

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT REPORT

JULY 2018

PART 1: IN - YEAR REPORT

PURPOSE

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

EXECUTIVE SUMMARY

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

IN YEAR BUDGET STATEMENT TABLES

Table C1 – Budget Statement Summary

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Financial Performance									
Property rates	34,805	36,650	-	2,654	2,654	3,067	(413)	-13%	36,650
Service charges	92,822	101,546	-	8,877	8,877	7,866	1,012	13%	101,546
Investment revenue	2,500	3,000	-	184	184	250	(66)	-27%	3,000
Transfers and subsidies	226,163	245,278	-	99,127	99,127	80,291	18,835	23%	245,278
Other own revenue	88,454	90,309	-	1,907	1,907	7,221	(5,315)	-74%	90,309
Total Revenue (excluding capital transfers)	444,744	476,783	-	112,749	112,749	98,696	14,053	14%	476,783
Employee costs	126,105	134,149	-	10,151	10,151	10,240	(89)	-1%	134,149
Remuneration of Councillors	23,430	25,070	-	2,635	2,635	2,067	568	27%	25,070
Depreciation & asset impairment	51,200	51,181	-	-	-	3,985	(3,985)	-100%	51,181
Finance charges	2,124	2,500	-	-	-	208	(208)	-100%	2,500
Materials and bulk purchases	81,986	97,093	-	983	983	9,587	(8,604)	-90%	97,093
Transfers and subsidies	3,724	4,404	-	-	-	366	(366)	-100%	4,404
Other expenditure	142,563	156,909	-	13,425	13,425	14,187	(762)	-5%	156,909
Total Expenditure	431,132	471,306	-	27,194	27,194	40,640	(13,445)	-33%	471,306
Surplus/(Deficit)	13,612	5,477	-	85,554	85,554	58,056	27,499	47%	5,477
Transfers and subsidies - capital (monetary allocations)	91,349	63,830	-	2,381	2,381	6,500	(4,119)	-63%	63,830
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers	104,961	69,307	-	87,935	87,935	64,556	23,380	36%	69,307
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	104,961	69,307	-	87,935	87,935	64,556	23,380	36%	69,307
Capital expenditure & funds sources									
Capital expenditure	103,123	75,869	-	2,977	2,977	6,722	(3,745)	-56%	75,869
Capital transfers recognised	80,131	55,504	-	2,977	2,977	5,652	(2,675)	-47%	55,504
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	22,992	20,365	-	-	-	1,070	(1,070)	-100%	20,365
Total sources of capital funds	103,123	75,869	-	2,977	2,977	6,722	(3,745)	-56%	75,869
Financial position									
Total current assets	144,278	120,845	-	-	131,543	-	-	-	120,845
Total non current assets	1,084,126	1,083,492	-	-	1,111,611	-	-	-	1,083,492
Total current liabilities	111,156	73,138	-	-	82,245	-	-	-	73,138
Total non current liabilities	86,141	116,629	-	-	96,117	-	-	-	116,629
Community wealth/Equity	1,031,107	1,014,570	-	-	1,064,792	-	-	-	1,014,570
Cash flows									
Net cash from (used) operating	89,558	83,769	-	29,955	29,955	(1,460)	(31,415)	2152%	83,769
Net cash from (used) investing	(63,516)	(71,869)	-	(2,381)	(2,381)	(6,322)	(3,942)	62%	(71,869)
Net cash from (used) financing	(5,870)	(9,829)	-	97	97	(819)	(916)	112%	(9,829)
Cash/cash equivalents at the month/year end	41,116	18,039	-	-	33,865	7,366	(26,499)	-360%	8,265
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	12,924	4,438	2,117	1,755	1,736	1,753	10,845	30,800	66,366
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

The above C1 Sum table summarizes the following activities: -

Revenue:

The actual year to date operational revenue as at end of July is R112, 749 million and the year to date budget of R98, 696 million and this reflects a positive variance of R14, 053 million that can be attributed to property rates, service charges electricity and refuse removal that have

positive/negative variance of material figure. The following are the secondary revenue item categories reflecting a negative and positive material variance:

- Interest earned - external investments: 27% unfavorable variance,
- Interest earned – outstanding Debtors 3% unfavorable variance,
- Rental on Facilities and Equipment: 17% unfavorable variance,
- Transfer and Subsidies: 23% favorable variance
- License and Permits: 8% favorable variance
- Fines: 90% unfavorable variance
- Other revenue: 35% unfavorable variance

Operating Expenditure

The year to date operational expenditure as at end of July amounts to R27, 194 million and the year to date budget is R40, 640 million. This reflects unfavorable variance of R 13, 445 million that translates to 33% underspending variance. The variance is attributed to non-incorporation of depreciation, and material and bulk purchases. The municipality is however, in a process of linking the Asset Management system with core financial system so that the depreciation calculated on the initial system can be interfaced to the financial system and this will assist in doing away with the practice of calculating depreciation only at year end.

All other expenditure line items are performing almost in line with the year to date budget since the variance thereof is less than 10% except for the following:

- Contracted Services: 12% under performance variance
- Other Material: 78% under performance variance
- Bulk Purchases: 91% under performance
- Transfers and subsidies: 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. The above material variances are explained more in detail on Supporting Tables SC 1

Capital Expenditure

The year to date actual capital expenditure as at end of July amounts to R2, 977 million and the year to date budget amounts to R6, 722 million and this gives rise to R3, 745 million under performance variance.

Surplus/Deficit

Taking the above into consideration, the net operating surplus/deficit for the month of July is R87, 935 million that is mainly attributed over performance on MIG in the reporting period.

Debtors

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of July amounts to R66, 366 million and this shows an increase of R3, 685 million as compared to R62, 681 million as at end of 2017/18 financial year.

Consumer debtors is made up of service charges and property rates that amount to R45, 2933 million and other debtors amounting to R16, 749 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	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue - Functional									
Governance and administration	183,920	203,714	-	61,999	61,999	50,479	11,519	23%	203,714
Executive and council	35,581	42,873	-	18,486	18,486	14,825	3,661	25%	42,873
Finance and administration	141,936	152,939	-	40,186	40,186	32,987	7,200	22%	152,939
Internal audit	6,402	7,902	-	3,326	3,326	2,668	659	25%	7,902
Community and public safety	18,446	18,637	-	9,909	9,909	5,337	4,573	86%	18,637
Community and social services	11,977	7,973	-	6,547	6,547	2,642	3,906	148%	7,973
Sport and recreation	6,469	10,664	-	3,362	3,362	2,695	667	25%	10,664
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	200,822	185,532	-	22,652	22,652	30,799	(8,147)	-26%	185,532
Planning and development	19,012	17,319	-	2,838	2,838	4,834	(1,997)	-41%	17,319
Road transport	180,968	167,196	-	19,376	19,376	25,614	(6,237)	-24%	167,196
Environmental protection	842	1,018	-	438	438	351	87	25%	1,018
Trading services	132,905	132,730	-	20,570	20,570	18,331	2,240	12%	132,730
Energy sources	107,173	109,537	-	12,761	12,761	11,663	1,098	9%	109,537
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	25,732	23,193	-	7,809	7,809	6,668	1,141	17%	23,193
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	536,093	540,613	-	115,130	115,130	104,946	10,184	10%	540,613
Expenditure - Functional									
Governance and administration	181,424	176,004	-	18,550	18,550	20,177	(1,628)	-8%	176,004
Executive and council	42,315	42,558	-	3,071	3,071	3,385	(314)	-9%	42,558
Finance and administration	131,658	125,652	-	15,246	15,246	16,226	(980)	-6%	125,652
Internal audit	7,450	7,795	-	233	233	567	(334)	-59%	7,795
Community and public safety	14,759	18,191	-	729	729	1,304	(575)	-44%	18,191
Community and social services	5,737	7,709	-	333	333	526	(193)	-37%	7,709
Sport and recreation	9,021	10,481	-	396	396	778	(382)	-49%	10,481
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	120,307	149,194	-	4,939	4,939	7,784	(2,845)	-37%	149,194
Planning and development	17,708	23,848	-	1,132	1,132	1,408	(275)	-20%	23,848
Road transport	101,719	124,365	-	3,767	3,767	6,320	(2,553)	-40%	124,365
Environmental protection	880	981	-	39	39	56	(17)	-30%	981
Trading services	114,643	127,918	-	2,977	2,977	11,375	(8,398)	-74%	127,918
Energy sources	87,570	105,653	-	1,180	1,180	9,672	(8,492)	-88%	105,653
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	27,073	22,265	-	1,797	1,797	1,703	94	6%	22,265
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	431,132	471,306	-	27,194	27,194	40,640	(13,445)	-33%	471,306
Surplus/ (Deficit) for the year	104,961	69,307	-	87,935	87,935	64,306	23,630	37%	69,307

