

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT REPORT

JUNE 2018

PART 1: IN - YEAR REPORT

PURPOSE

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

EXECUTIVE SUMMARY

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

IN YEAR BUDGET STATEMENT TABLES

Table C1 – Budget Statement Summary

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Financial Performance									
Property rates	25 815	26 472	34 805	2 522	33 569	34 805	(1 236)	-4%	34 805
Service charges	77 251	89 822	92 822	6 484	81 871	92 822	(10 951)	-12%	92 822
Investment revenue	1 319	3 701	2 500	25	2 106	2 500	(394)	-16%	2 500
Transfers and subsidies	-	226 163	226 163	175	211 598	226 163	(14 565)	-6%	226 163
Other own revenue	286 701	45 865	88 454	1 491	34 654	88 454	(53 799)	-61%	88 454
Total Revenue (excluding capital transfers)	391 085	392 023	444 744	10 697	363 799	444 744	(80 945)	-18%	444 744
Employee costs	117 781	123 460	126 137	868	121 660	126 137	(4 477)	-4%	126 137
Remuneration of Councillors	20 298	22 113	23 430	1 875	22 433	23 430	(997)	-4%	23 430
Depreciation & asset impairment	47 998	51 200	51 200	-	-	51 200	(51 200)	-100%	51 200
Finance charges	1 426	3 124	1 124	-	281	1 124	(843)	-75%	1 124
Materials and bulk purchases	78 603	82 662	81 986	(3 362)	66 479	81 986	(15 507)	-19%	81 986
Transfers and subsidies	708	3 724	2 984	111	6 531	2 984	3 547	119%	2 984
Other expenditure	229 263	100 105	142 531	5 661	107 873	142 531	(34 657)	-24%	142 531
Total Expenditure	496 076	386 388	429 392	5 153	325 257	429 392	(104 135)	-24%	429 392
Surplus/(Deficit)	(104 990)	5 635	15 352	5 544	38 541	15 352	23 189	151%	15 352
Transfers and subsidies - capital (monetary allocations)	68 930	70 860	98 349	5 283	78 891	98 349	(19 458)	-20%	98 349
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contribution	(36 060)	76 495	113 701	10 827	117 432	113 701	3 731	3%	113 701
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(36 060)	76 495	113 701	10 827	117 432	113 701	3 731	3%	113 701
Capital expenditure & funds sources									
Capital expenditure	80 665	77 302	110 949	13 201	108 060	110 949	(2 889)	-3%	110 949
Capital transfers recognised	68 895	62 158	86 218	11 243	86 218	86 218	-	-	86 218
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	11 770	15 144	24 732	1 958	21 843	24 732	(2 889)	-12%	24 732
Total sources of capital funds	80 665	77 302	110 949	13 201	108 060	110 949	(2 889)	-3%	110 949
Financial position									
Total current assets	87 618	107 614	85 598		126 025				85 598
Total non current assets	1 006 770	1 066 797	1 026 671		1 102 292				1 026 671
Total current liabilities	99 680	60 491	62 491		97 528				62 491
Total non current liabilities	89 811	98 733	106 433		86 141				106 433
Community wealth/Equity	904 896	1 015 187	943 345		1 044 648				943 345
Cash flows									
Net cash from (used) operating	98 321	93 102	107 098	2 882	82 919	107 098	24 179	23%	107 098
Net cash from (used) investing	(81 193)	(77 302)	(110 349)	(13 201)	(94 012)	(110 949)	(16 937)	15%	(110 349)
Net cash from (used) financing	(8 149)	(8 497)	(9 041)	69	(5 801)	(9 041)	(3 240)	36%	(9 041)
Cash/cash equivalents at the month/year end	20 944	32 968	8 652	-	4 050	8 052	4 002	50%	8 652
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	10 210	4 510	2 412	1 983	1 828	1 793	10 328	29 617	62 681
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 June is R363, 799 million and the year to date budget of R444, 744 million and this reflects a negative variance of R80, 945 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: 16% unfavorable variance,
- Interest earned – outstanding Debtors 32% unfavorable variance,
- Rental on Facilities and Equipment: 38% unfavorable variance,
- Transfer and Subsidies: 6% unfavorable variance
- License and Permits: 8% favorable variance
- Fines: 86% unfavorable variance
- Other revenue: 31% unfavorable variance

Operating Expenditure

The year to date operational expenditure as at end of June amounts to R325, 257 million and the year to date budget is R429, 392 million. This reflects unfavorable variance of R 104, 135 million that translates to 24% underspending variance. The variance is attributed to non-incorporation of depreciation. 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:

- Other materials: 26% under performance variance
- Other Expenditure: 11% Under performance variance
- Finance Charges: 75% under performance variance
- Bulk Purchases: 18% under Performance
- Transfers and subsidies: 119% over performance variance

With regards to the over performance variance on contracted services, the municipality needs to reduce the level of reliance on consultants as outlined in the Treasury Instruction letter number 01.

Capital Expenditure

The year to date actual capital expenditure as at end of June amounts to R108, 060 million and the year to date budget amounts to R110, 949 million and this gives rise to R2, 889 million under performance variance.

Surplus/Deficit

Taking the above into consideration, the net operating surplus/deficit for the month of June is R10, 827 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 June amounts to R62, 681 million and this shows an increase of R14, 993 million as compared to R47, 688 million as at end of 2016/17 financial year.

Consumer debtors is made up of service charges and property rates that amount to R46, 278 million and other debtors amounting to R16, 404 Million.

Creditors

All creditors are paid within 30 days of receipt of invoice as required by MFMA and as a result, our creditor's age analysis does not have figures.

Table C2 – Financial Performance (Standard Classification)

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue - Functional									
Governance and administration	253 047	170 084	183 920	3 376	182 172	183 920	(1 748)	-1%	183 920
Executive and council	–	35 581	35 581	–	35 581	35 581	0	0%	35 581
Finance and administration	253 047	128 101	141 936	3 376	140 188	141 936	(1 748)	-1%	141 936
Internal audit	–	6 402	6 402	–	6 402	6 402	0	0%	6 402
Community and public safety	45	12 846	18 446	9	12 491	18 446	(5 955)	-32%	18 446
Community and social services	45	6 377	11 977	8	6 023	11 977	(5 955)	-50%	11 977
Sport and recreation	–	6 469	6 469	1	6 469	6 469	0	0%	6 469
Public safety	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	115 853	150 237	207 822	5 131	131 294	207 822	(76 528)	-37%	207 822
Planning and development	1 635	13 512	19 012	12	8 842	19 012	(10 170)	-53%	19 012
Road transport	114 218	135 883	187 968	5 119	122 453	187 968	(65 515)	-35%	187 968
Environmental protection	–	842	842	–	–	842	(842)	-100%	842
Trading services	91 070	129 716	132 905	7 464	116 732	132 905	(16 173)	-12%	132 905
Energy sources	84 564	106 984	107 173	6 794	93 597	107 173	(13 576)	-13%	107 173
Water management	–	–	–	–	–	–	–	–	–
Waste water management	–	–	–	–	–	–	–	–	–
Waste management	6 506	22 732	25 732	671	23 135	25 732	(2 598)	-10%	25 732
Other	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	460 016	462 883	543 093	15 980	442 689	543 093	(100 404)	-18%	543 093
Expenditure - Functional									
Governance and administration	258 940	147 263	180 424	7 698	167 350	180 424	(13 073)	-7%	180 424
Executive and council	35 425	35 981	42 315	3 770	39 101	42 315	(3 215)	-8%	42 315
Finance and administration	215 183	104 880	130 658	3 868	121 331	130 658	(9 328)	-7%	130 658
Internal audit	8 333	6 402	7 450	60	6 919	7 450	(531)	-7%	7 450
Community and public safety	12 895	15 633	14 759	258	10 230	14 759	(4 529)	-31%	14 759
Community and social services	5 518	6 541	5 737	(4)	4 739	5 737	(998)	-17%	5 737
Sport and recreation	7 378	9 092	9 021	262	5 491	9 021	(3 530)	-39%	9 021
Public safety	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	103 151	117 737	120 307	1 130	55 299	120 307	(65 008)	-54%	120 307
Planning and development	18 070	20 850	17 708	400	14 454	17 708	(3 254)	-18%	17 708
Road transport	83 994	96 045	101 719	724	40 291	101 719	(61 428)	-60%	101 719
Environmental protection	1 087	842	880	6	553	880	(326)	-37%	880
Trading services	121 089	105 754	113 903	(3 931)	92 378	113 903	(21 524)	-19%	113 903
Energy sources	98 785	86 949	86 830	(4 091)	69 387	86 830	(17 443)	-20%	86 830
Water management	–	–	–	–	–	–	–	–	–
Waste water management	–	–	–	–	–	–	–	–	–
Waste management	22 304	18 805	27 073	159	22 991	27 073	(4 082)	-15%	27 073
Other	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	496 076	386 388	429 392	5 153	325 257	429 392	(104 135)	-24%	429 392
Surplus/ (Deficit) for the year	(36 060)	76 495	113 701	10 827	117 432	113 701	3 731	3%	113 701

