-	-	-	-	-	300
Community Facilities	600	300	-	-	-	-	-	-	300
Halls	-	-				-	-	-	-
Centres	-	-				-	-	-	-
Crèches	-	-				-	-	-	-
Clinics/Care Centres	-	-				-	-	-	-
Fire/Ambulance Stations	-	-				-	-	-	-
Testing Stations	-	-				-	-	-	-
Museums	-	-				-	-	-	-
Galleries	-	-				-	-	-	-
Theatres	-	-				-	-	-	-
Libraries	-	-				-	-	-	-
Cemeteries/Crematoria	-	-				-	-	-	-
Police	-	-				-	-	-	-
Parks	-	-				-	-	-	-
Public Open Space	600	300				-	-	-	300
Nature Reserves	-	-				-	-	-	-
Public Ablution Facilities	-	-				-	-	-	-
Markets	-	-				-	-	-	-
Stalls	-	-				-	-	-	-
Abattoirs	-	-				-	-	-	-
Airports	-	-				-	-	-	-
Taxi Ranks/Bus Terminals	-	-				-	-	-	-
Capital Spares	-	-				-	-	-	-
Other assets	300	-	-	-	-	-	-	-	-
Operational Buildings	300	-	-	-	-	-	-	-	-
Municipal Offices	300	-				-	-	-	-
Pay/Enquiry Points	-	-				-	-	-	-
Building Plan Offices	-	-				-	-	-	-
Workshops	-	-				-	-	-	-
Intangible Assets	-	-				-	-	-	-
Servitudes	-	-				-	-	-	-
Licences and Rights	-	-				-	-	-	-
Water Rights	-	-				-	-	-	-
Effluent Licenses	-	-				-	-	-	-
Solid Waste Licenses	-	-				-	-	-	-
Computer Software and Applications	-	-				-	-	-	-
Load Settlement Software Applications	-	-				-	-	-	-
Unspecified	-	-				-	-	-	-
Computer Equipment	1,550	300	-	-	-	-	-	-	300
Computer Equipment	1,550	300				-	-	-	300
Furniture and Office Equipment	400	200	-	160	160	200	40	20%	200
Furniture and Office Equipment	400	200		160	160	200	40	20%	200
Machinery and Equipment	1,680	600	-	87	87	300	213	71%	600
Machinery and Equipment	1,680	600		87	87	300	213	71%	600
Transport Assets	2,253	700	-	-	-	-	-	-	700
Transport Assets	2,253	700				-	-	-	700
Libraries	-	-	-	-	-	-	-	-	-
Libraries	-	-				-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-				-	-	-	-
Total Capital Expenditure on new assets	41,840	34,381	-	247	247	904	657	73%	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	35,531	38,474	-	688	688	440	(248)	-56%	38,474
Roads Infrastructure	35,531	38,474	-	688	688	440	(248)	-56%	38,474
Roads	35,531	38,474	-	688	688	440	(248)	-56%	38,474
Road Structures	-	-	-	-	-	-	-	-	-
Road Furniture	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
Power Plants	-	-	-	-	-	-	-	-	-
HV Substations	-	-	-	-	-	-	-	-	-
HV Switching Station	-	-	-	-	-	-	-	-	-
HV Transmission Conductors	-	-	-	-	-	-	-	-	-
MV Substations	-	-	-	-	-	-	-	-	-
MV Switching Stations	-	-	-	-	-	-	-	-	-
MV Networks	-	-	-	-	-	-	-	-	-
LV Networks	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Landfill Sites	-	-	-	-	-	-	-	-	-
Waste Transfer Stations	-	-	-	-	-	-	-	-	-
Waste Processing Facilities	-	-	-	-	-	-	-	-	-
Waste Drop-off Points	-	-	-	-	-	-	-	-	-
Waste Separation Facilities	-	-	-	-	-	-	-	-	-
Electricity Generation Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Community Assets	8,772	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Halls	-	-	-	-	-	-	-	-	-
Centres	-	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	8,772	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	8,772	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Other assets	1,477	500	-	-	-	-	-	-	500
Operational Buildings	1,477	500	-	-	-	-	-	-	500
Municipal Offices	1,477	500	-	-	-	-	-	-	500
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	45,780	38,974	-	688	688	440	(248)	-56%	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	6,630	6,700	--	284	284	718	433	60%	6,700
Roads Infrastructure	1,300	2,500	--	--	--	400	400	100%	2,500
Roads	1,300	2,500	--	--	--	400	400	100%	2,500
Road Structures	--	--	--	--	--	--	--	--	--
Road Furniture	--	--	--	--	--	--	--	--	--
Capital Spares	--	--	--	--	--	--	--	--	--
Electrical Infrastructure	1,780	1,900	--	284	284	165	(129)	-83%	1,900
Power Plants	--	--	--	--	--	--	--	--	--
HV Substations	--	--	--	--	--	--	--	--	--
