

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT REPORT

November 2014

PART 1: IN - YEAR REPORT

PURPOSE

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

EXECUTIVE SUMMARY

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

IN YEAR BUDGET STATEMENT TABLES

Table C1 – Budget Statement Summary

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Financial Performance									
Property rates	23 842	30 000	–	1 853	8 469	12 500	(4 031)	-32%	30 000
Service charges	51 569	63 049	–	4 940	25 563	26 270	(707)	-3%	63 049
Investment revenue	3 036	2 800	–	(603)	1 647	1 167	481	41%	2 800
Transfers recognised - operational	146 803	170 641	–	55 991	122 705	127 062	(4 357)	-3%	170 641
Other own revenue	13 659	13 628	–	1 271	7 075	5 678	1 397	25%	13 628
Total Revenue excluding capital transfers	238 910	280 118	–	63 452	165 459	172 678	(7 219)	-4%	280 118
Employee costs	76 842	97 177	–	7 071	35 058	40 491	(5 434)	-13%	97 177
Remuneration of Councillors	15 233	16 273	–	1 343	7 466	6 781	685	10%	16 273
Depreciation & asset impairment	–	35 000	–	–	–	14 583	(14 583)	-100%	35 000
Finance charges	–	–	–	–	–	–	–	–	–
Materials and bulk purchases	49 729	50 013	–	(680)	20 855	20 839	16	0%	50 013
Transfers and grants	–	9 600	–	(55)	202	4 000	(3 798)	-95%	9 600
Other expenditure	74 854	83 433	–	7 289	34 269	34 764	(494)	-1%	83 433
Total Expenditure	216 657	291 497	–	14 968	97 848	121 457	(23 609)	-19%	291 497
Surplus/(Deficit)	22 253	(11 379)	–	48 485	67 611	51 221	16 391	32%	(11 379)
Transfers recognised - capital	40 035	50 840	–	3 112	4 274	21 183	(16 910)	-80%	50 840
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers	62 288	39 461	–	51 596	71 885	72 404	(519)	-1%	39 461
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	62 288	39 461	–	51 596	71 885	72 404	(519)	-1%	39 461
Capital expenditure & funds sources									
Capital expenditure	45 872	77 290	–	2 790	4 539	32 204	(27 665)	-86%	77 290
Capital transfers recognised	37 608	50 840	–	2 729	3 749	21 183	(17 435)	-82%	50 840
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	8 264	26 450	–	61	790	11 021	(10 231)	-93%	26 450
Total sources of capital funds	45 872	77 290	–	2 790	4 539	32 204	(27 665)	-86%	77 290
Financial position									
Total current assets	96 884	72 269	–	–	170 026	–	–	–	72 269
Total non current assets	825 877	1 077 247	–	–	789 762	–	–	–	1 077 247
Total current liabilities	74 168	43 000	–	–	91 788	–	–	–	43 000
Total non current liabilities	27 077	40 000	–	–	30 512	–	–	–	40 000
Community wealth/Equity	821 516	1 066 516	–	–	837 487	–	–	–	1 066 516
Cash flows									
Net cash from (used) operating	68 580	72 559	–	50 612	45 725	81 838	36 113	44%	72 559
Net cash from (used) investing	(48 536)	(72 290)	–	(3 181)	(4 674)	(30 121)	(25 446)	84%	(72 290)
Net cash from (used) financing	22	500	–	(4)	(6)	42	47	114%	500
Cash/cash equivalents at the month/year end	35 400	20 769	–	–	90 340	71 758	(18 581)	-26%	50 064
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	6 992	4 694	2 754	2 531	1 834	7 226	6 433	24 676	57 139
Creditors Age Analysis									
Total Creditors	–	–	–	–	–	–	–	–	–

The above C1 Sum table summarizes the following activities:-

Revenue:

The actual revenue for the month of November 2014 is R63, 452 million and the year to date actual is R165, 459 million. With a year to date budget of R116, 716 million, this reflects a favourable variance of R7, 219 million and all revenue generating activities reflect a positive variance except the following line items:

- Property rates: 32% unfavourable variance
- Service charges – refuse removal: 34% unfavourable variance
- Service charges – other: 70% unfavourable variance
- Fines: 40% unfavourable variance
- License and permits: 10% unfavourable variance

Operating Expenditure

The Operational expenditure for the month amounts to R14, 968 million and the year to date actuals amounts to R97, 848 million and the year to date budget is R121, 457 million. This reflects an unfavourable variance of 19% that is partly attributed to depreciation and asset impairment as well as debt impairment that have 100% unfavourable variance. Cognizance should be taken that the two line items non-cash items and as a result, they do not therefore affect the cash flow position and/or performance of the Municipality.

Capital Expenditure

The capital expenditure for the month of November amounts to R2, 790 million and the year to date capital expenditure amounts to R4, 539 million of which the R3, 749 million spending pertain to MIG funded project/s while the R790 thousand pertain to internally funded project/s.

Surplus/Deficit

Taking the above into consideration, the net operating surplus for the month is R51, 596 million and the year to date results reflect a surplus amounting to R71, 885 million.

Debtors

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors for the month of November amounts to R57, 139 million of which R46, 451 million (81,29%) is consumer debtors and R10, 688 million (18, 71%) is sundry debtors.

Creditors

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

Table C2 – Financial Performance (Standard Classification)

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue - Standard									
Governance and administration	173 798	207 929	-	57 842	136 404	86 637	49 767	57%	207 929
Executive and council	1 271	934	-	49	412	389	23	6%	934
Budget and treasury office	172 386	206 890	-	57 781	135 931	86 204	49 727	58%	206 890
Corporate services	142	105	-	12	61	44	17	39%	105
Community and public safety	5 403	7 686	-	608	2 433	3 202	(769)	-24%	7 686
Community and social services	46	1 353	-	26	169	564	(395)	-70%	1 353
Sport and recreation	2	25	-	-	-	10	(10)	-100%	25
Public safety	5 354	6 308	-	582	2 265	2 628	(364)	-14%	6 308
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	38 468	52 357	-	3 195	5 470	21 815	(16 345)	-75%	52 357
Planning and development	22	77	-	5	9	32	(23)	-72%	77
Road transport	38 446	52 280	-	3 189	5 461	21 783	(16 322)	-75%	52 280
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	61 296	62 986	-	4 919	25 425	26 244	(819)	-3%	62 986
Electricity	58 572	56 430	-	4 616	23 995	23 513	482	2%	56 430
Water	(22)	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	2 746	6 556	-	303	1 430	2 732	(1 301)	-48%	6 556
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	278 965	330 958	-	66 564	169 733	137 899	31 834	23%	330 958
Expenditure - Standard									
Governance and administration	110 631	140 374	-	8 754	44 590	58 489	(13 899)	-24%	140 374
Executive and council	47 011	35 246	-	4 064	14 479	14 686	(206)	-1%	35 246
Budget and treasury office	19 075	64 053	-	1 953	10 037	26 689	(16 652)	-62%	64 053
Corporate services	44 545	41 074	-	2 737	20 074	17 114	2 960	17%	41 074
Community and public safety	14 337	50 987	-	3 738	14 758	21 244	(6 487)	-31%	50 987
Community and social services	3 336	20 771	-	1 299	6 720	8 655	(1 935)	-22%	20 771
Sport and recreation	-	445	-	-	-	186	(186)	-100%	445
Public safety	11 001	29 771	-	2 439	8 038	12 404	(4 366)	-35%	29 771
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	31 515	30 947	-	2 059	11 829	12 894	(1 066)	-8%	30 947
Planning and development	9 491	12 158	-	760	4 001	5 066	(1 065)	-21%	12 158
Road transport	22 024	18 789	-	1 299	7 828	7 829	(1)	0%	18 789
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	60 174	69 190	-	417	26 671	28 829	(2 158)	-7%	69 190
Electricity	50 471	56 772	-	(643)	21 736	23 655	(1 918)	-8%	56 772
Water	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	9 704	12 418	-	1 060	4 934	5 174	(240)	-5%	12 418
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	216 657	291 497	-	14 968	97 848	121 457	(23 609)	-19%	291 497
Surplus/ (Deficit) for the year	62 308	39 461	-	51 596	71 885	16 442	55 443	337%	39 461