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

Vote Description	2017/18	Budget Year 2018/19							
	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	37,871	38,168	–	16,387	16,387	13,142	3,245	25%	38,168
Vote 2 - Municipal Manager	23,080	31,469	–	8,211	8,211	6,585	1,626	25%	31,469
Vote 3 - Budget & Treasury	71,894	64,695	–	10,187	10,187	8,936	1,251	14%	64,695
Vote 4 - Corporate Services	33,842	39,939	–	17,563	17,563	14,077	3,486	25%	39,939
Vote 5 - Community Services	122,251	127,644	–	22,415	22,415	21,173	1,241	6%	127,644
Vote 6 - Technical Services	220,489	211,110	–	33,552	33,552	33,008	544	2%	211,110
Vote 7 - Developmental Planning	13,935	11,493	–	200	200	2,719	(2,519)	-93%	11,493
Vote 8 - Executive Support	12,731	16,094	–	6,615	6,615	5,305	1,310	25%	16,094
Total Revenue by Vote	536,093	540,613	–	115,130	115,130	104,946	10,184	10%	540,613
Expenditure by Vote									
Vote 1 - Executive & Council	38,271	37,886	–	2,839	2,839	3,045	(206)	-7%	37,886
Vote 2 - Municipal Manager	23,102	31,112	–	2,628	2,628	2,480	148	6%	31,112
Vote 3 - Budget & Treasury	59,430	47,233	–	10,278	10,278	9,583	695	7%	47,233
Vote 4 - Corporate Services	38,652	37,865	–	1,706	1,706	2,642	(936)	-35%	37,865
Vote 5 - Community Services	79,148	105,457	–	4,127	4,127	4,720	(594)	-13%	105,457
Vote 6 - Technical Services	165,729	185,027	–	3,890	3,890	15,944	(12,054)	-76%	185,027
Vote 7 - Developmental Planning	10,737	11,188	–	600	600	1,000	(400)	-40%	11,188
Vote 8 - Executive Support	16,063	15,539	–	1,128	1,128	1,226	(98)	-8%	15,539
Total Expenditure by Vote	431,132	471,306	–	27,194	27,194	40,640	(13,445)	-33%	471,306
Surplus/ (Deficit) for the year	104,961	69,307	–	87,935	87,935	64,306	23,630	37%	69,307

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	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue By Source									
Property rates	34,805	36,650		2,654	2,654	3,067	(413)	-13%	36,650
Service charges - electricity revenue	81,206	89,297		8,209	8,209	6,965	1,244	18%	89,297
Service charges - water revenue							-		
Service charges - sanitation revenue							-		
Service charges - refuse revenue	11,616	12,249		669	669	901	(233)	-26%	12,249
Service charges - other	-						-		
Rental of facilities and equipment	1,000	1,220		84	84	102	(17)	-17%	1,220
Interest earned - external investments	2,500	3,000		184	184	250	(66)	-27%	3,000
Interest earned - outstanding debtors	14,260	8,161		677	677	697	(20)	-3%	8,161
Dividends received	-						-		
Fines, penalties and forfeits	55,016	73,218		565	565	5,801	(5,236)	-90%	73,218
Licences and permits	4,500	4,950		445	445	413	32	8%	4,950
Agency services	-	-					-		
Transfers and subsidies	226,163	245,278		99,127	99,127	80,291	18,835	23%	245,278
Other revenue	13,678	2,761		136	136	210	(73)	-35%	2,761
Gains on disposal of PPE						-	-		
Total Revenue (excluding capital transfers)	444,744	476,783	-	112,749	112,749	98,696	14,053	14%	476,783
Expenditure By Type									
Employee related costs	126,105	134,149		10,151	10,151	10,240	(89)	-1%	134,149
Remuneration of councillors	23,430	25,070		2,635	2,635	2,067	568	27%	25,070
Debt impairment	26,372	53,421		-	-	-	-		53,421
Depreciation & asset impairment	51,200	51,181		-	-	3,985	(3,985)	-100%	51,181
Finance charges	2,124	2,500		-	-	208	(208)	-100%	2,500
Bulk purchases	70,165	80,000		729	729	8,414	(7,685)	-91%	80,000
Other materials	11,821	17,093		254	254	1,173	(919)	-78%	17,093
Contracted services	65,237	60,020		5,676	5,676	6,477	(802)	-12%	60,020
Transfers and subsidies	3,724	4,404		-	-	366	(366)	-100%	4,404
Other expenditure	50,954	43,468		7,749	7,749	7,710	39	1%	43,468
Loss on disposal of PPE				-	-	-	-		
Total Expenditure	431,132	471,306	-	27,194	27,194	40,640	(13,445)	-33%	471,306
Surplus/(Deficit)	13,612	5,477	-	85,554	85,554	58,056	27,499	47%	5,477
Transfers and subsidies - capital (monetary allocations)	91,349	63,830		2,381	2,381	6,500	(4,119)	-63%	63,830
Transfers and subsidies - capital (monetary allocations)							-		
Transfers and subsidies - capital (in-kind - all)							-		
Surplus/(Deficit) after capital transfers & contributions	104,961	69,307	-	87,935	87,935	64,556			69,307
Taxation									
Surplus/(Deficit) after taxation	104,961	69,307	-	87,935	87,935	64,556			69,307
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	104,961	69,307	-	87,935	87,935	64,556			69,307
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	104,961	69,307	-	87,935	87,935	64,556		-	69,307

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, electricity, fines, Rental of facilities, and interest earned – external investments, outstanding debtors and other revenue. In the case of expenditure the following line items reflect material variance; Finance charges, Bulk purchases, other material, transfer and subsidies, 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.

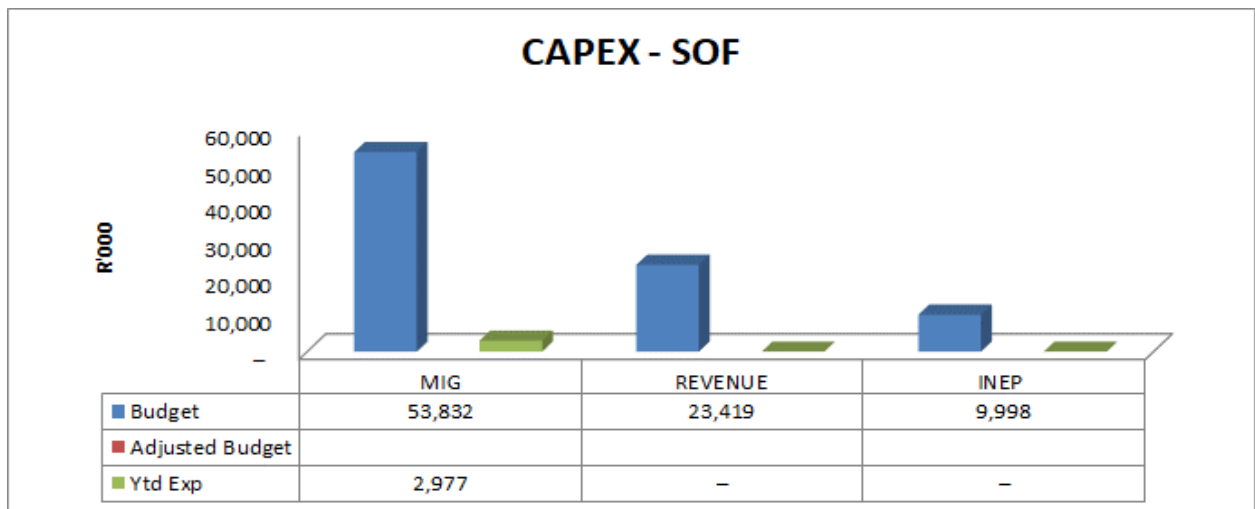
Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding

Vote Description	2017/18	Budget Year 2018/19							
	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	1,300	1,700	-	-	-	85	(85)	-100%	1,700
Executive and council							-		
Finance and administration	1,300	1,700		-	-	85	(85)	-100%	1,700
Internal audit							-		
Community and public safety	8,479	522	-	-	-	-	-		522
Community and social services		522		-	-		-		522
Sport and recreation	8,479	-					-		-
Public safety							-		
Housing							-		
Health							-		
Economic and environmental services	80,021	59,779	-	2,977	2,977	6,637	(3,660)	-55%	59,779
Planning and development		-					-		-
Road transport	80,021	59,779		2,977	2,977	6,637	(3,660)	-55%	59,779
Environmental protection		-					-		-
Trading services	13,324	13,868	-	-	-	-	-		13,868
Energy sources	13,324	10,868		-	-		-		10,868
Water management		-					-		-
Waste water management		-					-		-
Waste management		3,000		-	-		-		3,000
Other		-					-		-
Total Capital Expenditure - Functional Classification	103,123	75,869	-	2,977	2,977	6,722	(3,745)	-56%	75,869
Funded by:									
National Government	80,131	55,504		2,977	2,977	5,652	(2,675)	-47%	55,504
Provincial Government							-		
District Municipality							-		
Other transfers and grants							-		
Transfers recognised - capital	80,131	55,504	-	2,977	2,977	5,652	(2,675)	-47%	55,504
Public contributions & donations							-		
Borrowing							-		
Internally generated funds	22,992	20,365		-	-	1,070	(1,070)	-100%	20,365
Total Capital Funding	103,123	75,869	-	2,977	2,977	6,722	(3,745)	-56%	75,869

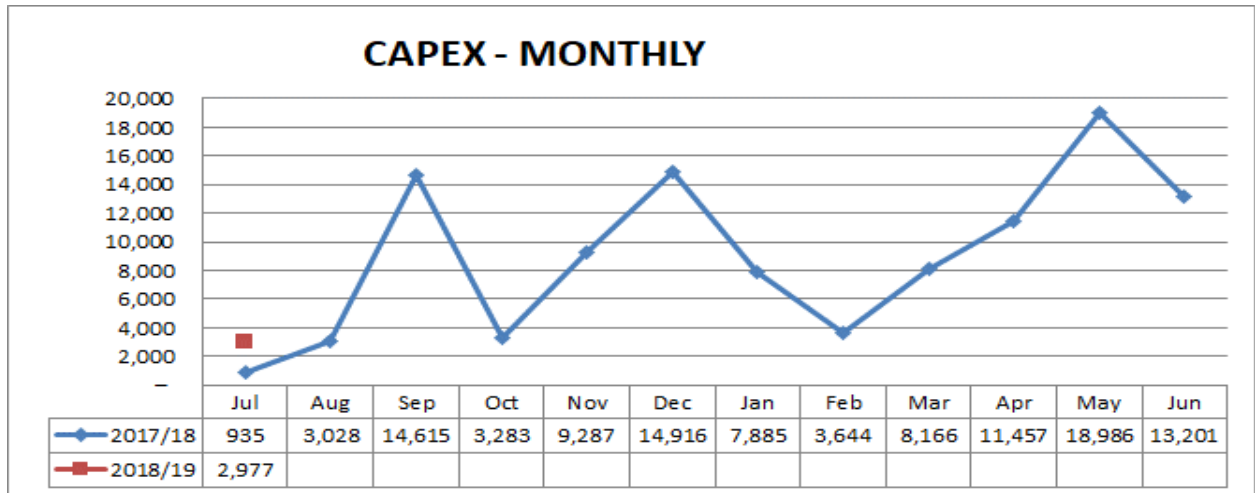
Table C5C: Monthly Capital Expenditure by Vote

Vote Description	2017/18	Budget Year 2018/19							
	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	1,300	1,400	-	-	-	85	(85)	-100%	1,400
Vote 5 - Community Services	500	3,000	-	-	-	-	-	-	3,000
Vote 6 - Technical Services	75,747	27,513	-	1,783	1,783	1,418	365	26%	27,513
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	77,547	31,913	-	1,783	1,783	1,503	280	19%	31,913
Single Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	500	-	-	-	-	-	-	500
Vote 4 - Corporate Services	-	300	-	-	-	-	-	-	300
Vote 5 - Community Services	400	522	-	-	-	-	-	-	522
Vote 6 - Technical Services	25,176	42,634	-	1,194	1,194	5,220	(4,026)	-77%	42,634
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	25,576	43,956	-	1,194	1,194	5,220	(4,026)	-77%	43,956
Total Capital Expenditure	103,123	75,869	-	2,977	2,977	6,722	(3,745)	-56%	75,869

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 2018, R2, 977 million spending was incurred and that increased the year to date expenditure to R2, 977 million whilst the year to date budget is R6, 722 million and this gave rise to under spending variance of R 3, 745 million that translates to 56%.



The above graph shows the components of sources of finance for capital budget. Of the total capital budget of R75, 869 million, R53, 832 million is funded from Municipal Infrastructure grant, R9, 998 million from INEP and R 20, 365 million from own revenue and the spending per source of finance is presented in the above graph.



The above graph compares the 2017/18 and 2018/19 monthly capital expenditure performance.

Table C6: Monthly Budget Statement Financial Position

Description	2017/18	Budget Year 2018/19			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	10,840	2,457		13,743	2,457
Call investment deposits	30,277	15,582		20,123	15,582
Consumer debtors	48,056	40,483		66,366	40,483
Other debtors	51,359	58,923		27,673	58,923
Current portion of long-term receivables	–			–	
Inventory	3,747	3,400		3,639	3,400
Total current assets	144,278	120,845	–	131,543	120,845
Non current assets					
Long-term receivables				–	–
Investments				–	–
Investment property	56,136	53,728		56,142	53,728
Investments in Associate		–		–	–
Property, plant and equipment	1,015,767	1,016,632		1,055,178	1,016,632
Agricultural		–		–	–
Biological		–		–	–
Intangible	291	291		291	291
Other non-current assets	11,932	12,841		–	12,841
Total non current assets	1,084,126	1,083,492	–	1,111,611	1,083,492
TOTAL ASSETS	1,228,404	1,204,337	–	1,243,154	1,204,337
LIABILITIES					
Current liabilities					
Bank overdraft					
Borrowing	5,839	10,000		–	10,000
Consumer deposits	5,770	5,260		5,888	5,260
Trade and other payables	90,057	52,466		74,933	52,466
Provisions	9,489	5,412		1,423	5,412
Total current liabilities	111,156	73,138	–	82,245	73,138
Non current liabilities					
Borrowing	–	30,677		–	30,677
Provisions	86,141	85,952		96,117	85,952
Total non current liabilities	86,141	116,629	–	96,117	116,629
TOTAL LIABILITIES	197,297	189,767	–	178,362	189,767
NET ASSETS	1,031,107	1,014,570	–	1,064,792	1,014,570
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	1,031,107	1,014,570		1,064,792	1,014,570
Reserves	–	–		–	–
TOTAL COMMUNITY WEALTH/EQUITY	1,031,107	1,014,570	–	1,064,792	1,014,570

The above table shows that community wealth amounts to R1, 064 billion, total liabilities R178, 362 million and the total assets R1, 243 billion. Non-current liabilities is mainly made up of provisions for long service award, landfill site and bonus.