HV Switching Station	--	--	--	--	--	--	--	--	--
HV Transmission Conductors	--	--	--	--	--	--	--	--	--
MV Substations	--	--	--	--	--	--	--	--	--
MV Switching Stations	--	--	--	--	--	--	--	--	--
MV Networks	1,780	1,800	--	284	284	150	(134)	-90%	1,800
LV Networks	--	--	--	--	--	--	--	--	--
Capital Spares	--	100	--	--	--	5	5	100%	100
Solid Waste Infrastructure	2,550	2,300	--	--	--	163	163	100%	2,300
Landfill Sites	2,550	2,150	--	--	--	150	150	100%	2,150
Waste Transfer Stations	--	--	--	--	--	--	--	--	--
Waste Processing Facilities	--	--	--	--	--	--	--	--	--
Waste Drop-off Points	--	--	--	--	--	--	--	--	--
Waste Separation Facilities	--	--	--	--	--	--	--	--	--
Electricity Generation Facilities	--	--	--	--	--	--	--	--	--
Capital Spares	--	150	--	--	--	13	13	100%	150
Capital Spares	--	--	--	--	--	--	--	--	--
Community Assets	--	--	--	--	--	--	--	--	--
Community Facilities	--	--	--	--	--	--	--	--	--
Halls	--	--	--	--	--	--	--	--	--
Centres	--	--	--	--	--	--	--	--	--
Crèches	--	--	--	--	--	--	--	--	--
Clinics/Care Centres	--	--	--	--	--	--	--	--	--
Fire/Ambulance Stations	--	--	--	--	--	--	--	--	--
Taxi Ranks/Bus Terminals	--	--	--	--	--	--	--	--	--
Capital Spares	--	--	--	--	--	--	--	--	--
Sport and Recreation Facilities	--	--	--	--	--	--	--	--	--
Indoor Facilities	--	--	--	--	--	--	--	--	--
Outdoor Facilities	--	--	--	--	--	--	--	--	--
Capital Spares	--	--	--	--	--	--	--	--	--
Heritage assets	--	--	--	--	--	--	--	--	--
Monuments	--	--	--	--	--	--	--	--	--
Historic Buildings	--	--	--	--	--	--	--	--	--
Works of Art	--	--	--	--	--	--	--	--	--
Conservation Areas	--	--	--	--	--	--	--	--	--
Other Heritage	--	--	--	--	--	--	--	--	--
Investment properties	--	--	--	--	--	--	--	--	--
Revenue Generating	--	--	--	--	--	--	--	--	--
Improved Property	--	--	--	--	--	--	--	--	--
Unimproved Property	--	--	--	--	--	--	--	--	--
Non-revenue Generating	--	--	--	--	--	--	--	--	--
Improved Property	--	--	--	--	--	--	--	--	--
Unimproved Property	--	--	--	--	--	--	--	--	--
Other assets	3,607	1,300	--	18	18	150	132	88%	1,300
Operational Buildings	3,607	1,300	--	18	18	150	132	88%	1,300
Municipal Offices	3,607	1,300	--	18	18	150	132	88%	1,300
Pay/Enquiry Points	--	--	--	--	--	--	--	--	--
Building Plan Offices	--	--	--	--	--	--	--	--	--
Workshops	--	--	--	--	--	--	--	--	--
Intangible Assets	25	100	--	--	--	20	20	100%	100
Servitudes	--	--	--	--	--	--	--	--	--
Licences and Rights	25	100	--	--	--	20	20	100%	100
Water Rights	--	--	--	--	--	--	--	--	--
Effluent Licenses	--	--	--	--	--	--	--	--	--
Solid Waste Licenses	--	--	--	--	--	--	--	--	--
Computer Software and Applications	25	100	--	--	--	20	20	100%	100
Load Settlement Software Applications	--	--	--	--	--	--	--	--	--
Unspecified	--	--	--	--	--	--	--	--	--
Computer Equipment	--	--	--	--	--	--	--	--	--
Computer Equipment	--	--	--	--	--	--	--	--	--
Furniture and Office Equipment	--	--	--	--	--	--	--	--	--
Furniture and Office Equipment	--	--	--	--	--	--	--	--	--
Machinery and Equipment	1,900	1,711	--	192	192	216	23	11%	1,711
Machinery and Equipment	1,900	1,711	--	192	192	216	23	11%	1,711
Transport Assets	1,890	1,500	--	54	54	300	246	82%	1,500
Transport Assets	1,890	1,500	--	54	54	300	246	82%	1,500
Libraries	--	--	--	--	--	--	--	--	--
Libraries	--	--	--	--	--	--	--	--	--
Zoo's, Marine and Non-biological Animals	--	--	--	--	--	--	--	--	--
Zoo's, Marine and Non-biological Animals	--	--	--	--	--	--	--	--	--
Total Repairs and Maintenance Expenditure	13,052	11,311	--	649	649	1,403	854	61%	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	44,841	45,835	-	-	-	3,820	3,820	100%	45,835
Roads Infrastructure	24,710	25,298	-	-	-	2,108	2,108	0	25,298
Roads	24,710	25,298				2,108	2,108	0	25,298
Road Structures									
Road Furniture									
Capital Spares									