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

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue by Vote									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	890	934	-	49	412	389	23	5.8%	934
Vote 3 - Budget & Treasury	172 386	206 890	-	57 781	135 931	86 204	49 727	57.7%	206 890
Vote 4 - Corporate Services	142	105	-	12	61	44	17	39.3%	105
Vote 5 - Community Services	8 529	14 242	-	911	3 864	5 934	(2 070)	-34.9%	14 242
Vote 6 - Technical Services	96 996	108 710	-	7 805	29 456	45 296	(15 840)	-35.0%	108 710
Vote 7 - Strategic Deveopment	-	-	-	-	-	-	-	-	-
Vote 8 - Developmental Planning	22	77	-	5	9	32	(23)	-72.1%	77
Total Revenue by Vote	278 965	330 958	-	66 564	169 733	137 899	31 834	23.1%	330 958
Expenditure by Vote									
Vote 1 - Executive & Council	24 932	25 556	-	2 827	11 436	10 649	787	7.4%	25 556
Vote 2 - Office of the Municipal Manager	6 299	9 690	-	1 436	3 044	4 037	(994)	-24.6%	9 690
Vote 3 - Budget & Treasury	19 075	64 053	-	1 953	10 037	26 689	(16 652)	-62.4%	64 053
Vote 4 - Corporate Services	44 545	41 074	-	2 737	20 074	17 114	2 960	17.3%	41 074
Vote 5 - Community Services	39 820	63 405	-	4 799	19 692	26 419	(6 726)	-25.5%	63 405
Vote 6 - Technical Services	72 494	75 560	-	856	29 564	31 483	(1 919)	-6.1%	75 560
Vote 7 - Strategic Deveopment	4 571	6 223	-	416	2 208	2 593	(385)	-14.8%	6 223
Vote 8 - Developmental Planning	4 920	5 936	-	344	1 793	2 473	(680)	-27.5%	5 936
Total Expenditure by Vote	216 657	291 497	-	14 968	97 848	121 457	(23 609)	-19.4%	291 497
Surplus/ (Deficit) for the year	62 308	39 461	-	51 596	71 885	16 442	55 443	337.2%	39 461

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

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

Table C4: Financial Performance by Revenue Source and Expenditure Type

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue By Source									
Property rates	23 842	30 000	–	1 853	8 469	12 500	(4 031)	-32%	30 000
Property rates - penalties & collection charges									
Service charges - electricity revenue	48 848	55 300	–	4 616	23 816	23 042	774	3%	55 300
Service charges - water revenue	–								
Service charges - sanitation revenue	–								
Service charges - refuse revenue	2 721	5 188	–	300	1 424	2 162	(737)	-34%	5 188
Service charges - other		2 561	–	23	323	1 067	(744)	-70%	2 561
Rental of facilities and equipment	758	1 055	–	67	1 113	440	674	153%	1 055
Interest earned - external investments	3 036	2 800	–	(603)	1 647	1 167	481	41%	2 800
Interest earned - outstanding debtors	407	5 000	–	428	2 790	2 083	707	34%	5 000
Dividends received									
Fines	461	610	–	50	152	254	(103)	-40%	610
Licences and permits	4 893	5 648	–	534	2 114	2 353	(239)	-10%	5 648
Agency services	(22)								
Transfers recognised - operational	146 803	170 641	–	55 991	122 705	127 062	(4 357)	-3%	170 641
Other revenue	7 161	1 315	–	192	906	548	358	65%	1 315
Gains on disposal of PPE									
Total Revenue excluding capital transfers	238 910	280 118	–	63 452	165 459	172 678	(7 219)	-4%	280 118
Expenditure By Type									
Employee related costs	76 842	97 177	–	7 071	35 056	40 491	(5 434)	-13%	97 177
Remuneration of councillors	15 233	16 273	–	1 343	7 466	6 781	685	10%	16 273
Debt impairment	–	3 000	–	–	–	1 250	(1 250)	-100%	3 000
Depreciation & asset impairment	–	35 000	–	–	–	14 583	(14 583)	-100%	35 000
Finance charges	–								
Bulk purchases	47 505	47 000	–	(860)	19 977	19 583	393	2%	47 000
Other materials	2 224	3 013	–	180	878	1 256	(377)	-30%	3 013
Contracted services	9 798	8 700	–	–	3 478	3 625	(147)	-4%	8 700
Transfers and grants	–	9 600	–	(55)	202	4 000	(3 798)	-95%	9 600
Other expenditure	65 056	71 733	–	7 289	30 792	29 889	903	3%	71 733
Loss on disposal of PPE	–								
Total Expenditure	216 657	291 497	–	14 968	97 848	121 457	(23 609)	-19%	291 497
Surplus/(Deficit)	22 253	(11 379)	–	48 485	67 611	51 221	16 391	0	(11 379)
Transfers recognised - capital	40 035	50 840		3 112	4 274	21 183	(16 910)	(0)	50 840
Contributions recognised - capital									
Contributed assets									
Surplus/(Deficit) after capital transfers	62 288	39 461	–	51 596	71 885	72 404	–	–	39 461
Taxation									
Surplus/(Deficit) after taxation	62 288	39 461	–	51 596	71 885	72 404	–	–	39 461
Attributable to minorities									
Surplus/(Deficit)	62 288	39 461	–	51 596	71 885	72 404	–	–	39 461
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	62 288	39 461	–	51 596	71 885	72 404	–	–	39 461

Table C4 provides budget performance details for revenue by source and expenditure by type. For revenue, the main deviations from budget projections or targets are on property rates, refuse revenue, service charges other, fines, and license and permits. All other sources reflect a

positive variance. In the case of expenditure, all year to date actuals reflects an under spending except the bulk purchase (2 % variance) and remuneration of councilors (10% variance).