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	37 871	–	31 540	37 871	(6 330)	-17%	37 871
Vote 2 - Municipal Manager	–	15 805	23 080	–	14 716	23 080	(8 364)	-36%	23 080
Vote 3 - Budget & Treasury	253 036	70 368	71 894	3 364	83 462	71 894	11 569	16%	71 894
Vote 4 - Corporate Services	12	33 797	33 842	12	33 878	33 842	36	0%	33 842
Vote 5 - Community Services	62 691	89 322	122 251	1 411	65 888	122 251	(56 363)	-46%	122 251
Vote 6 - Technical Services	142 642	200 885	227 489	11 181	193 790	227 489	(33 699)	-15%	227 489
Vote 7 - Developmental Planning	1 635	8 435	13 935	12	6 683	13 935	(7 252)	-52%	13 935
Vote 8 - Executive Support	–	12 731	12 731	–	12 731	12 731	0	0%	12 731
Total Revenue by Vote	460 016	462 883	543 093	15 980	442 689	543 093	(100 404)	-18%	543 093
Expenditure by Vote									
Vote 1 - Executive & Council	31 808	31 940	38 271	3 641	35 734	38 271	(2 536)	-7%	38 271
Vote 2 - Municipal Manager	27 365	15 826	23 102	181	20 767	23 102	(2 335)	-10%	23 102
Vote 3 - Budget & Treasury	128 458	39 702	59 430	1 085	57 628	59 430	(1 802)	-3%	59 430
Vote 4 - Corporate Services	40 771	39 326	38 652	1 775	31 142	38 652	(7 510)	-19%	38 652
Vote 5 - Community Services	55 374	71 741	79 148	527	52 956	79 148	(26 193)	-33%	79 148
Vote 6 - Technical Services	183 344	165 483	163 989	(2 738)	103 652	163 989	(60 337)	-37%	163 989
Vote 7 - Developmental Planning	12 074	9 604	10 737	445	8 304	10 737	(2 433)	-23%	10 737
Vote 8 - Executive Support	16 881	12 767	16 063	237	15 075	16 063	(988)	-6%	16 063
Total Expenditure by Vote	496 076	386 388	429 392	5 153	325 257	429 392	(104 135)	-24%	429 392
Surplus/ (Deficit) for the year	(36 060)	76 495	113 701	10 827	117 432	113 701	3 731	3%	113 701

Table C2 and C3 measure the monthly actuals and year to date actuals against the year to date budget. The aforementioned budget tables are presented by standard classification and vote respectively for both revenue and expenditure. The variances are all reflected in the year-to-date variance column.

The financial results portrayed in the two tables are the same as those in other tables (i.e. it is only the description or basis of reporting that is based on financial or budget performance by vote or department, and National Treasury's standard classification).

Table C4: Financial Performance by Revenue Source and Expenditure Type

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue By Source									
Property rates	25 815	26 472	34 805	2 522	33 569	34 805	(1 236)	-4%	34 805
Service charges - electricity revenue		81 206	81 206	5 814	72 481	81 206	(8 726)	-11%	81 206
Service charges - water revenue	70 745	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-
Service charges - refuse revenue		8 616	11 616	671	9 390	11 616	(2 225)	-19%	11 616
Service charges - other	6 506	-	-	-	-	-	-	-	-
Rental of facilities and equipment		1 935	1 000	27	621	1 000	(379)	-38%	1 000
Interest earned - external investments	1 319	3 701	2 500	25	2 106	2 500	(394)	-16%	2 500
Interest earned - outstanding debtors	2 889	6 260	14 260	667	9 693	14 260	(4 567)	-32%	14 260
Dividends received	6 469	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		30 000	55 016	323	7 666	55 016	(47 350)	-86%	55 016
Licences and permits	50 885	5 171	4 500	409	4 866	4 500	366	8%	4 500
Agency services	5 255	-	-	-	-	-	-	-	-
Transfers and subsidies		226 163	226 163	175	211 598	226 163	(14 565)	-6%	226 163
Other revenue	213 105	2 499	13 678	66	9 408	13 678	(4 269)	-31%	13 678
Gains on disposal of PPE	8 098	-	-	-	2 400	-	2 400	#DIV/0!	-
Total Revenue (excluding capital transfers)	391 085	392 023	444 744	10 697	363 799	444 744	(80 945)	-18%	444 744
Expenditure By Type									
Employee related costs	117 781	123 460	126 137	868	121 660	126 137	(4 477)	-4%	126 137
Remuneration of councillors	20 298	22 113	23 430	1 875	22 433	23 430	(997)	-4%	23 430
Debt impairment	21 128	26 372	26 372	-	-	26 372	(26 372)	-100%	26 372
Depreciation & asset impairment	47 998	51 200	51 200	-	-	51 200	(51 200)	-100%	51 200
Finance charges	1 426	3 124	1 124	-	281	1 124	(843)	-75%	1 124
Bulk purchases	65 729	69 165	70 165	(4 289)	57 682	70 165	(12 483)	-18%	70 165
Other materials	12 873	13 497	11 821	927	8 797	11 821	(3 024)	-26%	11 821
Contracted services	43 080	25 350	65 237	1 665	62 694	65 237	(2 542)	-4%	65 237
Transfers and subsidies	708	3 724	2 984	111	6 531	2 984	3 547	119%	2 984
Other expenditure	161 695	48 384	50 923	3 996	45 179	50 923	(5 744)	-11%	50 923
Loss on disposal of PPE	3 360	-	-	-	-	-	-	-	-
Total Expenditure	496 076	386 388	429 392	5 153	325 257	429 392	(104 135)	-24%	429 392
Surplus/(Deficit)	(104 990)	5 635	15 352	5 544	38 541	15 352	23 189	151%	15 352
Transfers and subsidies - capital (monetary allocations)	68 930	70 860	98 349	5 283	78 891	98 349	(19 458)	-20%	98 349
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(36 060)	76 495	113 701	10 827	117 432	113 701			113 701
Taxation		-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	(36 060)	76 495	113 701	10 827	117 432	113 701			113 701
Attributable to minorities		-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(36 060)	76 495	113 701	10 827	117 432	113 701			113 701
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(36 060)	76 495	113 701	10 827	117 432	113 701			113 701

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.