Table C7: Monthly Budget Statement Cash Flow

Description	2017/18	Budget Year 2018/19							
	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	15,677	28,587		1,905	1,905	3,054	(1,149)	-38%	28,587
Service charges	54,524	89,922		6,743	6,743	8,462	(1,720)	-20%	89,922
Other revenue	31,449	18,225		1,358	1,358	1,519	(161)	-11%	18,225
Government - operating	226,163	245,278		19,953	19,953	20,440	(487)	-2%	245,278
Government - capital	81,860	63,830		27,110	27,110	5,319	21,791	410%	63,830
Interest	1,710	4,632		81	81	386	(305)	-79%	4,632
Dividends		-		-	-		-		-
Payments									
Suppliers and employees	(315,061)	(359,801)		(27,194)	(27,194)	(40,066)	(12,871)	32%	(359,801)
Finance charges	(448)	(2,500)		-	-	(208)	(208)	100%	(2,500)
Transfers and Grants	(6,316)	(4,404)		-	-	(366)	(366)	100%	(4,404)
NET CASH FROM/(USED) OPERATING ACTIVITIES	89,558	83,769	-	29,955	29,955	(1,460)	(31,415)	2152%	83,769
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		2,000		-	-		-		2,000
Decrease (Increase) in non-current debtors		2,000		-	-		-		2,000
Decrease (increase) other non-current receivables	14,048	-		-	-		-		-
Decrease (increase) in non-current investments		-		-	-		-		-
Payments									
Capital assets	(77,564)	(75,869)		(2,381)	(2,381)	(6,322)	(3,942)	62%	(75,869)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(63,516)	(71,869)	-	(2,381)	(2,381)	(6,322)	(3,942)	62%	(71,869)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		-					-		-
Borrowing long term/refinancing		-					-		-
Increase (decrease) in consumer deposits	(137)	171		97	97	14	83	579%	171
Payments									
Repayment of borrowing	(5,733)	(10,000)		-	-	(833)	(833)	100%	(10,000)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(5,870)	(9,829)	-	97	97	(819)	(916)	112%	(9,829)
NET INCREASE/ (DECREASE) IN CASH HELD	20,172	2,071	-	27,671	27,671	(8,601)			2,071
Cash/cash equivalents at beginning:	20,944	15,968			6,194	15,968			6,194
Cash/cash equivalents at month/year end:	41,116	18,039	-		33,865	7,366			8,265

Table C7 presents details pertaining to cash flow performance. As at end of July 2018, the net cash inflow from operating activities is R29, 955 million whilst net cash outflow from investing activities is R2, 381 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R2, 381 million. The cash and cash equivalent held at end of July 2018 amounted to R33, 865 million and the net effect of the above cash flows is cash outflow movement of R27, 671 million. The cash and cash equivalent at end of the reporting period of R6, 194 million is made up of cash amounting to R6, 194 million and the short term investment of R20, 123 million for the month under review.

PART 2: SUPPORTING TABLES

Supporting Table: SC 3 Material Variance Explanation

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source			
Property rates	-13%	The projected monthly revenue appear to be too high in light of the actual revenue performance	There might be downwards revenue adjustment should the account continue to underperform
Service charges - electricity revenue	18%	The actual revenue generated in more than the projected monthly revenue	The budget will be adjusted upwards in the main adjustment budget
Service charges - refuse revenue	-26%	There is underperformance variance on this source of revenue especially on refuse removal skips	The tariff applied on rental of skips must be in line with the approved tariffs
Rental of facilities and equipment	-17%	The majority of the rented assets are not at arm's length transactions	The rental amount should be market related
Interest earned - external investments	-27%	Investment was only made in July and the interest will then be realised from August	No remedial action is needed
Fines, penalties and forfeits	-90%	The municipality is still applying cash basis of accounting as opposed to accrual method	The traffic fines systems (TMT and TCS) to be integrated with munsoft so that traffic fines will be realised and reported on as and when issued
Transfers and subsidies	23%	The first tranche of equitable share was higher than the projection thereof	No remedial action is needed as all budgeted grants have been gazetted
Other revenue	-35%	The majority of tender documents (grants funded) for 2018/19 projects were sold in 2017/18 financial year	No remedial action is needed
Transfers and subsidies - capital (monetary all	-63%	The MIG grant was transferred earlier than the anticipated date	No remedial action is needed as all budgeted grants have been gazetted
Expenditure By Type			
Remuneration of councillors	27%	Upper limits have not yet implemented	No remedial action is needed as the discrepancies will be addressed once the municipality implements the upper limits for 2018/19 financial year
Depreciation & asset impairment	-100%	Depreciation is still calculated at year end	Asset management system must be integrated with munsoft so that the monthly depreciation movement can be interfaced and reported on
Finance charges	-100%	Finance charges is mainly for finance lease and the leased items were only delivered towards end of August	No remedial action is needed
Bulk purchases	-91%	The main Eskom bill was paid but not captured on munsoft	All processed invoices must be captured on munsoft before month end system closure
Other materials	-78%	The discrepancy is caused by non spending on repairs and maintenance and the major portion of other materials comes from this account	The departments with repairs and maintenance to accelerate spending thereof
Contracted services	-12%	The late delivery of leased fleet of vehicles	No remedial action is needed
Transfers and subsidies	-100%	The payments relating to this account were processed however they were not captured on munsoft	All processed invoices must be captured on munsoft before month end system closure

Supporting Table: SC 3 Material Variance Explanation

Capital Expenditure			
National Government	-47%	The spending on grants funded capital projects was delayed by the fact that contractors were started working in July	The spending will only start improving in August
Internally generated funds	-100%	Delay in procurement process as focus was put on grants funded projects	The departments with internally funded projects to accelerate the procurement process
Cash Flow			
Property rates	-38%	The collection rate of 72% on property rates is slightly below the projected rate of 78%	Finance department to strengthen the credit control measures in ensuring improved collection rate
Service charges	-20%	The collection rate on electricity is less by 10% whilst that of refuse removal is less by 20%	Finance department to strengthen the credit control measures in ensuring improved collection rate
Other revenue	-11%	The majority of tender documents (grants funded) for 2018/19 projects were sold in 2017/18 financial year	No remedial action is needed
Government - capital	410%	The MIG grant was transferred earlier than the anticipated date	No remedial action is needed as all budgeted grants have been gazetted
Interest	-79%	Investment was only made in July and the interest will then be realised from August	No remedial action is needed
Suppliers and employees	32%	2017/18 accrued creditors were only paid in July	No remedial action is needed
Finance charges	100%	Finance charges is mainly for finance lease and the leased items were only delivered towards end of August	No remedial action is needed
Transfers and Grants	100%	The payments relating to this account were processed however they were not captured on munsoft	All processed invoices must be captured on munsoft before month end system closure
Increase (decrease) in consumer deposits	62%	Consumer deposits paid in was significantly higher than the projection thereof	No remedial action is needed
Repayment of borrowing	62%	The late delivery of leased fleet of vehicles	No remedial action is needed

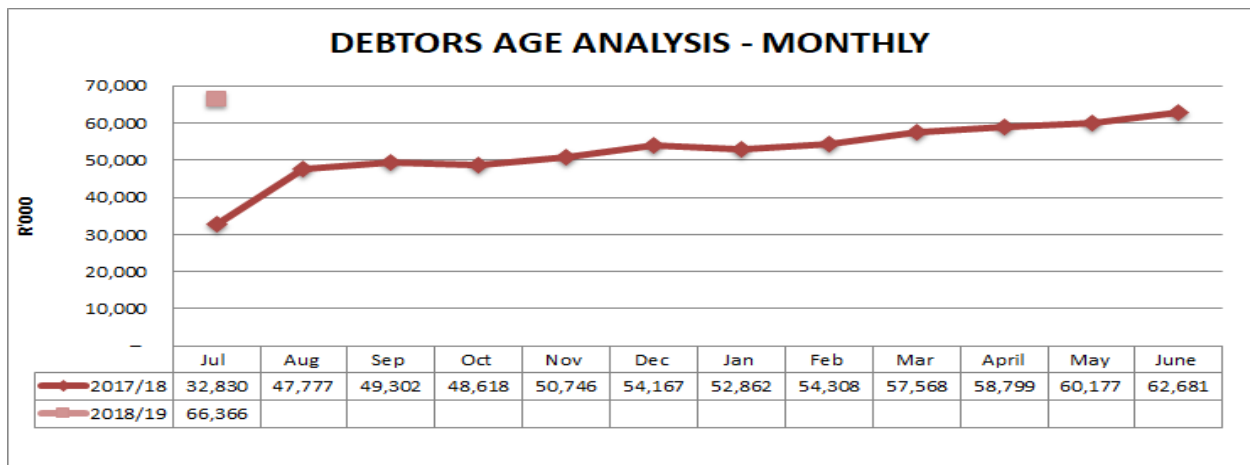
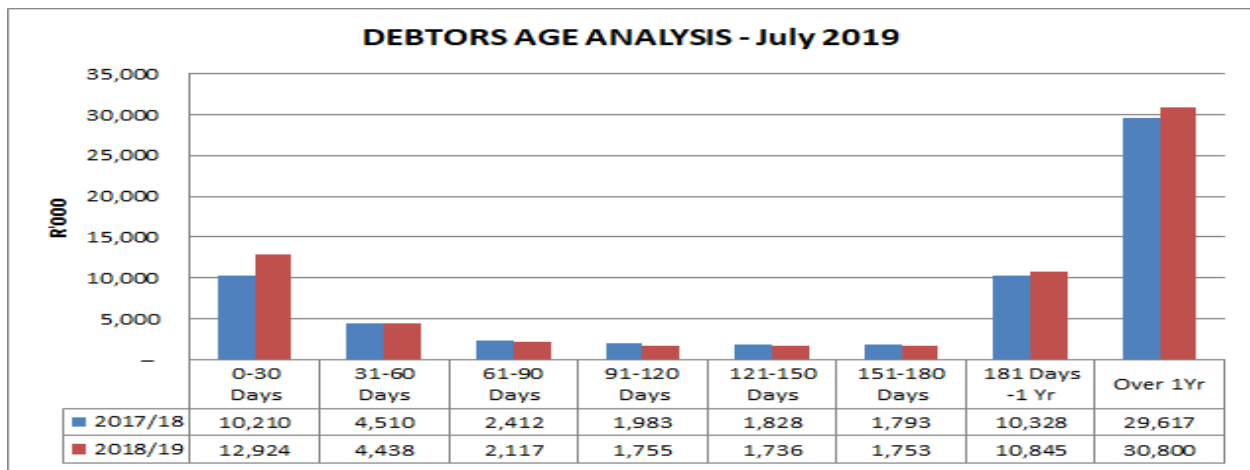
Supporting Table: SC 3 - Debtors Age Analysis