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

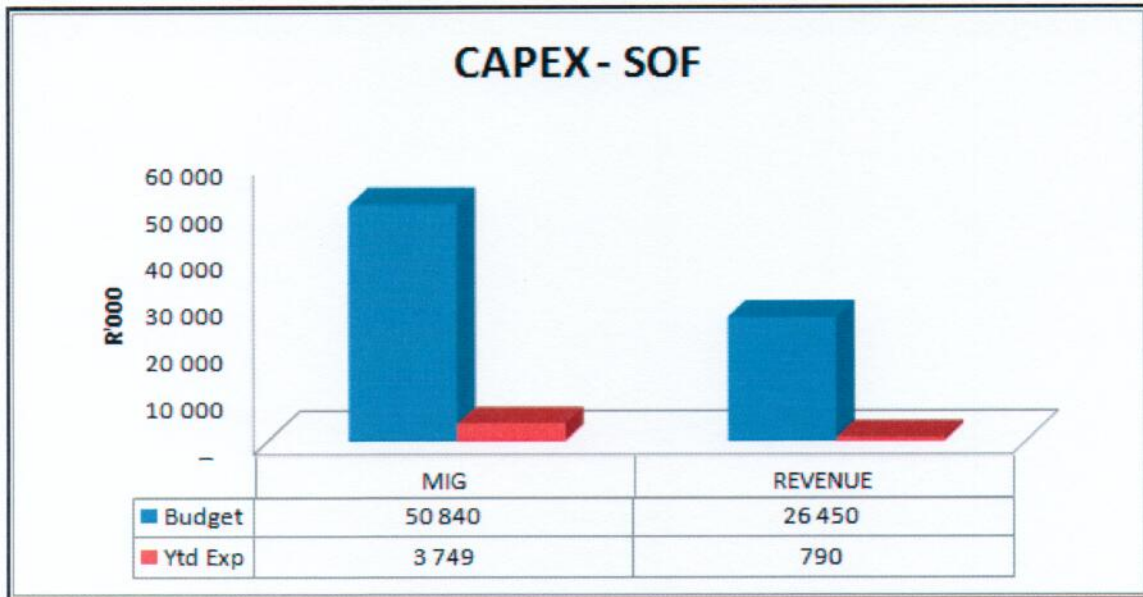
Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding

Vote Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital Expenditure - Standard Classification									
Governance and administration	1 958	1 300	-	5	588	542	46	9%	1 300
Executive and council	-		-	-	-	-	-		-
Budget and treasury office	74		-	-	-	-	-		-
Corporate services	1 884	1 300		5	588	542	46	9%	1 300
Community and public safety	-	500	-	-	-	208	(208)	-100%	500
Community and social services		500	-			208	(208)	-100%	500
Economic and environmental services	37 451	66 940	-	2 756	3 775	27 892	(24 116)	-86%	66 940
Planning and development	-	1 500	-			625	(625)	-100%	1 500
Road transport	37 451	65 440	-	2 756	3 775	27 287	(23 491)	-86%	65 440
Environmental protection	-	-	-				-		
Trading services	6 463	7 950	-	29	176	3 313	(3 137)	-95%	7 950
Electricity	6 463	7 950	-	29	176	3 313	(3 137)	-95%	7 950
Other	-	600	-	-	-	250	(250)	-100%	600
Total Capital Expenditure - Standard Classification	45 872	77 290	-	2 790	4 539	32 204	(27 665)	-86%	77 290
Funded by:									
National Government	37 608	50 840		2 729	3 749	21 183	(17 435)	-82%	50 840
Provincial Government							-		
District Municipality							-		
Other transfers and grants							-		
Transfers recognised - capital	37 608	50 840	-	2 729	3 749	21 183	(17 435)	-82%	50 840
Public contributions & donations							-		
Borrowing							-		
Internally generated funds	8 264	26 450		61	790	11 021	(10 231)	-93%	26 450
Total Capital Funding	45 872	77 290	-	2 790	4 539	32 204	(27 665)	-86%	77 290

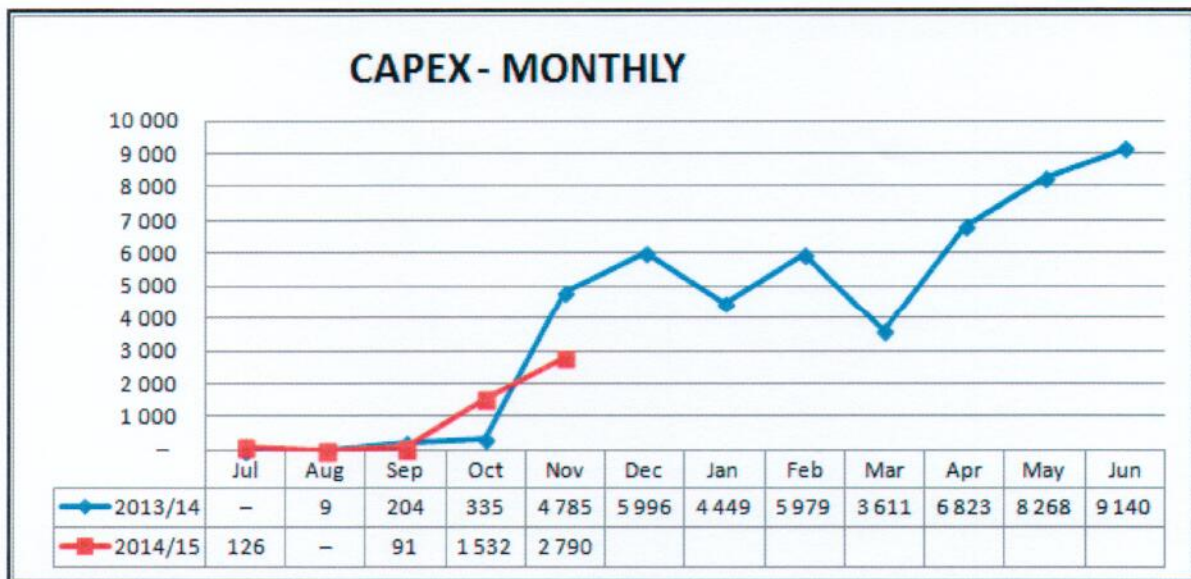
Table C5C: Monthly Capital Expenditure by Vote

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure - Municipal Vote									
Expenditure of multi-year capital appropriation									
Vote 4 - Corporate Services	-	1 300	-	5	588	542	46	9%	1 300
4.1 - Corporate Services 505		1 300		5	588	542	46	9%	1 300
Vote 5 - Community Services	-	500	-	-	-	208	(208)	-100%	500
5.7 - Parks & Cemetery 405 & 425		500				208	(208)	-100%	500
Vote 6 - Technical Services	42 001	43 379	-	1 932	2 519	18 075	(15 556)	-86%	43 379
6.1 - Electricity 260	4 773	1 150		29	176	479	(303)	-63%	1 150
6.6 - Technical Services 645	37 228	42 229		1 903	2 343	17 596	(15 253)	-87%	42 229
Total multi-year capital expenditure	42 001	45 179	-	1 937	3 107	18 825	(15 718)	-83%	45 179
Capital expenditure - Municipal Vote									
Expenditure of single-year capital appropriation									
Vote 3 - Budget & Treasury	74	-	-	-	-	-	-	-	-
3.1 - Budget & Treasury 800	74	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	1 884	-	-	-	-	-	-	-	-
4.1 - Corporate Services 505	1 884	-	-	-	-	-	-	-	-
Vote 6 - Technical Services	1 914	30 611	-	853	1 432	12 754	(11 322)	-89%	30 611
6.1 - Electricity 260	1 690	4 200		-	-	1 750	(1 750)	-100%	4 200
6.6 - Technical Services 645	224	26 411		853	1 432	11 004	(9 572)	-87%	26 411
Vote 8 - Developmental Planning	-	1 500	-	-	-	625	(625)	-100%	1 500
8.1 - Planning & LED 641		1 500		-	-	625	(625)	-100%	1 500
Total single-year capital expenditure	3 872	32 111	-	853	1 432	13 379	(11 947)	(0)	32 111
Total Capital Expenditure	45 872	77 290	-	2 790	4 539	32 204	(27 665)	(0)	77 290

The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and funding. For the month of November 2014, only R2, 790 million spending was incurred and the year to date capital expenditure amounts to R4, 539 million which shows an unfavourable variance of R27, 665 million against the year to date budget of R 32, 204 million and this constitutes an under spending variance of 86%.