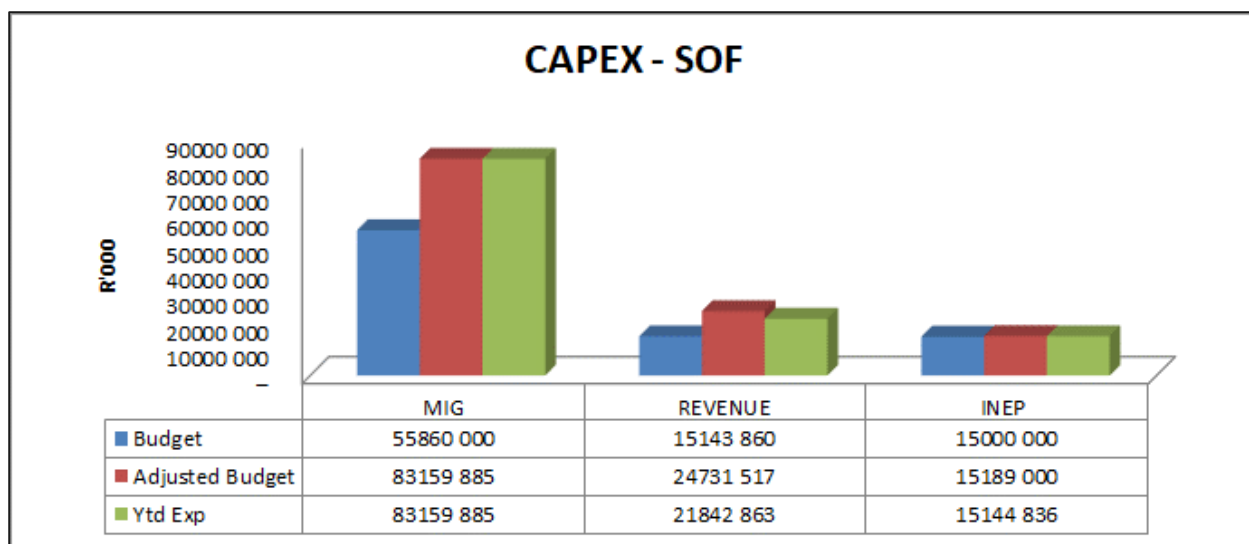
Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding

Vote Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital Expenditure - Functional Classification									
Governance and administration	2 091	500	1 300	(31)	918	1 300	(382)	-29%	1 300
Executive and council	-	-					-		-
Finance and administration	2 091	500	1 300	(31)	918	1 300	(382)	-29%	1 300
Internal audit	-	-					-		-
Community and public safety	181	700	8 479	-	8 479	8 479	-		8 479
Community and social services	28	-					-		-
Sport and recreation	-	700	8 479	-	8 479	8 479	-		8 479
Public safety	153	-			-		-		-
Housing		-					-		-
Health	-	-					-		-
Economic and environmental services	67 241	62 944	86 108	8 007	83 961	86 108	(2 147)	-2%	86 108
Planning and development	-	-					-		-
Road transport	67 241	62 944	86 108	8 007	83 961	86 108	(2 147)	-2%	86 108
Environmental protection		-					-		-
Trading services	11 151	13 158	15 063	5 225	14 703	15 063	(360)	-2%	15 063
Energy sources	11 151	13 158	15 063	5 225	14 703	15 063	(360)	-2%	15 063
Water management		-					-		-
Waste water management		-					-		-
Waste management	-	-					-		-
Other		-					-		-
Total Capital Expenditure - Functional Classification	80 665	77 302	110 949	13 201	108 060	110 949	(2 889)	-3%	110 949
Funded by:									
National Government	68 895	62 158	86 218	11 243	86 218	86 218	-		86 218
Provincial Government			-				-		
District Municipality			-		-		-		
Other transfers and grants							-		
Transfers recognised - capital	68 895	62 158	86 218	11 243	86 218	86 218	-		86 218
Public contributions & donations			-	-			-		
Borrowing			-	-			-		
Internally generated funds	11 770	15 144	24 732	1 958	21 843	24 732	(2 889)	-12%	24 732
Total Capital Funding	80 665	77 302	110 949	13 201	108 060	110 949	(2 889)	-3%	110 949

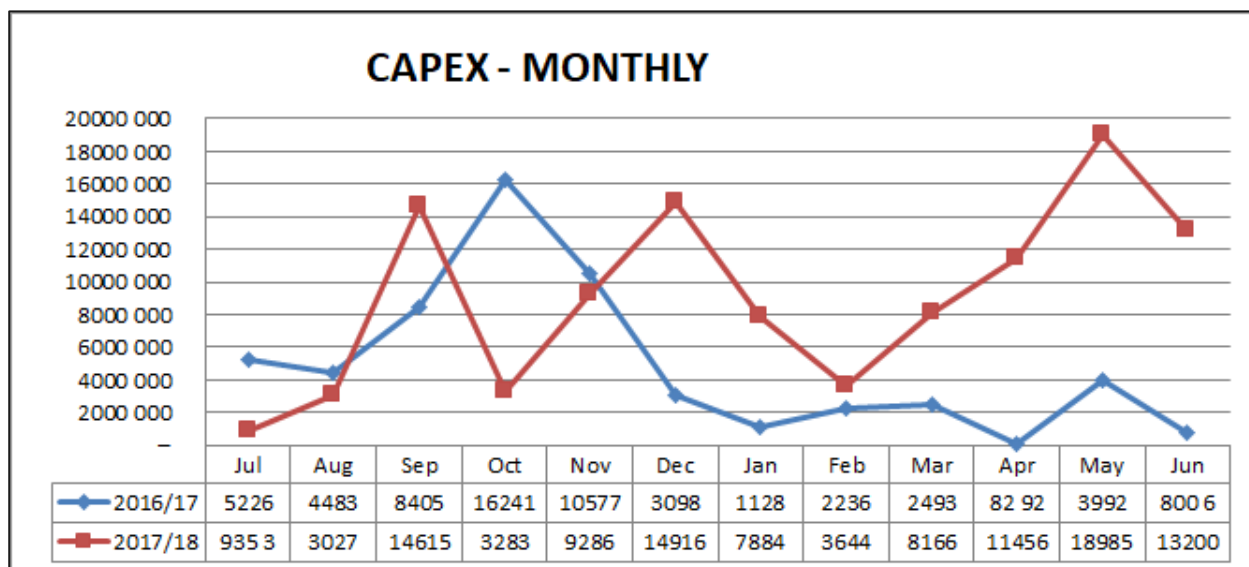
Table C5C: Monthly Capital Expenditure by Vote

Vote Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Multi-Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	500	1 300	(31)	918	1 300	(382)	-29%	1 300
Vote 5 - Community Services	28	500	500	-	-	500	(500)	-100%	500
Vote 6 - Technical Services	50 994	52 539	81 834	7 348	75 832	81 834	(6 002)	-7%	81 834
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	51 021	53 539	83 634	7 317	76 751	83 634	(6 884)	-8%	83 634
Single Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	1 508	-	-	-	-	-	-	-	-
Vote 5 - Community Services	153	700	400	-	285	400	(115)	-29%	400
Vote 6 - Technical Services	27 399	23 063	26 915	5 884	31 024	26 915	4 110	15%	26 915
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	583	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	29 643	23 763	27 315	5 884	31 310	27 315	3 995	15%	27 315
Total Capital Expenditure	80 665	77 302	110 949	13 201	108 060	110 949	(2 889)	-3%	110 949

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 June 2018, R13, 201 million spending was incurred and that increased the year to date expenditure to R108, 060 million whilst the year to date budget is R110, 949 million and this gave rise to under spending variance of R 2, 889 million that translates to 3%.



The above graph shows the components of sources of finance for capital budget. Of the total capital adjusted budget of R110, 949 million, R83, 159 million is funded from Municipal Infrastructure grant, R15, 189 million from INEP and R 24, 731 million from own revenue and the spending per source of finance is presented in the above graph.



The above graph compares the 2016/17 and 2017/18 monthly capital expenditure performance. The graph shows performance and/or spending improvement pattern from December to June when comparing the 2017/18 and 2016/17 results.