Description	Budget Year 2018/19										Actual Bad Debts Written Off	Impairment - Bad Debts i.to Council Policy	
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water									-	-			
Trade and Other Receivables from Exchange Transactions - Electricity	8,192	1,871	288	133	113	112	436	3,160	14,304	3,953			
Receivables from Non-exchange Transactions - Property Rates	2,654	1,288	905	836	804	772	4,749	15,972	27,979	23,132			
Receivables from Exchange Transactions - Waste Water Management									-	-			
Receivables from Exchange Transactions - Waste Management	667	456	361	340	331	326	2,301	2,188	6,971	5,486			
Receivables from Exchange Transactions - Property Rental Debtors	80	7	24	20	2	2	72	1,004	1,209	1,099			
Interest on Arrear Debtor Accounts	677	644	612	582	557	537	3,282	10,451	17,343	15,409			
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-			
Other	653	172	(73)	(155)	(71)	4	6	(1,976)	(1,440)	(2,192)			
Total By Income Source	12,924	4,438	2,117	1,755	1,736	1,753	10,845	30,800	66,366	46,888	-	-	
2017/18 - totals only	10,210	4,510	2,412	1,983	1,828	1,793	10,328	29,617	62,681	45,549			
Debtors Age Analysis By Customer Group													
Organs of State	1,658	682	419	303	382	358	1,841	8,161	13,804	11,046			
Commercial	6,941	1,875	382	320	214	290	1,472	4,724	16,217	7,019			
Households	3,516	1,471	927	783	770	737	5,330	9,383	22,917	17,002			
Other	808	410	389	349	370	368	2,202	8,532	13,428	11,820			
Total By Customer Group	12,924	4,438	2,117	1,755	1,736	1,753	10,845	30,800	66,366,060	46,888	-	-	

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of July amount to R66, 366 million. The debtors' book is made up as follows:

- Rates 82%
- Electricity 20%
- Rental 8%
- Refuse removal 50%
- Interest on Debtors 74%
- Other -2%

The debtors' age analysis is graphically presented below.



The initial graph compares debtors' age analysis for 2017/18 financial year and 2018/19 (as at end of July 2018) whilst the latter shows monthly movement of debtors for both the current financial year and the 2017/18 financial year.

The debtors book is materially less than the 2017/18 monthly figures and this is attributed to debtors write off done at end of 2017/18 financial year.

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

TOP TWENTY DEBTORS

ACCOUNT	ACCOUNT HOLDER NAME	ACCOUNT	HAND OVER	OUTSTANDING TOTAL BALANCE
9005301	TWIN CITY TRADING (PTY) LTD	ACTIVE	N	R 3,028,306.09
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	N	R 1,083,309.34
214913	MEAT SPOT	ACTIVE	N	R 521,140.81
1501364	JAN JOUBERT TR (JO JO TANKS)	ACTIVE	N	R 509,974.81
9000000	REPUBLIEK VAN SUID-AFRIKA	ACTIVE	Y	R 414,413.51
9900067	WATER PURIFICATION PLANT (SDM)	ACTIVE	Y	R 389,625.58
9900028	ELIAS MOTSOLEDI (OFFICE)	ACTIVE	Y	R 379,189.20
9001077	ROYAL SQUARE INV 361 CC	ACTIVE	Y	R 353,350.31
2000270	PROVINSIALE HOSPITAAL	ACTIVE	N	R 329,189.51
201885	SHOPRITE CHECKERS (PTY) LTD	ACTIVE	N	R 316,802.30
9000804	NATIONAL GOVERNMENT REPUBLIC OF	ACTIVE	Y	R 301,338.74
211693	BOXER SUPERSTORE'ATT KERSHNEE	ACTIVE	N	R 217,728.28
9053280	LIMPOPO GOVERNMENT OF LIMPOPO P	ACTIVE	N	R 200,085.68
5001708	UNITRADE 518 (PTY) LTD	ACTIVE	Y	R 197,309.14
9002958	PROVINCIAL GOVERNMENT OF LIMPO	ACTIVE	N	R 193,813.52
136	LIZINEX (PTY) LTD	ACTIVE	N	R 185,588.23
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	N	R 183,066.49
9002067	NATIONAL GOVERNMENT OF THE REP	ACTIVE	N	R 174,575.89
200106	ANABEL AND T INVESTMENTS (WALTLOC	ACTIVE	N	R 170,558.31
9000802		ACTIVE	Y	R 167,310.75
TOTAL				R 9,316,676.49

Supporting Table: SC 4 - Creditors Age Analysis

Description	Budget Year 2018/19									Prior year totals for chart
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type										
Bulk Electricity										-
Bulk Water										-
PAYE deductions										-
VAT (output less input)										-
Pensions / Retirement deductions										-
Loan repayments										-
Trade Creditors										-
Auditor General										-
Other										-
Total By Customer Type	-	-	-	-	-	-	-	-	-	-

Supporting table SC4 provides creditors age analysis. In terms of section 65 of the MFMA all creditors must be paid within 30 days of receiving an invoice. All creditors for the month were paid within the stipulated period of thirty days and no creditors were outstanding for more than 30 days, hence the age analysis table is blank.

TOP CREDITORS PAID

CODE	CREDITOR NAME	AMOUNT
37770	BAHLOTSE TRADING (PTY) LTD	149,340
37581	PHELADI NOKO B1 FUNERAL	55,200
80653	BABIRWA TRAVEL	41,738
41017	RONELI DEVELOPERS PTY LTD	36,750
80513	NAJALI TRADING ENTERPRISE	28,800
31335	247 TRAVEL AND TOURISM	25,000
504	SEKHOPA PROJECTS	18,175
41095	REAKGONA TRAVEL SERVICES	15,625
41027	KDM TRAVEL EXPRESS	8,573
TOTAL		379,201

The above table presents the top creditors paid during the month of July 2018 and an amount of R379 million was paid to these creditors during the reporting period.