The above graph shows the components of sources of finance for capital budget. Of the total capital budget of R77, 290 million, R50, 840 million is funded from Municipal Infrastructure grant and R26, 450 million from Own Revenue. The spending to date per sources of finance is R3, 749 million on MIG and R790 thousand on own revenue.



The above graph compares the 2013/14 and 2014/15 monthly capital expenditure performance. In addition, the graph shows adoption of 2013/14 spending pattern that was below par and poses concern regarding the material underspending of MIG allocation since only 7.37% of this allocation is spent as at end of November 2014.

Table C6: Monthly Budget Statement Financial Position

Description	2013/14	Budget Year 2014/15			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	2 883	5 769	–	56 907	5 769
Call investment deposits	32 332	15 000	–	33 462	15 000
Consumer debtors	9 276	30 000	–	22 537	30 000
Other debtors	50 101	16 500	–	54 864	16 500
Current portion of long-term receivables	–	–	–	–	–
Inventory	2 291	5 000	–	2 256	5 000
Total current assets	96 884	72 269	–	170 026	72 269
Non current assets					
Long-term receivables	–	–	–	–	–
Investments	–	–	–	–	–
Investment property	80 617	220 000	–	85 382	220 000
Investments in Associate	–	–	–	–	–
Property, plant and equipment	722 574	830 229	–	704 380	830 229
Agricultural	–	–	–	–	–
Biological assets	12	18	–	–	18
Intangible assets	22 674	27 000	–	–	27 000
Other non-current assets	–	–	–	–	–
Total non current assets	825 877	1 077 247	–	789 762	1 077 247
TOTAL ASSETS	922 761	1 149 516	–	959 787	1 149 516
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	–	–	–	–	–
Consumer deposits	3 307	5 000	–	3 210	5 000
Trade and other payables	70 861	38 000	–	88 578	38 000
Provisions	–	–	–	–	–
Total current liabilities	74 168	43 000	–	91 788	43 000
Non current liabilities					
Borrowing	–	–	–	–	–
Provisions	27 077	40 000	–	30 512	40 000
Total non current liabilities	27 077	40 000	–	30 512	40 000
TOTAL LIABILITIES	101 245	83 000	–	122 300	83 000
NET ASSETS	821 516	1 066 516	–	837 487	1 066 516
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	821 516	1 066 516	–	837 487	1 066 516
Reserves	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	821 516	1 066 516	–	837 487	1 066 516

The above table shows that community wealth amounts to R837, 487 million, total liabilities R122, 300 million and the total assets R 959, 787 million.

Table C7: Monthly Budget Statement Cash Flow

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	83 043	107 021	-	5 936	35 193	44 592	(9 399)	-21%	107 021
Government - operating	146 803	170 641	-	55 962	122 705	122 705	-		170 641
Government - capital	54 134	50 840	-	3 112	4 274	21 183	(16 910)	-80%	50 840
Interest	8 437	8 105	-	486	2 677	3 377	(700)	-21%	8 105
Dividends	-								
Payments									
Suppliers and employees	(223 685)	(254 448)	-	(14 968)	(118 923)	(106 020)	12 903	-12%	(254 448)
Finance charges	(152)	-	-	-	-	-	-	-	-
Transfers and Grants	-	(9 600)	-	84	(202)	(4 000)	(3 798)	95%	(9 600)
NET CASH FROM/(USED) OPERATING ACTIVITIES	68 580	72 559	-	50 612	45 725	81 838	36 113	44%	72 559
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		5 000	-	-	500	2 083	(1 583)	-76%	5 000
Decrease (Increase) in non-current debtors									
Decrease (increase) other non-current receivables									
Decrease (increase) in non-current investments									
Payments									
Capital assets	(48 536)	(77 290)		(3 181)	(5 174)	(32 204)	(27 030)	84%	(77 290)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(48 536)	(72 290)	-	(3 181)	(4 674)	(30 121)	(25 446)	84%	(72 290)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans									
Borrowing long term/refinancing									
Increase (decrease) in consumer deposits	22	500	-	(4)	(6)	42	(47)	-114%	500
Payments									
Repayment of borrowing									
NET CASH FROM/(USED) FINANCING ACTIVITIES	22	500	-	(4)	(6)	42	47	114%	500
NET INCREASE/ (DECREASE) IN CASH HELD	20 066	769	-	47 427	41 045	51 758			769
Cash/cash equivalents at beginning:	15 334	20 000	-		49 295	20 000			49 295
Cash/cash equivalents at month/year end:	35 400	20 769	-		90 340	71 758			50 064

Table C7 presents details pertaining to cash flow performance. For the month of November 2014, the net cash outflow from operating activities is R50, 612 million (year to date actuals R45, 754 million - inflow) whilst net cash outflow from investing activities is R3, 181 million (year to date actual R4, 674 million) that is mainly comprised of capital expenditure movement; and the net cash outflow from financing activities is R 4 thousand (year to date actuals R6 thousand). The cash and cash equivalent held at the end of November 2014 amounted to R90, 369 million that is made up of cash amounting R56, 907 million and short term investments of R33, 462 million.

PART 2: SUPPORTING TABLES

Supporting Table: SC 1 – Material variance explanations

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source			
Property rates	-32%	Revenue forgone including transactions that are supposed to be classified as grants paid out.	Finance is in a process of unbundling revenue forgone to ensure correct classification of transactions thereof
Service charges - other	-70%	Effluent charges and line items such as reconnection fees appear to be occurring at lower rate relative to the anticipated rate thereof.	Budget will be adjusted downwards.
Service charges - refuse revenue	-34%	Some areas/townships that enjoy this service type are not getting billed for it (e.g. Motetema township).	Revenue enhancement strategy is in a process of being rolled out and this campaign is aimed at augmenting revenue from basic services.
Fines	-40%	Low rate of traffic fines issued relative to 2013/14 performance	Budget will be adjusted downwards.
Expenditure By Type			
Depreciation & asset impairment	-100%	Non calculation of monthly actual depreciation.	Asset register will be uploaded on to the financial system and the monthly depreciation would then be generated automatically by the system
Transfers and grants	-95%	This is caused by some of pertinent transactions being classified as revenue forgone as opposed to transfers and grants paid out.	The unbundling of revenue forgone will ensure that transactions that need to be classified as transfers and grants paid out would then be classified as such.
Debt impairment	-100%	Non writing of bad or uncollectable debts.	Bad or uncollectable debts will be identified and submission will then be made to Council for write off. Budget will be adjusted upwards.
Capital Expenditure			
Grants funded projects	-82%	Most of the major projects have not yet kick started.	Bid documents for all the advertised projects are currently undergoing the SCM committees.
Own revenue funded projects	-93%	All major projects that are funded internally have not yet kick started as well.	Bid documents for all the advertised projects are currently undergoing the SCM committees.
Cash Flow			
Proceeds on disposal of PPE	-76%	Non conducting of auctions of assets that are not in use.	Only one auction has been conducted in the current financial year.
Government - capital	84%	Underspending on MIG.	The grant will accordingly be spent once the municipality appoints service providers on MIG funded projects.
Increase (decrease) in consumer deposits	-114%	The budget was provided in favour of the increase in consumer deposit, however the actuals for the period under review reflect a decrease.	The budget will be adjusted as per the actuals for six months period.