Table C6: Monthly Budget Statement Financial Position

Description	2016/17	Budget Year 2017/18			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	5 288	4 400	4 400	4 050	4 400
Call investment deposits	15 657	28 568	4 252	–	4 252
Consumer debtors	20 636	34 600	30 600	53 904	30 600
Other debtors	42 835	36 846	42 846	64 282	42 846
Current portion of long-term receivables	–	–	–	–	–
Inventory	3 202	3 200	3 500	3 789	3 500
Total current assets	87 618	107 614	85 598	126 025	85 598
Non current assets					
Long-term receivables	–	–	–	–	–
Investments	–	–	–	–	–
Investment property	55 728	96 146	55 728	56 136	55 728
Investments in Associate	–	–	–	–	–
Property, plant and equipment	938 356	957 866	957 866	1 033 933	957 866
Agricultural	–	–	–	–	–
Biological assets	–	–	–	–	–
Intangible assets	291	–	291	291	291
Other non-current assets	12 396	12 786	12 786	11 932	12 786
Total non current assets	1 006 770	1 066 797	1 026 671	1 102 292	1 026 671
TOTAL ASSETS	1 094 388	1 174 411	1 112 269	1 228 317	1 112 269
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	6 900	8 608	5 608	4 037	5 608
Consumer deposits	5 633	5 089	5 089	5 791	5 089
Trade and other payables	82 244	45 253	50 253	78 210	50 253
Provisions	4 904	1 542	1 542	9 489	1 542
Total current liabilities	99 680	60 491	62 491	97 528	62 491
Non current liabilities					
Borrowing	–	16 500	19 500	–	19 500
Provisions	89 811	82 233	86 933	86 141	86 933
Total non current liabilities	89 811	98 733	106 433	86 141	106 433
TOTAL LIABILITIES	189 492	159 224	168 924	183 669	168 924
NET ASSETS	904 896	1 015 187	943 345	1 044 648	943 345
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	904 896	1 015 187	943 345	1 044 648	943 345
Reserves	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	904 896	1 015 187	943 345	1 044 648	943 345

The above table shows that community wealth amounts to R1, 044 billion, total liabilities R183, 699 million and the total assets R1, 228 billion. Non-current liabilities is mainly made up of provisions for long service award, landfill site and bonus.

Included in the trade and other payables is unspent conditional grants amounting to R44 thousand relating to INEP.

Table C7: Monthly Budget Statement Cash Flow

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	20 966	21 177	26 104	1 505	18 930	26 104	(7 174)	-27%	26 104
Service charges	69 070	83 078	79 245	5 505	66 315	79 245	(12 930)	-16%	79 245
Other revenue	10 066	13 516	24 449	1 083	34 474	24 449	10 026	41%	24 449
Government - operating	214 632	226 163	226 163	-	226 163	226 163	(0)	0%	226 163
Government - capital	83 703	70 860	81 860	-	81 860	81 860	-		81 860
Interest	10 410	5 579	5 352	54	1 984	5 352	(3 367)	-63%	5 352
Dividends	-	-					-		-
Payments									
Suppliers and employees	(308 578)	(320 424)	(328 227)	(5 153)	(339 996)	(328 227)	11 769	-4%	(328 227)
Finance charges	(1 426)	(3 124)	(4 124)	-	(281)	(4 124)	(3 843)	93%	(4 124)
Transfers and Grants	(521)	(3 724)	(3 724)	(111)	(6 531)	(3 724)	2 807	-75%	(3 724)
NET CASH FROM/(USED) OPERATING ACTIVITIES	98 321	93 102	107 098	2 882	82 919	107 098	24 179	23%	107 098
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	600	-	-	-	-		600
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables	(529)	-	-	-	14 048	-	14 048	#DIV/0!	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-		-
Payments									
Capital assets	(80 665)	(77 302)	(110 949)	(13 201)	(108 060)	(110 949)	(2 889)	3%	(110 949)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(81 193)	(77 302)	(110 349)	(13 201)	(94 012)	(110 949)	(16 937)	15%	(110 349)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-		-
Borrowing long term/refinancing	-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits	21	111	(433)	69	(68)	(433)	365	-84%	(433)
Payments									
Repayment of borrowing	(8 170)	(8 608)	(8 608)	-	(5 733)	(8 608)	(2 875)	33%	(8 608)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(8 149)	(8 497)	(9 041)	69	(5 801)	(9 041)	(3 240)	36%	(9 041)
NET INCREASE/ (DECREASE) IN CASH HELD	8 979	7 304	(12 292)	(10 250)	(16 894)	(12 892)			(12 292)
Cash/cash equivalents at beginning:	11 965	25 664	20 944		20 944	20 944			20 944
Cash/cash equivalents at month/year end:	20 944	32 968	8 652		4 050	8 052			8 652

Table C7 presents details pertaining to cash flow performance. As at end of June 2018, the net cash inflow from operating activities is R82, 919 million whilst net cash outflow from investing activities is R94, 012 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R5, 801 million. The cash and cash equivalent held at end of June 2018 amounted to R4, 050 million and the net effect of the above cash flows is cash outflow movement of R16, 894 million. The cash and cash equivalent at end of the reporting period of R4, 050 million is made up of cash amounting to R4, 050 million and the municipality had no short term investment for the month under review.

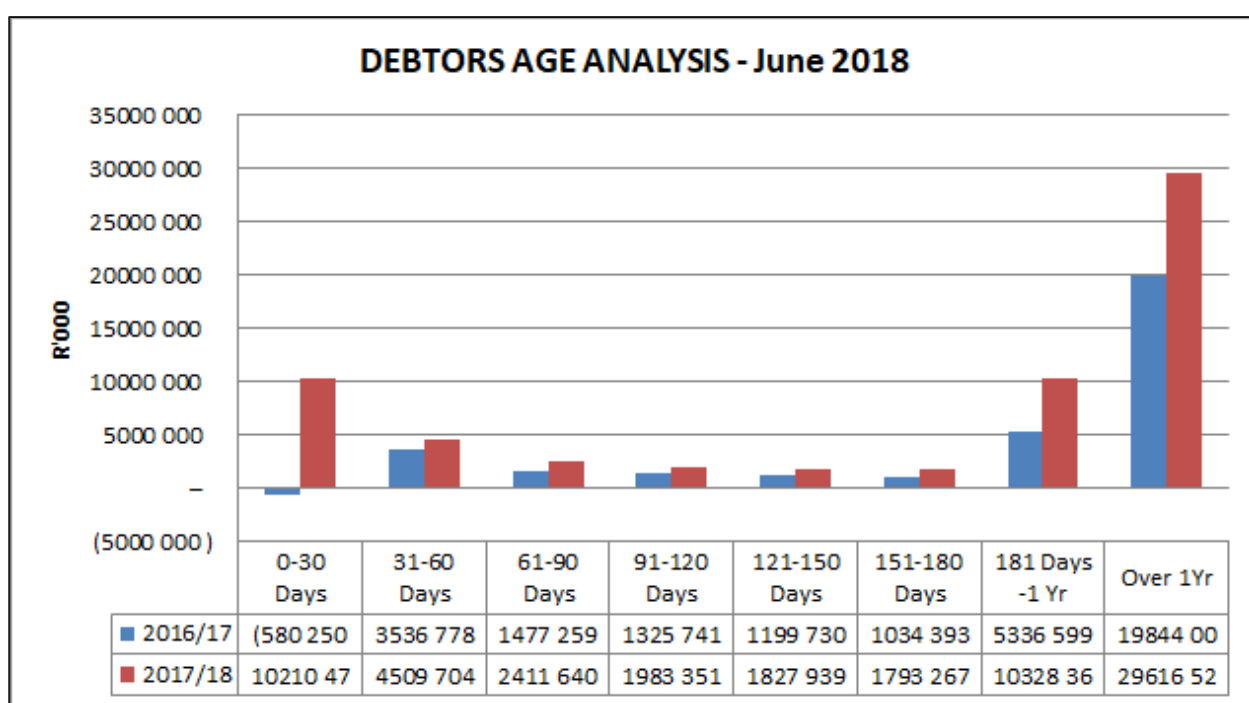
PART 2: SUPPORTING TABLES
Supporting Table: SC 3 - Debtors Age Analysis