Supporting Table: SC 6 - Transfers and Grant Receipts

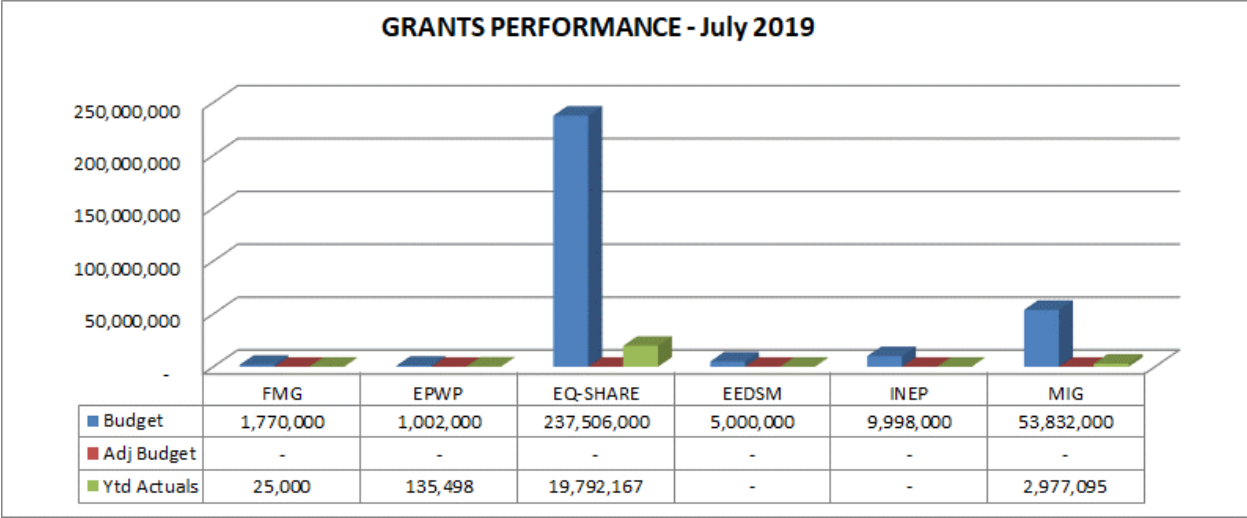
Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
RECEIPTS:									
Operating Transfers and Grants									
National Government:	226,163	245,278	-	100,961	100,961	101,192	-		245,278
Local Government Equitable Share	223,019	237,506		98,961	98,961	98,961	-		237,506
Finance Management	1,700	1,770		-	-	148			1,770
EPWP Incentive	1,444	1,002		-	-	84			1,002
Energy Efficiency and Demand Management	-	5,000		2,000	2,000	2,000			5,000
Provincial Government:	-	-	-	-	-	-	-		-
N/A							-		
District Municipality:	-	-	-	-	-	-	-		-
N/A							-		
Other grant providers:	-	-	-	-	-	-	-		-
N/A							-		
Total Operating Transfers and Grants	226,163	245,278	-	100,961	100,961	101,192	-		245,278
Capital Transfers and Grants									
National Government:	91,349	63,830	-	27,110	27,110	27,110	-		63,830
Municipal Infrastructure Grant (MIG)	76,160	53,832		23,110	23,110	23,110	-		53,832
Intergrated National Electrification Grant	15,189	9,998		4,000	4,000	4,000	-		9,998
Provincial Government:	-	-	-	-	-	-	-		-
N/A							-		
District Municipality:	-	-	-	-	-	-	-		-
N/A							-		
Other grant providers:	-	-	-	-	-	-	-		-
N/A							-		
Total Capital Transfers and Grants	91,349	63,830	-	27,110	27,110	27,110	-		63,830
TOTAL RECEIPTS OF TRANSFERS & GRANTS	317,512	309,108	-	128,071	128,071	128,302	-		309,108

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R128, 071 million of which the major portion is attributed to equitable share. All the grants allocated for the current financial year, so far have been received in line with National Treasury payment schedule.

Supporting Table: SC 7 Transfers and grants – Expenditure

Description	2017/18	Budget Year 2018/19							
	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:	226,163	245,278	-	19,953	19,953	20,418	(465)	-2%	245,278
Local Government Equitable Share	223,019	237,506		19,792	19,792	19,792	-		237,506
Finance Management	1,700	1,770		25	25	67	(42)	-63%	1,770
EPWP Incentive	1,444	1,002		135	135	142	(7)	-5%	1,002
Energy Efficiency and Demand Management	-	5,000		-	-	417	(417)	-100%	5,000
Provincial Government:	-	-	-	-	-	-	-		-
N/A							-		
District Municipality:	-	-	-	-	-	-	-		-
N/A							-		
Other grant providers:	-	-	-	-	-	-	-		-
N/A							-		
Total operating expenditure of Transfers and Grants:	226,163	245,278	-	19,953	19,953	20,418	(465)	-2%	245,278
Capital expenditure of Transfers and Grants									
National Government:	91,349	63,830	-	2,977	2,977	6,485	(3,508)	-54%	63,830
Municipal Infrastructure Grant (MIG)	76,160	53,832		2,977	2,977	5,652	(2,675)	-47%	53,832
Intergrated National Electrification Grant	15,189	9,998		-	-	833	(833)	-100%	9,998
Provincial Government:	-	-	-	-	-	-	-		-
N/A							-		
District Municipality:	-	-	-	-	-	-	-		-
N/A							-		
Other grant providers:	-	-	-	-	-	-	-		-
N/A							-		
Total capital expenditure of Transfers and Grants	91,349	63,830	-	2,977	2,977	6,485	(3,508)	-54%	63,830
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	317,512	309,108	-	22,930	22,930	26,903	(3,973)	-15%	309,108

An amount of R22, 930 million has been spent on grants during the month of July 2018 and the year to date actuals is R22, 930 million whilst the year to date budget amounts to R 26, 903 million and this results in underspending variance of R3, 973 million that translates to negative 15%. Of the total spending amounting to R 22, 930 million, R19, 953 million is spent on operational grants whilst R2, 977 million is spent of capital grants.



The above graph depicts the gazetted and budgeted amounts for all the grants and the expenditure thereof as at end of July 2018. The grants expenditure is shown below in percentages:

- Financial Management Grant 1.41%
- Expanded Public Work Programme 13.52%
- Equitable Share 8.33%
- Municipal Infrastructure Grant 5.53%
- Integrated National Electrification Grant 0%
- Energy Efficiency and Demand Side Management Grant 0%

Supporting Table: SC8 - Councilor Allowances and Employee Related Costs

Employee and Councilor remuneration	2017/18	Budget Year 2018/19							
	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	14,757	15,073		1,080	1,080	1,242	(162)	-13%	15,073
Pension and UIF Contributions	1,670	1,857		129	129	153	(24)	-16%	1,857
Medical Aid Contributions	285	317		28	28	24	4	18%	317
Motor Vehicle Allowance	4,788	5,324		412	412	440	(28)	-6%	5,324
Cellphone Allowance	1,930	2,489		226	226	207	18	9%	2,489
Housing Allowances	-	-		-	-	-	-		-
Other benefits and allowances	(0)	10		-	-	1	(1)	-100%	10
Sub Total - Councillors	23,430	25,070	-	1,875	1,875	2,067	(192)	-9%	25,070
% increase		7%							7%
Senior Managers of the Municipality									
Basic Salaries and Wages	4,325	4,718		423	423	574	(151)	-26%	4,718
Pension and UIF Contributions	921	1,095		24	24	85	(61)	-72%	1,095
Medical Aid Contributions	198	252		8	8	19	(11)	-59%	252
Overtime	-	-		-	-	-	-		-
Performance Bonus	-	-		-	-	-	-		-
Motor Vehicle Allowance	815	907		70	70	70	0	1%	907
Cellphone Allowance	59	84		6	6	7	(1)	-11%	84
Housing Allowances	-	-		-	-	-	-		-
Other benefits and allowances	292	81		3	3	0	2	3965%	81
Payments in lieu of leave	165	-		-	-	-	-		-
Long service awards	-	-		-	-	-	-		-
Post-retirement benefit obligations	-	-		-	-	-	-		-
Sub Total - Senior Managers of Municipality	6,775	7,137	-	535	535	755	(220)	-29%	7,137
% increase		5%							5%
Other Municipal Staff									
Basic Salaries and Wages	74,581	85,022		6,393	6,393	7,022	(629)	-9%	85,022
Pension and UIF Contributions	16,183	16,149		1,317	1,317	1,228	89	7%	16,149
Medical Aid Contributions	5,059	4,826		422	422	362	61	17%	4,826
Overtime	2,784	1,774		319	319	47	272	583%	1,774
Performance Bonus	-	-		-	-	-	-		-
Motor Vehicle Allowance	9,481	8,965		751	751	683	68	10%	8,965
Cellphone Allowance	835	986		66	66	78	(13)	-16%	986
Housing Allowances	214	161		14	14	12	1	12%	161
Other benefits and allowances	8,499	8,057		292	292	53	239	451%	8,057
Payments in lieu of leave	1,067	892		-	-	-	-		892
Long service awards	627	180		43	43	15	28	188%	180
Post-retirement benefit obligations	-	-		-	-	-	-		-
Sub Total - Other Municipal Staff	119,330	127,011	-	9,616	9,616	9,500	117	1%	127,011
% increase		6%							6%
Total Parent Municipality	149,535	159,219	-	12,026	12,026	12,322	(296)	-2%	159,219
		6%							6%
TOTAL SALARY, ALLOWANCES & BENEFITS	149,535	159,219	-	12,026	12,026	12,322	(296)	-2%	159,219
% increase		6%							6%
TOTAL MANAGERS AND STAFF	126,105	134,149	-	10,151	10,151	10,255	(104)	-1%	134,149

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of July 2018 amounts to R12, 026 million and the year to date budget is R 12, 322 million and the expenditure for remuneration of councilors amounts to R1, 875 million while the year to date budget is R 2, 067 million. The year to date actuals for senior managers is R535 thousand and the year to date budget thereof is 755 thousand, and the year to date actuals for other municipal staff is R9, 616 million and the year to date budget is R9, 500 million. The remuneration of councilors and senior managers categories have under spending variance while other municipal staff category has over spending variance.

Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts

Description	Budget Year 2018/19												2018/19 Medium Term Revenue		
	July Outcome	August Budget	Sept Budget	October Budget	Nov Budget	Dec Budget	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year	Budget Year +1	Budget Year +2
Cash Receipts By Source															
Property rates	1,905	2,392	2,392	2,392	2,392	1,755	2,392	2,392	2,314	2,392	2,392	3,474	28,587	30,131	31,788
Service charges - electricity revenue	6,380	6,129	6,217	6,217	6,305	6,305	6,393	6,393	6,481	6,943	7,537	9,068	80,368	85,993	92,228
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse	362	682	726	955	667	741	667	741	741	741	741	1,790	9,554	10,070	10,624
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	25	51	51	51	51	51	51	51	51	51	51	77	610	643	678
Interest earned - external investments	123	400	280	400	-	400	178	350	440	244	308	(123)	3,000	3,162	3,336
Interest earned - outstanding debtors	81	145	151	134	106	132	144	134	146	132	148	179	1,632	1,720	1,815
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	1	780	832	884	845	871	78	780	910	910	884	2,471	10,248	10,801	11,395
Licences and permits	445	413	413	413	413	413	413	413	413	413	413	380	4,950	5,217	5,504
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operating	19,953	450	-	-	-	79,168	-	-	64,929	-	-	80,778	245,278	269,940	293,775
Other revenue	764	220	205	181	181	226	215	225	235	200	195	(425)	2,417	2,548	2,688
Cash Receipts by Source	30,040	11,661	11,266	11,627	10,959	90,061	10,530	11,478	76,659	12,025	12,668	97,669	386,644	420,226	453,831
Other Cash Flows by Source															
Transfer receipts - capital	27,110	-	-	3,999	28,186	-	3,076	-	5,976	-	-	(4,517)	63,830	67,721	70,734
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	2,000	-	-	-	-	-	-	2,000	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits	97	15	10	4	2	6	12	6	8	25	40	(54)	171	203	227
Receipt of non-current debtors	-	58	150	100	278	300	250	150	100	112	200	302	2,000	2,500	2,700
Receipt of non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	57,247	11,734	11,426	15,730	39,424	92,367	13,868	11,634	82,743	12,162	12,908	93,400	454,645	490,650	527,492
Cash Payments by Type															
Employee related costs	10,151	10,952	10,386	10,320	10,274	14,713	10,418	10,963	10,426	10,294	13,096	12,157	134,149	142,723	152,000
Remuneration of councillors	2,635	2,067	2,067	2,067	2,067	2,067	2,067	2,067	2,078	2,088	2,212	1,587	25,070	26,675	28,409
Interest paid	-	208	208	208	208	208	208	208	208	208	208	420	2,500	2,300	2,000
Bulk purchases - Electricity	729	5,513	6,613	5,200	5,900	5,513	5,700	6,950	7,247	7,250	7,300	16,085	80,000	84,320	88,958
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	254	2,520	591	353	2,836	706	1,236	535	2,059	1,252	1,427	3,324	17,093	18,017	19,007
Contracted services	5,676	5,967	4,460	5,646	3,849	5,623	3,730	5,783	3,608	5,207	3,755	6,717	60,020	62,629	66,073
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other	-	366	366	366	366	366	366	366	366	366	366	741	4,404	4,642	4,897
General expenses	7,749	2,467	3,169	2,367	2,652	3,762	2,319	4,151	3,573	3,135	3,910	4,213	43,468	45,289	47,780
Cash Payments by Type	27,194	30,061	27,860	26,527	28,152	32,959	26,044	31,024	29,565	29,800	32,274	45,245	366,705	386,594	409,124
Other Cash Flows/Payments by Type															
Capital assets	2,381	9,189	11,637	9,283	8,482	8,697	3,979	6,249	5,136	2,938	2,052	5,847	75,869	85,123	84,647
Repayment of borrowing	-	833	833	833	833	833	833	833	833	833	833	1,667	10,000	14,000	16,677
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	29,575	40,083	40,330	36,643	37,467	42,490	30,856	38,106	35,534	33,571	35,159	52,758	452,574	485,717	510,448
NET INCREASE/(DECREASE) IN CASH HELD	27,671	(28,349)	(28,904)	(20,913)	1,957	49,877	(16,988)	(26,472)	47,209	(21,409)	(22,251)	40,642	2,071	4,933	17,044
Cash/cash equivalents at the month/year beginning:	6,194	33,865	5,517	(23,388)	(44,301)	(42,344)	7,533	(9,454)	(35,926)	11,283	(10,126)	(32,377)	6,194	8,265	13,198
Cash/cash equivalents at the month/year end:	33,865	5,517	(23,388)	(44,301)	(42,344)	7,533	(9,454)	(35,926)	11,283	(10,126)	(32,377)	8,265	8,265	13,198	30,242

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 R30, 040 million and the total cash payment for the month were R57, 247 million and this resulted in net decrease in cash held amounting to R27, 671 million and with cash and cash equivalent of R6, 194 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting to R33, 865 million. This is a supporting table for table C7 – Cash Flow Statement.

Supporting Table: SC 12 Capital Expenditure Trend

Month	2017/18	Budget Year 2018/19							
	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	935	6,722		2,977	2,977	6,722	3,745	56%	4%
August	3,028	9,189				15,911	-		
September	13,273	11,637				27,548	-		
October	3,283	9,283				36,831	-		
November	9,287	8,482				45,313	-		
December	14,916	8,697				54,010	-		
January	7,885	3,979				57,989	-		
February	3,644	6,249				64,237	-		
March	8,166	5,136				69,373	-		
April	11,457	2,938				72,311	-		
May	18,986	2,052				74,364	-		
June	13,201	1,505				75,869	-		
Total Capital expenditure	108,060	75,869	-	2,977					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of July amounts to R2, 977 million. The year to date capital budget is R6, 722 million that give rise to under spending variance of R3, 745 million or 56%.

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

Description	2017/18	Budget Year 2018/19							
	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	48,394	32,150	-	287	287	2,809	2,522	89.8%	32,150
Roads Infrastructure	35,070	21,283	-	287	287	2,809	2,522	89.8%	21,283
Roads	35,070	21,283		287	287	2,809	2,522	89.8%	21,283
Road Structures							-		
Road Furniture							-		
Capital Spares							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Electrical Infrastructure	13,324	10,868	-	-	-	-	-		10,868
Power Plants							-		
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors	13,324	10,868		-	-	-	-		10,868
MV Substations							-		
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Waste Processing Facilities							-		
Community Assets	300	-	-	-	-	-	-		-
Community Facilities	300	-	-	-	-	-	-		-
Halls							-		
Centres							-		
Cemeteries/Crematoria	300	-		-	-	-	-		-
Nature Reserves							-		
Public Ablution Facilities							-		
Other assets	-	4,447	-	-	-	100	100	100.0%	4,447
Operational Buildings	-	4,447	-	-	-	100	100	100.0%	4,447
Municipal Offices	-	4,447		-	-	100	100	100.0%	4,447
Pay/Enquiry Points							-		
Building Plan Offices							-		
Workshops							-		
Yards							-		
Computer Equipment	800	500	-	-	-	85	85	100.0%	500
Computer Equipment	800	500		-	-	85	85	100.0%	500
Furniture and Office Equipment	500	400	-	-	-	-	-		400
Furniture and Office Equipment	500	400		-	-	-	-		400
Machinery and Equipment	1,200	1,300	-	-	-	-	-		1,300
Machinery and Equipment	1,200	1,300		-	-	-	-		1,300
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets	-	-		-	-	-	-		-
Total Capital Expenditure on new assets	51,194	38,798	-	287	287	2,994	2,707	90.4%	38,798