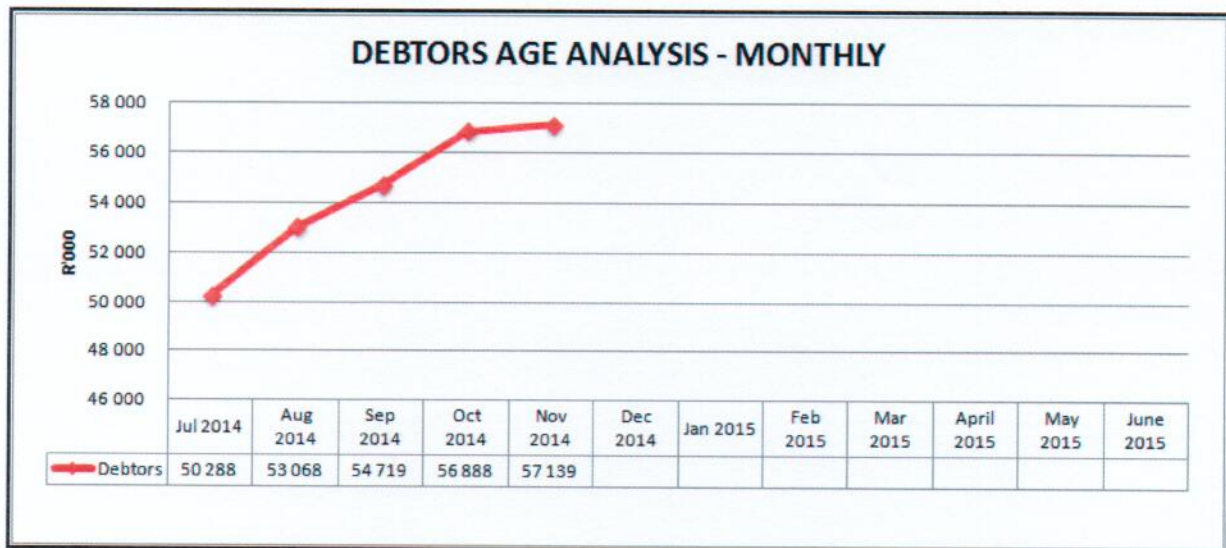
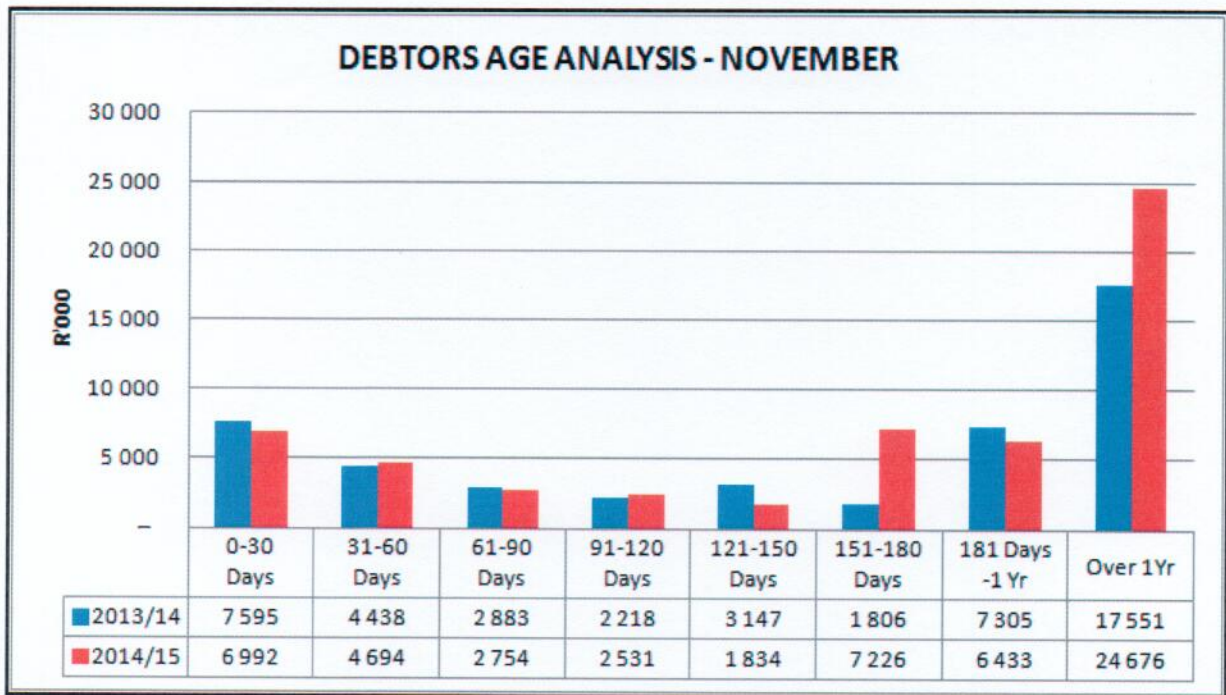
Supporting Table: SC 3 - Debtors Age Analysis

Description	Budget Year 2014/15									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-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	4 514	2 377	1 031	548	466	470	1 662	3 827	14 895	6 973
Receivables from Non-exchange Transactions - Property Rates	1 854	1 186	979	901	886	7 049	2 557	13 353	28 765	24 746
Receivables from Exchange Transactions - Waste Water Management	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	298	137	70	44	31	47	110	1 244	1 981	1 476
Receivables from Exchange Transactions - Property Rental Debtors	64	27	37	600	3	0	2	76	811	662
Interest on Arrear Debtor Accounts	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-
Other	262	967	637	437	449	(340)	2 102	6 175	10 688	8 823
Total By Income Source	6 992	4 694	2 754	2 531	1 834	7 226	6 433	24 676	57 139	42 699
2013/14 - totals only	8 327	4 414	2 302	1 883	33 260				50 186	35 143
Debtors Age Analysis By Customer Group										
Organs of State	674	853	915	710	707	1 073	2 952	9 460	17 343	14 902
Commercial	2 726	1 706	418	344	190	178	496	1 974	8 031	3 182
Households	2 210	1 277	798	512	434	(484)	2 456	9 979	17 181	12 897
Other	1 382	858	623	965	504	6 459	529	3 262	14 583	11 719
Total By Customer Group	6 992	4 694	2 754	2 531	1 834	7 226	6 433	24 676	57 139	42 699

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of November 2014 amount to R57, 139 million. The debtors' book is made up as follows:

- Rates 50,34%
- Electricity 26,07%
- Rental 1, 42%
- Refuse removal 3,46%
- Other 18, 70%

The debtors' age analysis is graphically presented below.