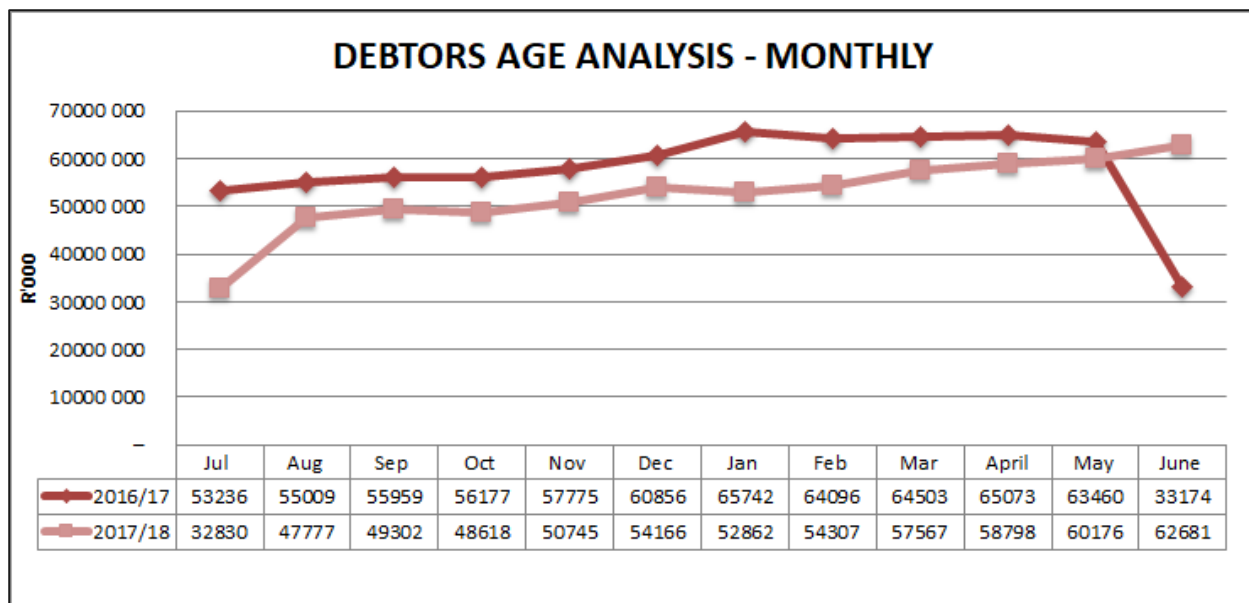
Description	Budget Year 2017/18										Actual Bad Debts Written Off against Debtors	Impairme nt - Bad Debts i.t.o Council Policy	
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water									-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	5 660	2 000	557	300	155	103	414	3 111	12 301	4 083	-	-	-
Receivables from Non-exchange Transactions - Property Rates	2 522	1 320	970	846	808	769	4 561	15 495	27 291	22 479	-	-	-
Receivables from Exchange Transactions - Waste Water Management	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	670	452	376	346	334	327	2 177	2 003	6 686	5 187	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	26	32	20	2	2	57	71	948	1 157	1 079	-	-	-
Interest on Arrear Debtor Accounts	667	624	598	565	541	519	3 166	10 068	16 749	14 859	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	666	81	(109)	(75)	(11)	17	(61)	(2 009)	(1 502)	(2 139)	-	-	-
Total By Income Source	10 210	4 510	2 412	1 983	1 828	1 793	10 328	29 617	62 681	45 549	-	-	-
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	1 277	834	420	513	364	346	1 737	7 884	13 374	10 843	-	-	-
Commercial	4 944	1 361	574	234	315	277	1 410	4 572	13 687	6 808	-	-	-
Households	3 330	1 774	1 056	865	789	744	5 046	8 993	22 597	16 437	-	-	-
Other	659	540	362	372	360	426	2 135	8 167	13 023	11 461	-	-	-
Total By Customer Group	10 210	4 510	2 412	1 983	1 828	1 793	10 328	29 617	62 681 257	45 549	-	-	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of June amount to R62, 681 million. The debtors' book is made up as follows:

- Rates 44%
- Electricity 20%
- Rental 2%
- Refuse removal 11%
- Interest on Debtors 27%
- Other -2%

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 June 2018) whilst the latter shows monthly movement of debtors for both the current financial year and the 2016/17 financial year.

The debtors book is materially less than the 2016/17 monthly figures and this is attributed to debtors write off done at end of 2016/17 financial year. The debtor's amount increased significantly for the first quarter and slight downhill for October and increased for June.

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

TOP TWENTY DEBTORS

ACCOUNT NO	ACCOUNT HOLDER NAME	OUTSTANDING TOTAL BALANCE
9005301	TWIN CITY TRADING (PTY) LTD	R1 220 270.20
9012345	BREED J & OOSTHUIZEN J F	R1 005 692.08
201885	SHOPRITE CHECKERS (PTY) LTD	R544 919.51
214913	MEAT SPOT	R509 639.49
1501364	JAN JOUBERT TR (JO JO TANKS)	R509 133.29
9000000	REPUBLIEK VAN SUID-AFRIKA	R401 679.15
9900067	WATER PURIFICATION PLANT (SDM)	R397 895.15
9900028	ELIAS MOTSOLEDI (OFFICE)	R379 189.20
9001077	ROYAL SQUARE INV 361 CC	R344 679.47
211693	BOXER SUPERSTORE'ATT KERSHNEE	R342 833.89
200106	ANABEL AND T INVESTMENTS (WALTLOO	R331 438.00
9000804	NATIONAL GOVERNMENT REPUBLIC OF S	R293 944.21
5001708	UNITRADE 518 (PTY) LTD	R190 364.66
9002958	PROVINCIAL GOVERNMENT OF LIMPO	R187 051.29
9000276	DEPARTMENT OF PUBLIC WORKS-PROVIN	R179 709.64
9002065	GOVERNMENT OF KWANDEBELE	R173 120.64
9053280	LIMPOPO GOVERNMENT OF LIMPOPO P	R168 937.61
9002067	NATIONAL GOVERNMENT OF THE REP	R166 125.65
9000802		R163 205.13
2200702	NAMIB FAMILY TRUST	R151 334.11
TOTAL		R7 661 162.37

Supporting Table: SC 4 - Creditors Age Analysis

Description	Budget Year 2017/18									Prior year totals for chart
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type										
Bulk Electricity	-	-	-	-	-	-	-	-	-	-
Bulk Water	-	-	-	-	-	-	-	-	-	-
PAYE deductions	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	-	-	-	-	-	-	-	-	-	-
Auditor General	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	-	-	-	-	-	-	-	-	-	-

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

TOP CREDITORS PAID

CODE	CREDITOR NAME	AMOUNT
80674	OB MEDIA SOLUTIONS	389 390
80653	BABIRWA TRAVEL	190 440
35403	BONGILEMASHUMI C C	159 385
80342	REDIRA SINTLE TRADING	144 420
37581	PHELADI NOKO B1 FUNERAL	116 150
41027	KDM TRAVEL EXPRESS	108 534
31335	247 TRAVEL AND TOURISM	94 600
41095	REKOGONA TRAVEL SERVICES	89 000
41017	RONELI DEVELOPERS PTY LTD	77 000
504	SEKHOPA PROJECTS	40 875
7081	BLACK SUMMER NIGHT PROJECT	28 700
37625	SUNAY TRADING 292 CC	23 500
80677	SYLTOK PTY(LTD)	23 320
80673	K2020 HOLDINGS (PTY)LTD	19 300
80668	MAMPHELA MAMPHELA HOLDING	13 804
TOTAL		1 518 418

The above table presents the top creditors paid during the month of June 2018 and an amount of R1 518 million was paid to these creditors during the reporting period.