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

Description	2017/18	Budget Year 2018/19							
	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	41,914	33,550	-	2,690	2,690	3,728	1,038	27.8%	33,550
Roads Infrastructure	41,914	33,550	-	2,690	2,690	3,728	1,038	27.8%	33,550
Roads	41,414	33,550		2,690	2,690	3,728	1,038	27.8%	33,550
Road Structures							-		
Road Furniture	500	-		-	-	-	-		-
Capital Spares							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Electrical Infrastructure	-	-	-	-	-	-	-		-
Power Plants							-		
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors							-		
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites							-		
Waste Transfer Stations							-		
Waste Processing Facilities							-		
Community Assets	-	522	-	-	-	-	-		522
Community Facilities	-	522	-	-	-	-	-		522
Halls							-		
Centres							-		
Crèches							-		
Sport and Recreation Facilities	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
Capital Spares							-		
Other assets	500	-	-	-	-	-	-		-
Operational Buildings	500	-	-	-	-	-	-		-
Municipal Offices	500	-	-	-	-	-	-		-
Pay/Enquiry Points							-		
Building Plan Offices							-		
Workshops							-		
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets							-		
Total Capital Expenditure on renewal of existing assets	42,414	34,071	-	2,690	2,690	3,728	1,038	27.8%	34,071

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

Description	2017/18	Budget Year 2018/19							
	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	7,850	10,400	-	-	-	933	933	100.0%	10,400
Roads Infrastructure	2,650	4,000	-	-	-	500	500	100.0%	4,000
Roads	2,650	4,000				500	500	100.0%	4,000
Road Structures									
Road Furniture									
Electrical Infrastructure	1,900	3,000	-	-	-	150	150	100.0%	3,000
Power Plants									
HV Substations									
HV Switching Station									
HV Transmission Conductors									
MV Networks	1,800	3,000				150	150	100.0%	3,000
Capital Spares	100	-				-	-		-
Solid Waste Infrastructure	3,300	3,400	-	-	-	283	283	100.0%	3,400
Landfill Sites	3,150	3,400				283	283	100.0%	3,400
Waste Transfer Stations									
Waste Processing Facilities									
Electricity Generation Facilities									
Capital Spares	150	-				-	-		-
Community Assets	-	-	-	-	-	-	-		-
Community Facilities	-	-				-	-		-
Halls									
Centres									
Crèches									
Other assets	1,325	2,000	-	-	-	-	-		2,000
Operational Buildings	1,325	2,000				-	-		2,000
Municipal Offices	1,325	2,000				-	-		2,000
Pay/Enquiry Points									
Building Plan Offices									
Workshops									
Yards									
Stores									
Intangible Assets	100	-	-	-	-	-	-		-
Servitudes									
Licences and Rights	100	-				-	-		-
Water Rights									
Computer Software and Applications	100	-				-	-		-
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment									
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment									
Machinery and Equipment	2,118	3,550	-	-	-	93	93	100.0%	3,550
Machinery and Equipment	2,118	3,550				93	93	100.0%	3,550
Transport Assets	1,300	2,000	-	-	-	300	300	100.0%	2,000
Transport Assets	1,300	2,000				300	300	100.0%	2,000
Total Repairs and Maintenance Expenditure	12,693	17,950	-	-	-	1,326	1,326	100.0%	17,950

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

Description	2017/18	Budget Year 2018/19							
	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	45,835	34,653	-	-	-	2,744	2,744	100%	34,653
Roads Infrastructure	25,298	25,147	-	-	-	2,000	2,000	100%	25,147
Roads	25,298	25,147		-	-	2,000	2,000	100%	25,147
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	5,746	3,712	-	-	-	289	289	100%	3,712
Drainage Collection							-		
Storm water Conveyance	5,746	3,712	-	-	-	289	289	100%	3,712
Electrical Infrastructure	12,398	5,166	-	-	-	408	408	100%	5,166
Power Plants							-		
HV Substations							-		
HV Switching Station							-		
HV Transmission Conductors	12,398	5,166				408	408	100%	5,166
MV Substations							-		
Solid Waste Infrastructure	2,392	629	-	-	-	47	47	100%	629
Landfill Sites	2,392	629		-	-	47	47	100%	629
Waste Transfer Stations							-		
Waste Processing Facilities							-		
Waste Drop-off Points							-		
Community Assets	2,231	2,918	-	-	-	219	219	100%	2,918
Community Facilities	2,231	2,918	-	-	-	219	219	100%	2,918
Halls							-		
Cemeteries/Crematoria	2,231	2,918		-	-	219	219	100%	2,918
Police							-		
Other assets	120	2,180	-	-	-	163	163	100%	2,180
Operational Buildings	120	2,180	-	-	-	163	163	100%	2,180
Municipal Offices	120	2,180		-	-	163	163	100%	2,180
Pay/Enquiry Points							-		
Intangible Assets	-	378	-	-	-	-	-		378
Servitudes							-		
Licences and Rights	-	378	-	-	-	-	-		378
Solid Waste Licenses							-		
Computer Software and Applications		378					-		378
Computer Equipment	21	1,518	-	-	-	116	116	100%	1,518
Computer Equipment	21	1,518		-	-	116	116	100%	1,518
Furniture and Office Equipment	26	3,817	-	-	-	286	286	100%	3,817
Furniture and Office Equipment	26	3,817		-	-	286	286	100%	3,817
Machinery and Equipment	2,080	2,175	-	-	-	163	163	100%	2,175
Machinery and Equipment	2,080	2,175				163	163	100%	2,175
Transport Assets	888	3,542	-	-	-	265	265	100%	3,542
Transport Assets	888	3,542				265	265	100%	3,542
Total Depreciation	51,200	51,181	-	-	-	3,957	3,957	100%	51,181

Supporting Table: SC 13(e) Capital Expenditure on upgrading of Existing Assets

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class									
Infrastructure	-	3,000	-	-	-	-	-	-	3,000
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Roads									
Road Structures									
Road Furniture									
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
Power Plants									
HV Substations									
HV Switching Station									
HV Transmission Conductors									
MV Substations									
Solid Waste Infrastructure	-	3,000	-	-	-	-	-	-	3,000
Landfill Sites									
Waste Transfer Stations									
Waste Processing Facilities		3,000							3,000
Waste Drop-off Points									
Waste Separation Facilities									
Community Assets	8,079	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Halls									
Centres									
Crèches									
Sport and Recreation Facilities	8,079	-	-	-	-	-	-	-	-
Indoor Facilities									
Outdoor Facilities	8,079								
Capital Spares									
Other assets	1,437	-	-	-	-	-	-	-	-
Operational Buildings	1,437	-	-	-	-	-	-	-	-
Municipal Offices									
Pay/Enquiry Points									
Building Plan Offices									
Workshops	1,437								
Computer Equipment	-	-	-	-	-	-	-	-	-
Computer Equipment									
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment									
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment									
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets									
Total Capital Expenditure on upgrading of existing assets	9,515	3,000	-	-	-	-	-	-	3,000

Supporting table SC13a, SC13b and SC13e provide details of capital expenditure in terms of asset classification based on new assets and renewal of existing assets; while table SC13c provide details of expenditure performance on repairs and maintenance by asset classification and Table SC13d presents expenditure on depreciation and asset impairment. These tables present the capital programme, and assets management and performance of the Municipality.

The total expenditure for new capital projects amounts to R287 million and the year to date budget is R2, 994 million that reflects under spending variance of R2, 707 million that translates to 90.4% variance. The year to date actuals on renewal of existing assets amounts R2, 690 million and with the year to date budget of R3, 728 million and this reflects under spending variance of R 1, 038 million that translates to 27.8% variance.

The year to date actual expenditure on repairs and maintenance is Nil million and the year to date budget is R1, 326 million, reflecting under spending variance of R1, 326 million that translates to 100%.

The year to date actual expenditure on upgrading of existing assets is RNil million and the year to date budget is RNil million, reflecting spending variance of RNil million that translates to 0%.

The depreciation and asset impairment will only have actuals once the integration between Asset management system and core financial system is done and this is one of the requirements for implementation of mSCOA. This is basically mean that the municipality is not complying with some of mSCOA requirements.

Quality certificate

I, **RAMAKGAHLELA MINAH MAREDI**, the Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the monthly budget statement report and supporting documentation for the month of July 2018 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 

Date 12/9/2018 

12 SEP 2018

Municipal Manager