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

Supporting Table: SC 4 - Creditors Age Analysis

Description	Budget Year 2014/15								Total
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
Creditors Age Analysis By Customer Type									
Bulk Electricity	-	-	-	-	-	-	-	-	-
Bulk Water	-	-	-	-	-	-	-	-	-
PAYE deductions	-	-	-	-	-	-	-	-	-
VAT (output less input)	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-
Trade Creditors	-	-	-	-	-	-	-	-	-
Auditor General	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total By Customer Type	-	-	-	-	-	-	-	-	-

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

Top twenty creditors paid:

NUMBER	CREDITOR NAME	AMOUNT
32409	MAKGONATSOHLE TRADING ENTERPRI	544 997
777	VISION PRINT GRAPHICS & ENTERPRISE	415 986
40000	ZITHABISENI RESORT & CONFERENCE	315 790
1249	POWER AUTO ENGINEERING	240 920
31702	CE AT UNIVERSITY OF PRETORIS	180 576
32098	MIDWAY MOTORS	140 712
4001	MOKWENA MOTORS	133 830
37527	MBALI YENKOSI	84 188
37711	BAUPA TRADING ENTERPRISE	69 625
32082	MTHENGELWA TRADING & PROJECTS	63 042
37558	KEBOTSE ELECTRICAL	57 941
37749	LESEMPHETE TRADING AND PROJECT	47 060
37617	DITHEBELE LE MMAKOBO TRAVEL	45 776
37787	SELAPHE'S & SON TRADING ENTERPRISE	37 315
37791	BOIKANO WA KA TRADING ENTERPRISE	30 000
37589	BUSINESS GALORE TRADING ENTERPRISE	29 490
35403	BONGILEMASHUMI CC	29 415
37748	LOKOLOGA TRAVEL AND TOURS	28 800
37783	MSENDA CONSTRUCTION & PROJECT	28 500
40005	MALEMA KA KGOMO TRADING & PROJECT	-
GRAND TOTAL		2 523 963

The above table presents the top twenty creditors paid during the month of November 2014 and an amount of R2, 524 million was paid for these creditors.

Supporting Table: SC 5 - Investment Portfolio

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
Municipality								
Sanlam	1 Month	Short term	31-Oct-2014		0.00%	324	-	324
Nedbank	3 Months	Short term	28-Nov-2014	160	0.50%	32 130	-	32 290
Absa	3 Months	Short term	27-Oct-2014	40	0.25%	15 809	(15 000)	849
TOTAL INVESTMENTS AND INTEREST				200		48 262	(15 000)	33 462

Supporting table SC5 presents all investments that indicate that total amount of R 33, 462 million has been invested as at end of November 2014. The opening balance was R48, 262 million, accrued interest for the month amounted to R200 thousand and a withdrawal of R15, 000 million was made during the month of November.

Supporting Table: SC 6 - Transfers and Grant Receipts

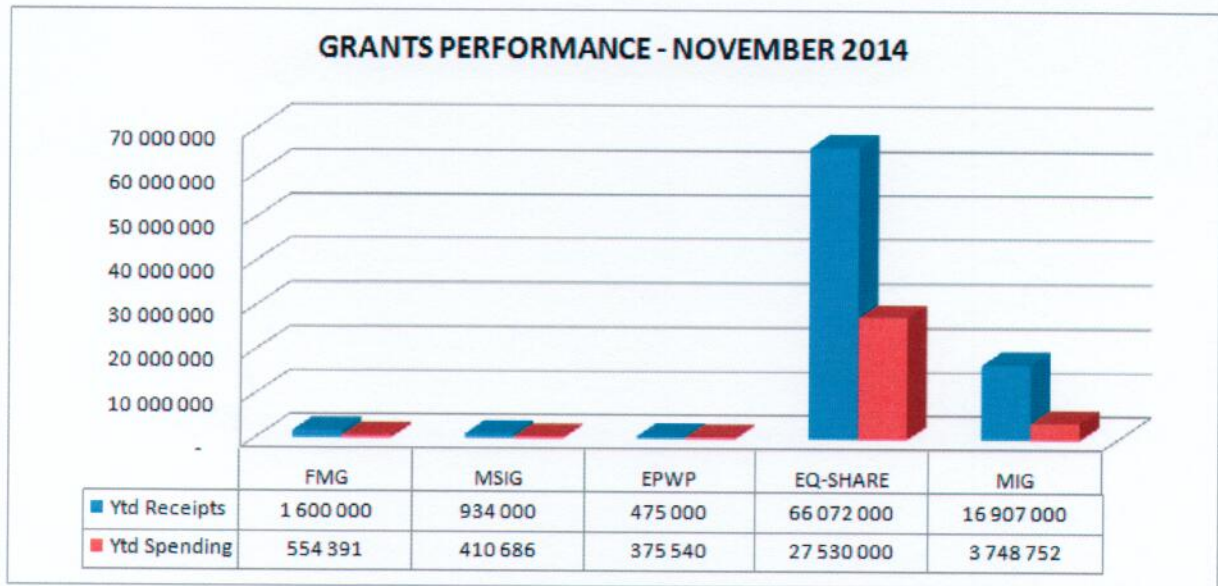
Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
RECEIPTS:									
Operating Transfers and Grants									
National Government:	146 878	170 641	-	55 640	124 721	125 077	(356)	-0,3%	170 641
Local Government Equitable Share	143 438	166 920	-	55 640	121 712	121 712	-	-	166 920
Finance Management	1 550	1 600	-	-	1 600	1 600	-	-	1 600
Municipal Systems Improvement	890	934	-	-	934	934	-	-	934
EPWP Incentive	1 000	1 187	-	-	475	831	(356)	-42,8%	1 187
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A									
District Municipality:	-	-	-	-	-	-	-	-	-
N/A									
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A									
Total Operating Transfers and Grants	146 878	170 641	-	55 640	124 721	125 077	(356)	-0,3%	170 641
Capital Transfers and Grants									
National Government:	53 596	50 840	-	-	16 907	38 721	(21 814)	-56,3%	50 840
Municipal Infrastructure Grant (MIG)	43 596	50 840	-	-	16 907	38 721	(21 814)	-56,3%	50 840
Intergrated National Electrification Grant	10 000	-	-	-	-	-	-	-	-
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A									
District Municipality:	-	-	-	-	-	-	-	-	-
N/A									
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A									
Total Capital Transfers and Grants	53 596	50 840	-	-	16 907	38 721	(21 814)	-56,3%	50 840
TOTAL RECEIPTS OF TRANSFERS & GRANTS	200 474	221 481	-	55 640	141 628	163 798	(22 170)	-13,5%	221 481

Supporting tables SC6 provide details of grants received. The year to date actual receipts amounts to R141, 628 million of which the major portion is attributed to equitable share (i.e. R121, 712 million) that includes R 55 640 million that was received during November. Other grants include amongst others, FMG, MSIG, EPWP and MIG. Cognizance should be taken that not all transfers and grants for the financial year 2014/15 have been received from National treasury except FMG and MSIG that have been fully received. In addition, second trench for EPWP (R356 000) and MIG (21 814 000) that were supposed to have been received during the month of November are withheld by National Treasury due to under spending.