Storm water Infrastructure	5,525	5,746	-	-	-	479	479	0	5,746
Drainage Collection									
Storm water Conveyance	5,525	5,746				479	479	0	5,746
Attenuation									
Electrical Infrastructure	12,306	12,398	-	-	-	1,033	1,033	0	12,398
Power Plants									
HV Substations									
HV Switching Station									
HV Transmission Conductors	12,306	12,398				1,033	1,033	0	12,398
MV Substations									
MV Switching Stations									
MV Networks									
LV Networks									
Capital Spares									
Solid Waste Infrastructure	2,300	2,392	-	-	-	199	199	0	2,392
Landfill Sites	2,300	2,392				199	199	0	2,392
Waste Transfer Stations									
Waste Processing Facilities									
Waste Drop-off Points									
Waste Separation Facilities									
Electricity Generation Facilities									
Capital Spares									
Community Assets	2,145	2,231	-	-	-	186	186	0	2,231
Community Facilities	2,145	2,231				186	186	0	2,231
Halls									
Theatres									
Libraries									
Cemeteries/Crematoria	2,145	2,231				186	186	0	2,231
Police									
Parks									
Public Open Space									
Nature Reserves									
Public Ablution Facilities									
Capital Spares									
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities									
Outdoor Facilities									
Capital spares									
Heritage assets	-	-	-	-	-	-	-	-	-
Monuments									
Historic Buildings									
Other Heritage									
Investment properties									
Revenue Generating									
Improved Property									
Unimproved Property									
Non-revenue Generating									
Improved Property									
Unimproved Property									
Other assets	115	120	-	-	-	10	10	0	120
Operational Buildings	115	120	-	-	-	10	10	0	120
Municipal Offices	115	120				10	10	0	120
Pay/Enquiry Points									
Building Plan Offices									
Workshops									
Computer Equipment	20	21	-	-	-	2	2	0	21
Computer Equipment	20	21				2	2	0	21
Furniture and Office Equipment	25	26	-	-	-	2	2	0	26
Furniture and Office Equipment	25	26				2	2	0	26
Machinery and Equipment	2,000	2,080	-	-	-	173	173	0	2,080
Machinery and Equipment	2,000	2,080				173	173	0	2,080
Transport Assets	854	888	-	-	-	74	74	0	888
Transport Assets	854	888				74	74	0	888
Libraries	-	-	-	-	-	-	-	-	-
Libraries									
Zoo's, Marine and Non-biological Animal	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals									
Total Depreciation	50,000	51,200	-	-	-	4,267	4,267	0	51,200

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 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 R 247 thousand and the year to date budget is R 904 thousand which reflects under spending variance of R 657 thousand that translates to 73% variance. The year to date actuals on renewal of existing assets amounts R 688 thousand with the year to date budget of R 440 thousand and this reflects over spending variance of R 248 thousand that translates to 56% variance.


The year to date actual expenditure on repairs and maintenance is R 549 thousand and the year to date budget is R1, 403 million, reflecting under spending variance of R 854 thousand that translates to 61%.

The depreciation and asset impairment is only projected to have movement at year end and hence the zero year to date actuals and budget thereof. This is basically attributed to unavailability of monthly depreciation figures and the absence of a link between asset management system and core financial system, however the municipality is working towards linking the two systems.

Quality certificate

I, **RAMAKGAHLELA MINAH MAREDI**, the Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the monthly budget statement report and supporting documentation for the month of July 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 **30/8/2017** 30 AUG 2017

Municipal Manager