Supporting Table: SC 6 - Transfers and Grant Receipts

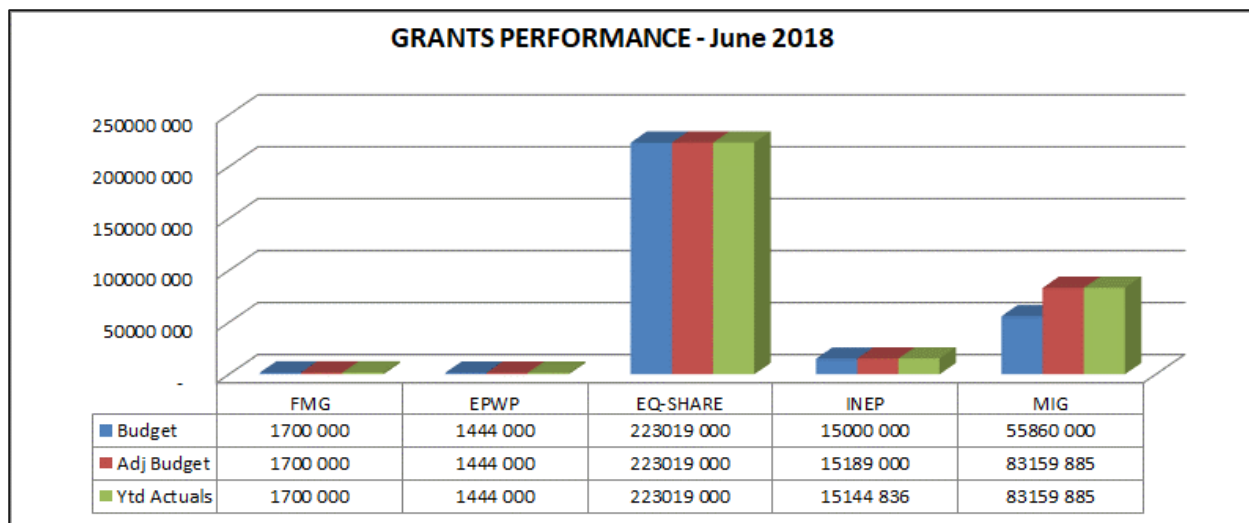
Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
RECEIPTS:									
Operating Transfers and Grants									
National Government:	213 105	226 163	226 163	-	226 163	226 163	-		226 163
Local Government Equitable Share	210 385	223 019	223 019	-	223 019	223 019	-		223 019
Finance Management	1 625	1 700	1 700	-	1 700	1 700			1 700
EPWP Incentive	1 095	1 444	1 444	-	1 444	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	226 163	-	226 163	226 163	-		226 163
Capital Transfers and Grants									
National Government:	85 419	70 860	81 860	-	81 860	81 860	-		74 860
Municipal Infrastructure Grant (MIG)	72 419	55 860	66 860	-	66 860	66 860	-		59 860
Intergrated National Electrification Grant	13 000	15 000	15 000	-	15 000	15 000	-		15 000
Provincial Government:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
District Municipality:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
Other grant providers:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
Total Capital Transfers and Grants	85 419	70 860	81 860	-	81 860	81 860	-		74 860
TOTAL RECEIPTS OF TRANSFERS & GRANTS	298 524	297 023	308 023	-	308 023	308 023	-		301 023

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R308, 023 million of which the major portion is attributed to equitable share. All the grants allocated for the current financial year, so far have been received in line with National Treasury payment schedule.

Supporting Table: SC 7 Transfers and grants – Expenditure

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	214 632	226 163	226 163	18 827	226 163	226 163	0	0%	226 163
Local Government Equitable Share	211 912	223 019	223 019	18 585	223 019	223 019	0	0%	223 019
Finance Management	1 625	1 700	1 700	175	1 700	1 700	-		1 700
EPWP Incentive	1 095	1 444	1 444	67	1 444	1 444	-		1 444
Provincial Government:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
District Municipality:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
Other grant providers:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
Total operating expenditure of Transfers and Grants:	214 632	226 163	226 163	18 827	226 163	226 163	0	0%	226 163
Capital expenditure of Transfers and Grants									
National Government:	68 874	70 860	98 349	13 143	98 305	98 349	(44)	0%	98 349
Municipal Infrastructure Grant (MIG)	56 064	55 860	83 160	9 568	83 160	83 160	-		83 160
Intergrated National Electrification Grant	12 811	15 000	15 189	3 575	15 145	15 189	(44)	0%	15 189
Provincial Government:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
District Municipality:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
Other grant providers:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants	68 874	70 860	98 349	13 143	98 305	98 349	(44)	0%	98 349
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	283 507	297 023	324 512	31 970	324 468	324 512	(44)	0%	324 512

An amount of R31, 970 million has been spent on grants during the month of June 2018 and the year to date actuals is R324, 468 million whilst the year to date budget amounts to R 324, 514 million and this results in underspending variance of R44 thousand that translates to 0%. Of the total spending amounting to R 324, 468 million, R226, 163 million is spent on operational grants whilst R98, 305 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 June 2018. The grants expenditure is shown below in percentages:

- Financial Management Grant 100%
- Expanded Public Work Programme 100%
- Equitable Share 100%
- Municipal Infrastructure Grant 100%
- Integrated National Electrification Grant 100%

Supporting Table: SC8 - Councilor Allowances and Employee Related Costs

Summary of Employee and Councilor remuneration	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	12 363	14 748	14 757	1 080	12 690	14 757	(2 066)	-14%	14 757
Pension and UIF Contributions	1 691	1 670	1 670	129	1 778	1 670	108	6%	1 670
Medical Aid Contributions	250	285	285	28	295	285	10	3%	285
Motor Vehicle Allowance	4 672	4 788	4 788	412	4 947	4 788	159	3%	4 788
Cellphone Allowance	1 146	612	1 930	226	2 708	1 930	779	40%	1 930
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	9	(0)	-	14	(0)	14	-568136%	(0)
Sub Total - Councillors	20 122	22 113	23 430	1 875	22 433	23 430	(997)	-4%	23 430
% increase		10%	16%						16%
Senior Managers of the Municipality									
Basic Salaries and Wages	5 416	4 745	4 325	423	5 142	4 325	818	19%	4 325
Pension and UIF Contributions	317	1 021	921	24	315	921	(606)	-66%	921
Medical Aid Contributions	6	228	198	8	100	198	(98)	-50%	198
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	457	840	815	70	863	815	48	6%	815
Cellphone Allowance	5	14	59	5	57	59	(3)	-5%	59
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	130	75	292	3	294	292	2	1%	292
Payments in lieu of leave	-	-	165	-	140	165	(25)	-15%	165
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	6 331	6 923	6 775	533	6 910	6 775	135	2%	6 775
% increase		9%	7%						7%
Other Municipal Staff									
Basic Salaries and Wages	68 064	78 939	74 581	360	74 504	74 581	(77)	0%	74 581
Pension and UIF Contributions	14 452	14 523	16 183	61	15 310	16 183	(874)	-5%	16 183
Medical Aid Contributions	4 235	4 340	5 059	54	4 727	5 059	(333)	-7%	5 059
Overtime	2 835	1 595	2 784	(218)	2 270	2 784	(514)	-18%	2 784
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	7 995	8 062	9 481	49	8 854	9 481	(627)	-7%	9 481
Cellphone Allowance	116	636	835	30	559	835	(276)	-33%	835
Housing Allowances	152	145	214	0	162	214	(52)	-24%	214
Other benefits and allowances	7 651	7 333	8 499	(28)	7 054	8 499	(1 444)	-17%	8 499
Payments in lieu of leave	54	802	1 067	(5)	747	1 067	(320)	-30%	1 067
Long service awards	3 741	162	627	29	547	627	(81)	-13%	627
Post-retirement benefit obligations	962	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff	110 255	116 537	119 330	331	114 733	119 330	(4 598)	-4%	119 330
% increase		6%	8%						8%
Total Parent Municipality	136 708	145 573	149 535	2 739	144 076	149 535	(5 460)	-4%	149 535
		6%	9%						9%
TOTAL SALARY, ALLOWANCES & BENEFITS	136 708	145 573	149 535	2 739	144 076	149 535	(5 460)	-4%	149 535
% increase		6%	9%						9%
TOTAL MANAGERS AND STAFF	116 586	123 460	126 105	864	121 642	126 105	(4 463)	-4%	126 105

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of June 2018 amounts to R144, 076 million and the year to date budget is R 149, 076 million and the expenditure for remuneration of councilors amounts to R22, 433 million while the year to date budget is R 23, 430 million. The year to date actuals for senior managers is R6, 910 million and the year to date budget thereof is R6, 775 million, and the year to date actuals for other municipal staff is R114, 733 million and the year to date budget is R119, 330 million. The remuneration of councilors and other staff categories have under spending variance while other Senior Managers category has over spending variance.