Supporting Table: SC 7 Transfers and grants - Expenditure

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	146 878	170 641	-	6 151	28 841	57 079	(28 237)	-49.5%	170 641
Local Government Equitable Share	143 438	166 920	-	5 506	27 530	55 640	(28 110)	-50.5%	166 920
Finance Management	1 550	1 600	-	251	554	533	21	3.9%	1 600
Municipal Systems Improvement	890	934	-	48	411	411	-		934
EPWP Incentive	1 000	1 187	-	346	346	495	(148)	-30.0%	1 187
Total operating expenditure of Transfers and Grants:	146 878	170 641	-	6 151	28 841	57 079	(28 237)	-49.5%	170 641
Capital expenditure of Transfers and Grants									
National Government:	42 437	50 840	-	2 729	3 749	16 947	(13 198)	-77.9%	50 840
Municipal Infrastructure Grant (MIG)	38 442	50 840	-	2 729	3 749	16 947	(13 198)	-77.9%	50 840
Integrated National Electrification Grant	3 995	-	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants	42 437	50 840	-	2 729	3 749	16 947	(13 198)	-77.9%	50 840
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	189 315	221 481	-	8 881	32 590	74 025	(41 435)	-56.0%	221 481

An amount of R8, 881 million has been spent on grants during the month of November and the year to date actual expenditure amounts to R 32, 590 million. R28, 841 million is spent from operational grants while R3, 749 million is spent from capital grant (MIG in particular).



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

- Financial Management Grant 34.65%
- Municipal Systems Improvement Grant 43.97%
- Expanded Public Work Programme 79.06%
- Equitable Share 41.67%
- Municipal Infrastructure Grant 22,17%

Supporting Table: SC8 - Councilor Allowances and Employee Related Costs

Summary of Employee and Councillor remuneration	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	10 270	10 586	--	893	5 223	4 411	812	18%	10 586
Pension and UIF Contributions	953	1 417	--	80	407	590	(183)	-31%	1 417
Medical Aid Contributions	170	160	--	21	108	67	41	62%	160
Motor Vehicle Allowance	3 840	4 066	--	321	1 613	1 694	(81)	-5%	4 066
Cellphone Allowance	--	--	--	--	--	--	--	--	--
Housing Allowances	--	--	--	--	--	--	--	--	--
Other benefits and allowances	0	45	--	26	115	19	96	512%	45
Sub Total - Councillors	15 233	16 273	--	1 343	7 466	6 781	685	10%	16 273
Senior Managers of the Municipality									
Basic Salaries and Wages	3 335	5 131	--	375	1 842	2 138	(295)	-14%	5 131
Pension and UIF Contributions	--	400	--	24	109	167	(58)	-35%	400
Medical Aid Contributions	--	--	--	--	--	--	--	--	--
Overtime	--	--	--	--	--	--	--	--	--
Performance Bonus	--	--	--	--	--	--	--	--	--
Motor Vehicle Allowance	827	1 292	--	82	327	538	(211)	-39%	1 292
Cellphone Allowance	--	--	--	--	--	--	--	--	--
Housing Allowances	--	--	--	--	--	--	--	--	--
Other benefits and allowances	--	67	--	14	49	28	21	76%	67
Payments in lieu of leave	--	60	--	--	--	25	(25)	-100%	60
Long service awards	--	--	--	--	--	--	--	--	--
Post-retirement benefit obligations	--	--	--	--	--	--	--	--	--
Sub Total - Senior Managers of Municipality	4 162	6 949	--	495	2 327	2 895	(568)	-20%	6 949
Other Municipal Staff									
Basic Salaries and Wages	49 972	60 245	--	4 691	23 591	25 102	(1 511)	-6%	60 245
Pension and UIF Contributions	9 902	13 223	--	923	4 620	5 510	(890)	-16%	13 223
Medical Aid Contributions	2 621	3 076	--	228	1 132	1 282	(150)	-12%	3 076
Overtime	1 172	775	--	110	528	323	205	63%	775
Performance Bonus	--	--	--	--	--	--	--	--	--
Motor Vehicle Allowance	3 718	4 451	--	393	2 022	1 855	167	9%	4 451
Cellphone Allowance	--	--	--	--	--	--	--	--	--
Housing Allowances	67	120	--	7	39	50	(12)	-23%	120
Other benefits and allowances	699	7 483	--	164	674	3 118	(2 444)	-78%	7 483
Payments in lieu of leave	4 528	855	--	58	123	356	(233)	-65%	855
Sub Total - Other Municipal Staff	72 680	90 228	--	6 576	32 729	37 595	(4 866)	-13%	90 228
Total Parent Municipality	92 075	113 451	--	8 413	42 522	47 271	(4 749)	-10%	113 451
TOTAL MANAGERS AND STAFF	76 842	97 177	--	7 071	35 056	40 491	(5 434)	-13%	97 177

Table SC8 provides details for Remuneration of Councillors and Employee related cost. The total salaries, allowances and benefits paid for November 2014 amounts to R8, 413 million and the year to date actual expenditure amounted to R42, 522 million that is less by 10%.

Description	Budget Year 2014/15												2014/15 Medium Term Revenue		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Doc Outcome	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	1 342	1 095	1 961	971	1 297							23 334	30 000	32 674	33 438
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	4 572	3 825	5 813	4 100	3 963							33 027	55 300	57 170	58 255
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse	273	223	308	243	218							-	-	-	-
Service charges - other	63	63	(7)	253	23							3 922	5 188	6 475	6 824
Rental of facilities and equipment	57	46	110	114	88							2 166	2 561	2 864	3 039
Interest earned - external investments	-	444	1 062	724	58							639	1 055	1 091	1 150
Interest earned - outstanding debtors	98	64	729	59	58							550	2 800	3 273	3 449
Dividends received	-	-	-	-	-							3 993	5 000	5 270	5 555
Fines	24	34	18	26	50							458	610	1 065	1 122
Licences and permits	-	531	532	517	534							3 533	5 648	5 810	6 124
Agency services	-	-	-	-	-							-	-	-	-
Transfer receipts - operating	66 140	84	42	476	55 962							47 936	170 641	216 460	220 780
Other revenue	1 632	268	7 632	52	221							(3 489)	6 315	1 480	1 560
Cash Receipts by Source	74 201	6 676	18 220	7 535	62 414							116 071	285 118	333 651	341 297
Other Cash Flows by Source															
Transfer receipts - capital	-	-	-	1 058	3 112								50 840	61 901	56 245
Contributions & Contributed assets	-	-	-	-	-								-	-	-
Proceeds on disposal of PPE	-	-	-	-	-								5 000	400	1 800
Short term loans	-	-	-	-	-								-	-	-
Borrowing long term/refinancing	-	-	-	-	-								-	-	-
Increase in consumer deposits	-	-	-	-	-								-	-	-
Receipt of non-current debtors	(3)	(22)	(1)	24	(4)								506	500	1 000
Change in non-current receivables	-	-	-	-	-								-	-	-
Change in non-current investments	-	-	-	-	-								-	-	-
Total Cash Receipts by Source	74 198	6 654	18 220	8 617	65 522							166 247	341 458	396 452	400 342
Cash Payments by Type															
Employee related costs	6 941	6 937	6 388	7 120	7 071								97 177	112 826	119 245
Remuneration of councillors	1 931	1 324	1 324	1 349	1 343								16 273	17 163	18 090
Interest paid	-	-	-	-	-								-	-	-
Bulk purchases - Electricity	5 635	6 018	4 094	4 590	(860)								47 000	49 538	52 213
Bulk purchases - Water & Sewer	-	-	-	-	-								-	-	-
Other materials	290	136	130	141	180								3 013	1 918	2 022
Contracted services	872	872	867	867	-								8 700	11 067	11 865
Grants and subsidies paid - other municipalities	-	-	-	-	-								-	-	-
Grants and subsidies paid - other	94	53	55	55	(55)								9 398	9 600	13 553
General expenses	9 563	6 282	595	17 523	13 588								71 733	89 486	90 373
Cash Payments by Type	25 326	21 623	13 452	31 644	21 267							140 185	253 497	294 858	307 160
Other Cash Flows/Payments by Type															
Capital assets	126	-	91	1 532	3 181								77 290	96 225	90 589
Repayment of borrowing	-	-	-	-	-								-	-	-
Other Cash Flows/Payments	-	-	-	-	-								-	-	-
Total Cash Payments by Type	25 452	21 623	13 544	33 176	24 447							212 546	330 787	391 082	397 749
NET INCREASE/(DECREASE) IN CASH HELD	48 746	(14 969)	4 676	(24 559)	41 075							(44 298)	10 671	5 370	2 592
Cash/cash equivalents at the month/year beginning	35 400	84 146	69 178	73 854	49 295								90 369	90 369	90 369
Cash/cash equivalents at the month/year end	84 146	69 178	73 854	49 295	90 369								90 369	90 369	90 369

Supporting table SC9 provides detailed monthly cash flow statement that spells out the receipts by source and payments by type. The monthly cash receipts reflect an amount of R 62 414 million excluding the capital transfer receipts and the total cash payment for the month were R21, 267 million. This is a supporting table for table C7 – Cash Flow Statement.

Supporting Table: SC 12 Capital Expenditure Trend

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

Supporting table SC12 provides information on the monthly trends for capex. In terms of this table the capital expenditure for the month of November amounts to R2, 790 million. The capital budget spending still need to be given thorough consideration since the average monthly spending is lower than the projected monthly expenditure.

In terms of the year to date budget, the spending was anticipated to be at R 24, 679 million based on the original budget and only R4, 539 million has actually been spent to date. This reflects year to date variance of 81, 6%.

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

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	37 052	51 239	-	2 756	3 563	21 350	17 786	83.3%	51 239
Infrastructure - Road transport	30 589	49 239	-	2 756	3 563	20 516	16 953	82.6%	49 239
<i>Roads, Pavements & Bridges</i>	30 589	47 739	-	2 729	3 537	19 891	16 355	82.2%	47 739
<i>Storm water</i>	-	1 500	-	27	27	625	599	95.8%	1 500
Infrastructure - Electricity	6 463	2 000	-	-	-	833	833	100.0%	2 000
<i>Generation</i>	-	-	-	-	-	-	-	-	-
<i>Transmission & Reticulation</i>	3 898	-	-	-	-	-	-	-	-
<i>Street Lighting</i>	2 565	2 000	-	-	-	833	833	100.0%	2 000
Community	175	500	-	-	-	208	208	100.0%	500
Parks & gardens	-	500	-	-	-	208	208	100.0%	500
Cemeteries	175	-	-	-	-	-	-	-	-
Other assets	6	600	-	-	-	250	250	100.0%	600
Other	6	600	-	-	-	250	250	100.0%	600
Total Capital Expenditure on new assets	37 233	52 339	-	2 756	3 563	21 808	18 245	83.7%	52 339

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

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on renewal of existing assets									
Infrastructure	6 639	19 851	-	29	388	8 271	7 883	95.3%	19 851
Infrastructure - Road transport	6 639	13 601	-	-	212	5 667	5 455	96.3%	13 601
<i>Roads, Pavements & Bridges</i>	6 639	13 601	-	-	212	5 667	5 455	96.3%	13 601
<i>Storm water</i>	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	-	6 250	-	29	176	2 604	2 428	93.2%	6 250
<i>Generation</i>	-	-	-	-	-	-	-	-	-
<i>Transmission & Reticulation</i>	-	6 250	-	29	176	2 604	2 428	93.2%	6 250
Other assets	2 001	5 100	-	5	588	2 125	1 537	72.3%	5 100
General vehicles	-	200	-	-	-	83	83	100.0%	200
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	-	600	-	-	-	250	250	100.0%	600
Computers - hardware/equipment	1 311	500	-	-	182	208	26	12.6%	500
Furniture and other office equipment	356	300	-	5	282	125	(157)	-125.5%	300
Civic Land and Buildings	-	1 500	-	-	-	625	625	100.0%	1 500
Other Buildings	43	-	-	-	-	-	-	-	-
Other Land	-	1 500	-	-	-	625	625	100.0%	1 500
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	291	500	-	-	124	208	84	40.5%	500
Total Capital Expenditure on renewal of existing assets	8 639	24 951	-	34	976	10 396	9 421	90.6%	24 951

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

Description	2013/14	Budget Year 2014/15							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Repairs and maintenance expenditure									
Infrastructure	4 529	3 200	-	235	1 899	1 333	(565)	-42.4%	3 200
Infrastructure - Road transport	2 448	1 200	-	36	502	500	(2)	-0.5%	1 200
<i>Roads, Pavements & Bridges</i>	2 266	1 000	-	7	474	417	(57)	-13.7%	1 000
<i>Storm water</i>	183	200	-	29	29	83	55	65.8%	200
Infrastructure - Electricity	973	1 000	-	32	513	417	(97)	-23.2%	1 000
<i>Generation</i>	-	-	-	-	-	-	-	-	-
<i>Transmission & Reticulation</i>	973	1 000	-	32	513	417	(97)	-23.2%	1 000
Infrastructure - Other	1 107	1 000	-	167	883	417	(466)	-111.9%	1 000
<i>Waste Management</i>	1 107	1 000	-	167	883	417	(466)	-111.9%	1 000
Community	13	-	-	-	-	-	-	-	-
Community halls	13	-	-	-	-	-	-	-	-
Other assets	5 043	5 576	-	1 123	3 309	2 323	(986)	-42.4%	5 576
General vehicles	32	2 067	-	968	1 422	861	(561)	-65.1%	2 067
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	1 376	500	-	1	380	208	(172)	-82.6%	500
Other Buildings	914	1 250	-	105	544	521	(23)	-4.5%	1 250
Other Land	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	2 721	1 759	-	50	962	733	(229)	-31.3%	1 759
Total Repairs and Maintenance Expenditure	9 585	8 776	-	1 368	5 208	3 657	(1 551)	-42.4%	8 776

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

The total year to date actuals for new capital projects amounts to R3, 563 million and the year to date budget is R21, 808 million which reflects 83.7% less expenditure on new assets. The year to date expenditure on renewal of existing assets is R976 thousand and the year to date budget is R10, 396 million and this reflects 90, 6% unfavourable variance.

The actual expenditure for the month of November on repairs and maintenance is R1, 358 and the year to date actuals is R5, 208 million and the year to date budget is R3, 657 million, reflecting over spending variance of 42, 4%.

Quality certificate

I **RAMAKGAHLELA MAREDI**, the Acting Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the monthly budget statement report and supporting documentation for the month of November 2014 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Acting Municipal Manager of Elias Motsoaledi Local Municipality (LIM 472)

Signature 

Date 15/12/2014

**Elias Motsoaledi
Local Municipality**

10 DEC 2014

Municipal Manager