Description	Budget Year 2017/18												2017/18 Medium Term Revenue		
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget	Budget	Budget
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Year	Year +1	Year +2
Cash Receipts By Source															
Property rates	1 611	755	1 742	1 797	1 913	1 387	2 000	1 387	1 382	1 702	1 749	8 679	26 104	22 384	23 638
Service charges - electricity revenue	5 992	3 719	4 876	6 380	5 352	3 668	7 362	3 668	4 255	6 193	5 986	13 197	70 649	81 133	83 729
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse	354	216	288	340	320	273	350	273	241	489	300	5 151	8 596	4 553	4 808
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	28	15	31	28	19	20	59	20	37	28	28	1 122	1 435	2 046	2 160
Interest earned - external investments	154	135	-	63	-	127	230	-	15	256	161	1 359	2 500	3 912	4 132
Interest earned - outstanding debtors	114	26	78	134	86	49	97	49	32	62	59	2 065	2 852	1 985	2 096
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	25	2	4	28	4	2	2	2	3	390	1	6 137	6 600	4 757	5 023
Licences and permits	-	805	-	417	404	-	732	729	362	456	600	(5)	4 500	5 391	5 693
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operating	94 626	361	-	-	649	74 339	-	-	56 188	-	-	0	226 163	238 214	247 841
Other revenue	1 369	812	1 324	3 060	8 160	1 065	12 994	1 040	817	1 653	1 313	(21 693)	11 914	2 094	2 211
Cash Receipts by Source	104 272	6 847	8 343	12 249	16 906	80 930	23 827	7 169	63 330	11 229	10 198	16 012	361 313	366 469	381 331
Other Cash Flows by Source															
Transfer receipts - capital	28 330	-	-	5 000	-	20 933	-	-	27 597	-	-	-	81 860	69 013	86 340
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	600	600	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits	58	5	37	563	(131)	233	(102)	(9)	310	(25)	48	(1 420)	(433)	142	168
Receipt of non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables	-	-	-	-	-	-	-	-	-	14 048	-	(14 048)	-	-	-
Change in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	132 660	6 852	8 380	17 812	16 776	102 096	23 725	7 160	91 237	25 253	10 246	1 143	443 339	435 624	467 839
Cash Payments by Type															
Employee related costs	9 543	9 580	9 600	9 680	9 411	15 354	9 799	9 603	9 553	10 069	10 515	13 433	126 137	130 069	137 325
Remuneration of councillors	1 694	1 694	1 694	1 694	1 694	1 695	1 694	1 801	2 599	1 875	1 875	3 420	23 430	23 036	24 326
Interest paid	-	74	123	51	44	-	67	-	45	-	(122)	843	1 124	790	645
Bulk purchases - Electricity	7 038	71	7 159	5 724	4 839	5 654	5 735	5 727	5 355	5 045	9 623	8 194	70 165	69 937	73 853
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	688	1 642	470	604	1 973	1 226	1 564	-	978	765	246	(825)	9 329	14 795	15 623
Contracted services	6 156	6 036	6 234	4 957	4 829	3 429	2 948	3 978	4 722	4 704	7 120	(20 114)	35 000	23 279	23 118
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other	1 727	742	725	792	979	846	102	106	100	98	117	(1 072)	5 260	3 936	4 156
General expenses	24 438	4 706	4 063	3 717	4 779	9 701	3 219	12 387	4 257	6 347	2 958	(21 000)	59 571	46 114	47 108
Cash Payments by Type	51 284	24 544	30 067	27 218	28 548	37 904	25 128	33 602	27 608	28 903	32 332	(17 121)	330 017	311 956	326 154
Other Cash Flows/Payments by Type															
Capital assets	935	5 145	13 433	10 261	1 742	21 616	7 885	3 644	6 618	6 285	5 425	27 960	110 949	84 306	91 111
Repayment of borrowing	490	490	678	293	334	-	-	-	3 447	-	-	2 875	8 608	6 000	6 000
Other Cash Flows/Payments	-	3 389	3 043	-	-	3 197	-	-	4 016	-	-	(3 016)	10 629	18 576	26 322
Total Cash Payments by Type	52 710	33 569	47 221	37 773	30 624	62 716	33 012	37 246	41 688	35 188	37 757	10 698	460 202	420 837	449 586
NET INCREASE/(DECREASE) IN CASH HELD	79 950	(26 717)	(38 841)	(19 961)	(13 849)	39 380	(9 287)	(30 086)	49 548	(9 935)	(27 511)	(9 555)	(16 863)	14 787	18 253
Cash/cash equivalents at the month/year beginning:	20 913	100 863	74 147	35 306	15 345	1 496	40 876	31 589	1 503	51 052	41 116	13 606	20 913	4 050	18 837
Cash/cash equivalents at the month/year end:	100 863	74 147	35 306	15 345	1 496	40 876	31 589	1 503	51 052	41 116	13 606	4 050	4 050	18 837	37 090

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 R11, 902 million and the total cash payment for the month were R21, 366 million and this resulted in net decrease in cash held amounting to R9, 466 million and with cash and cash equivalent of R13, 516 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting to R4, 050 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	935	935	–		1%
August	4 483	4 590	3 028	3 028	3 963	3 963	–		5%
September	8 406	7 000	13 273	13 273	17 236	17 236	(0)	0%	22%
October	16 242	8 227	3 283	3 283	20 519	20 519	(0)	0%	27%
November	10 577	9 672	9 287	9 287	29 806	29 806	–		39%
December	3 099	10 917	14 916	14 916	44 722	44 722	–		58%
January	1 128	6 450	4 846	7 885	52 607	49 568	(3 039)	-6%	68%
February	2 237	8 552	5 716	3 644	56 251	55 283	(968)	-2%	73%
March	2 493	6 630	8 916	8 166	64 417	64 199	(218)	0%	83%
April	3 626	4 221	9 946	11 457	75 874	74 145	(1 729)	-2%	98%
May	3 992	4 180	19 872	18 986	94 860	94 016	(843)	-1%	123%
June	19 290	5 239	16 933	13 201	108 060	110 949	2 889	3%	140%
Total Capital expenditure	80 799	77 302	110 949	108 060					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of June amounts to R13, 201 million. The year to date capital budget is R110, 949 million that give rise to under spending variance of R2, 889 million or 3%.

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

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	32 884	32 281	56 220	9 525	55 860	56 220	360	0.6%	56 220
Roads Infrastructure	21 733	19 123	41 157	4 204	41 157	41 157	-		41 157
Roads	21 733	19 123	41 157	4 204	41 157	41 157	-		41 157
Road Structures		-	-	-	-	-	-		-
Road Furniture		-	-	-	-	-	-		-
Capital Spares		-	-	-	-	-	-		-
Storm water Infrastructure	-	-	-	-	-	-	-		-
Electrical Infrastructure	11 151	13 158	15 063	5 321	14 703	15 063	360	2.4%	15 063
Power Plants		-	-				-		-
HV Substations		-	-				-		-
HV Switching Station		-	-				-		-
HV Transmission Conductors	11 151	13 158	15 063	5 321	14 703	15 063	360	2.4%	15 063
MV Substations		-	-				-		-
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites		-	-				-		-
Waste Transfer Stations		-	-				-		-
Waste Processing Facilities		-	-				-		-
Community Assets	-	300	300	-	-	300	300	100.0%	300
Community Facilities	-	300	300	-	-	300	300	100.0%	300
Halls		-	-				-		-
Centres		-	-				-		-
Public Open Space	-	300	300			300	300	100.0%	300
Nature Reserves		-	-				-		-
Public Ablution Facilities		-	-				-		-
Other assets	1 298	-	-	-	-	-	-		-
Operational Buildings	1 298	-	-	-	-	-	-		-
Municipal Offices	583	-	-				-		-
Pay/Enquiry Points		-	-				-		-
Building Plan Offices		-	-				-		-
Workshops	715	-	-				-		-
Yards		-	-				-		-
Computer Equipment	1 168	300	800	(31)	700	800	100	12.5%	800
Computer Equipment	1 168	300	800	(31)	700	800	100	12.5%	800
Furniture and Office Equipment	340	200	500	-	218	500	282	56.4%	500
Furniture and Office Equipment	340	200	500	-	218	500	282	56.4%	500
Machinery and Equipment	2 100	600	1 200	728	1 200	1 200	-		1 200
Machinery and Equipment	2 100	600	1 200	728	1 200	1 200	-		1 200
Transport Assets	2 253	700	-	-	-	-	-		-
Transport Assets	2 253	700	-	-	-	-	-		-
Total Capital Expenditure on new assets	40 043	34 381	59 020	10 221	57 978	59 020	1 042	1.8%	59 020

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

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	37 997	38 474	41 914	2 980	41 674	41 914	240	0.6%	41 914
Roads Infrastructure	37 997	38 474	41 914	2 980	41 674	41 914	240	0.6%	41 914
Roads	37 997	38 474	41 414	2 980	41 674	41 414	(260)	-0.6%	41 414
Road Structures		-	-		-	-	-		-
Road Furniture		-	500		-	500	500	100.0%	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	1 694	-	-	-	-	-	-		-
Community Facilities	-	-	-	-	-	-	-		-
Halls		-	-				-		
Centres		-	-				-		
Crèches		-	-				-		
Sport and Recreation Facilities	1 694	-	-	-	-	-	-		-
Indoor Facilities		-	-				-		
Outdoor Facilities	1 694	-	-				-		
Capital Spares		-	-				-		
Other assets	932	500	500	-	-	500	500	100.0%	500
Operational Buildings	932	500	500	-	-	500	500	100.0%	500
Municipal Offices	-	500	500			500	500	100.0%	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	40 622	38 974	42 414	2 980	41 674	42 414	740	1.7%	42 414

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

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	4 633	6 700	7 850	594	7 966	7 850	(116)	-1.5%	7 850
Roads Infrastructure	946	2 500	2 650	458	3 798	2 650	(1 148)	-43.3%	2 650
Roads	946	2 500	2 650	458	3 798	2 650	(1 148)	-43.3%	2 650
Road Structures		-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-
Electrical Infrastructure	1 802	1 900	1 900	136	1 629	1 900	271	14.2%	1 900
Power Plants		-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-
Solid Waste Infrastructure	1 885	2 300	3 300	-	2 538	3 300	762	23.1%	3 300
Landfill Sites	1 885	2 150	3 150	-	2 538	3 150	612	19.4%	3 150
Waste Transfer Stations		-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities		-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-
Other assets	1 432	1 300	1 325	-	12	1 325	1 313	99.1%	1 325
Operational Buildings	1 432	1 300	1 325	-	12	1 325	1 313	99.1%	1 325
Municipal Offices	1 432	1 300	1 325	-	12	1 325	1 313	99.1%	1 325
Pay/Enquiry Points		-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	2 405	1 711	2 118	-	3	2 118	2 114	99.9%	2 118
Machinery and Equipment	2 405	1 711	2 118	-	3	2 118	2 114	99.9%	2 118
Transport Assets	1 800	1 500	1 300	183	1 359	1 300	(59)	-4.6%	1 300
Transport Assets	1 800	1 500	1 300	183	1 359	1 300	(59)	-4.6%	1 300
Total Repairs and Maintenance Expenditure	10 353	11 311	12 693	776	9 374	12 693	3 319	26.1%	12 693

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

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Depreciation by Asset Class/Sub-class									
Infrastructure	34 968	45 835	45 835	-	-	45 835	45 835	0	45 835
Roads Infrastructure	34 480	25 298	25 298	-	-	25 298	25 298	0	25 298
Roads	34 480	25 298	25 298	-	-	25 298	25 298	0	25 298
Road Structures	-	-	-	-	-	-	-	-	-
Road Furniture	-	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	5 746	5 746	-	-	5 746	5 746	0	5 746
Drainage Collection									
Storm water Conveyance		5 746	5 746	-	-	5 746	5 746	0	5 746
Electrical Infrastructure	-	12 398	12 398	-	-	12 398	12 398	0	12 398
Power Plants	-	-	-	-	-	-	-	-	-
HV Substations	-	-	-	-	-	-	-	-	-
HV Switching Station	-	-	-	-	-	-	-	-	-
HV Transmission Conductors	-	12 398	12 398	-	-	12 398	12 398	0	12 398
MV Substations	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	488	2 392	2 392	-	-	2 392	2 392	0	2 392
Landfill Sites	488	2 392	2 392	-	-	2 392	2 392	0	2 392
Waste Transfer Stations	-	-	-	-	-	-	-	-	-
Waste Processing Facilities	-	-	-	-	-	-	-	-	-
Waste Drop-off Points	-	-	-	-	-	-	-	-	-
Community Assets	2 129	2 231	2 231	-	-	2 231	2 231	0	2 231
Community Facilities	2 129	2 231	2 231	-	-	2 231	2 231	0	2 231
Halls									
Cemeteries/Crematoria									
Police	-	-	-	-	-	-	-	-	-
Other assets	2 978	120	120	-	-	120	120	0	120
Operational Buildings	2 978	120	120	-	-	120	120	0	120
Municipal Offices	2 978	120	120	-	-	120	120	0	120
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Intangible Assets	205	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	205	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	205	-	-	-	-	-	-	-	-
Computer Equipment	953	21	21	-	-	21	21	0	21
Computer Equipment	953	21	21	-	-	21	21	0	21
Furniture and Office Equipment	1 518	26	26	-	-	26	26	0	26
Furniture and Office Equipment	1 518	26	26	-	-	26	26	0	26
Machinery and Equipment	1 323	2 080	2 080	-	-	2 080	2 080	0	2 080
Transport Assets	3 924	888	888	-	-	888	888	0	888
Transport Assets	3 924	888	888	-	-	888	888	0	888
Total Depreciation	47 998	51 200	51 200	-	-	51 200	51 200	0	51 200

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

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class									
Infrastructure	-	-	-	-	-	-	-	-	-
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-
Road Structures	-	-	-	-	-	-	-	-	-
Road Furniture	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
Power Plants	-	-	-	-	-	-	-	-	-
HV Substations	-	-	-	-	-	-	-	-	-
HV Switching Station	-	-	-	-	-	-	-	-	-
HV Transmission Conductors	-	-	-	-	-	-	-	-	-
MV Substations	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Landfill Sites	-	-	-	-	-	-	-	-	-
Waste Transfer Stations	-	-	-	-	-	-	-	-	-
Waste Processing Facilities	-	-	-	-	-	-	-	-	-
Waste Drop-off Points	-	-	-	-	-	-	-	-	-
Waste Separation Facilities	-	-	-	-	-	-	-	-	-
Community Assets	-	-	8 079	-	8 304	8 079	(225)	-3%	8 079
Community Facilities	-	-	-	-	-	-	-	-	-
Halls	-	-	-	-	-	-	-	-	-
Centres	-	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	8 079	-	8 304	8 079	(225)	-3%	8 079
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	8 079	-	8 304	8 079	(225)	-3%	8 079
Capital Spares	-	-	-	-	-	-	-	-	-
Other assets	-	3 947	1 437	-	105	1 437	1 332	93%	1 437
Operational Buildings	-	3 947	1 437	-	105	1 437	1 332	93%	1 437
Municipal Offices	-	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	3 947	1 437	-	105	1 437	1 332	93%	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	-	3 947	9 515	-	8 409	9 515	1 107	12%	9 515

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

The total expenditure for new capital projects amounts to R57, 978 million and the year to date budget is R59, 020 million that reflects under spending variance of R1, 042 million that translates to 2% variance. The year to date actuals on renewal of existing assets amounts R41, 674 million and with the year to date budget of R42, 414 million and this reflects under spending variance of R 740 thousand that translates to 2% variance.


The year to date actual expenditure on repairs and maintenance is R9, 374 million and the year to date budget is R12, 693 million, reflecting under spending variance of R3, 319 million that translates to 26%.

The year to date actual expenditure on upgrading of existing assets is R8, 409 million and the year to date budget is R9, 515 million, reflecting under spending variance of R1, 107 million that translates to 12%.

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 June 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 20/7/2018
Elias Motsoaledi Local Municipality
20 JUL 2018
Municipal Manager