

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT REPORT

OCTOBER 2017

PART 1: IN - YEAR REPORT

PURPOSE

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

EXECUTIVE SUMMARY

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

IN YEAR BUDGET STATEMENT TABLES

Table C1 – Budget Statement Summary

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Financial Performance									
Property rates	27 963	26 472	–	2 359	13 466	8 824	4 642	53%	26 472
Service charges	77 251	89 822	–	6 322	28 758	22 885	5 873	26%	89 822
Investment revenue	2 703	3 701	–	146	835	1 200	(365)	-30%	3 701
Transfers and subsidies	214 632	226 163	–	188	92 305	93 902	(1 597)	-2%	226 163
Other own revenue	65 583	45 865	–	1 551	12 997	15 329	(2 332)	-15%	45 865
Total Revenue (excluding capital transfers and contributions)	388 132	392 023	–	10 567	148 360	142 140	6 220	4%	392 023
Employee costs	116 681	123 460	–	27 049	46 612	38 744	7 868	20%	123 460
Remuneration of Councillors	20 404	22 113	–	1 694	6 777	7 371	(594)	-8%	22 113
Depreciation & asset impairment	46 416	51 200	–	–	–	15 804	(15 804)	-100%	51 200
Finance charges	1 426	3 124	–	51	247	799	(552)	-69%	3 124
Materials and bulk purchases	73 257	82 662	–	6 328	23 418	23 413	6	0%	82 662
Transfers and subsidies	521	3 724	–	792	3 924	1 241	2 683	216%	3 724
Other expenditure	181 606	100 105	–	8 674	43 500	27 037	16 464	61%	100 105
Total Expenditure	440 313	386 388	–	44 588	124 479	114 408	10 071	9%	386 388
Surplus/(Deficit)	(52 181)	5 635	–	(34 021)	23 881	27 732	(3 850)	-14%	5 635
Transfers recognised - capital	68 895	70 860	–	10 261	34 167	19 768	14 400	73%	70 860
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	16 714	76 495	–	(23 760)	58 048	47 499	10 549	22%	76 495
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	16 714	76 495	–	(23 760)	58 048	47 499	10 549	22%	76 495
Capital expenditure & funds sources									
Capital expenditure	80 799	77 302	–	3 283	21 861	21 442	420	2%	77 302
Capital transfers recognised	68 874	62 158	–	2 673	20 662	17 340	3 322	19%	62 158
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	11 925	15 144	–	610	1 199	4 102	(2 902)	-71%	15 144
Total sources of capital funds	80 799	77 302	–	3 283	21 861	21 442	420	2%	77 302
Financial position									
Total current assets	84 878	107 614	–	–	83 911	–	–	–	107 614
Total non current assets	1 022 382	1 066 797	–	–	1 049 612	–	–	–	1 066 797
Total current liabilities	87 782	60 491	–	–	66 750	–	–	–	60 491
Total non current liabilities	91 981	98 733	–	–	92 012	–	–	–	98 733
Community wealth/Equity	927 497	1 015 187	–	–	974 761	–	–	–	1 015 187
Cash flows									
Net cash from (used) operating	99 278	93 102	–	(9 969)	23 795	57 802	34 007	59%	93 102
Net cash from (used) investing	(80 359)	(77 302)	–	(10 261)	(27 657)	(21 442)	6 216	-29%	(77 302)
Net cash from (used) financing	(9 575)	(8 497)	–	270	(1 706)	(2 764)	(1 058)	38%	(8 497)
Cash/cash equivalents at the month/year end	20 913	32 968	–	–	15 345	59 260	43 915	74%	28 217
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	8 794	3 908	3 844	1 517	1 125	992	5 766	22 672	48 618
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 October is R148, 360 million and the year to date budget of R142, 140 million and this reflects a positive variance of R6, 220 million that can be attributed to property rates, service charges electricity and refuse removal that have

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

- Interest earned - external investments: 30% unfavorable variance,
- Interest earned – outstanding Debtors 100% favorable variance,
- Rental on Facilities and Equipment: 72% unfavorable
- License and Permits: 7% unfavorable variance
- Fines: 70% unfavorable variance
- Other revenue: 302% favorable variance

Operating Expenditure

The year to date operational expenditure as at end of October amounts to R124, 479 million and the year to date budget is R114, 408 million. This reflects a favorable variance of R10, 071 million that translates to 9% overspending variance. The variance is attributed to non-incorporation of depreciation amount and over spending on contracted services. 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:

- Employee related cost: 20% over performance variance
- Other materials: 27% under performance variance
- Finance Charges: 69% under performance variance
- Transfers and subsidies: 216% 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 October amounts to R21, 861 million and the year to date budget amounts to R21, 442 million and this gives rise to 2% over performance variance.

Surplus/Deficit

Taking the above into consideration, the net operating surplus for the October is R58, 048 million that is mainly attributed to receipt of unconditional grant - equitable share and 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 October amounts to R48, 618 million and this shows an increase of R 930 thousand 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 R36, 901 million and other debtors amounting to R9, 055 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	238 946	170 084	–	3 104	100 731	67 979	32 752	48%	170 084
Executive and council	–	35 581	–	–	21 084	14 825	6 259	42%	35 581
Finance and administration	238 946	128 101	–	3 104	73 245	50 486	22 758	45%	128 101
Internal audit	–	6 402	–	–	6 402	2 668	3 735	140%	6 402
Community and public safety	12 713	12 846	–	13	11 074	5 348	5 725	107%	12 846
Community and social services	45	6 377	–	13	5 970	2 653	3 317	125%	6 377
Sport and recreation	12 668	6 469	–	–	5 104	2 695	2 409	89%	6 469
Public safety	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	115 298	150 237	–	10 378	36 063	51 258	(15 195)	-30%	150 237
Planning and development	1 635	13 512	–	110	2 819	5 376	(2 557)	-48%	13 512
Road transport	113 662	135 883	–	10 269	33 244	45 530	(12 287)	-27%	135 883
Environmental protection	–	842	–	–	–	351	(351)	-100%	842
Trading services	90 069	129 716	–	7 333	34 660	37 322	(2 662)	-7%	129 716
Energy sources	83 563	106 984	–	6 703	30 468	28 560	1 907	7%	106 984
Water management	–	–	–	–	–	–	–	–	–
Waste water management	–	–	–	–	–	–	–	–	–
Waste management	6 506	22 732	–	630	4 192	8 762	(4 570)	-52%	22 732
Other	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	457 027	462 883	–	20 828	182 527	161 908	20 620	13%	462 883
Expenditure - Functional									
Governance and administration	229 690	147 263	–	20 306	66 414	49 260	17 153	35%	147 263
Executive and council	33 282	35 981	–	3 003	12 494	11 700	794	7%	35 981
Finance and administration	190 075	104 880	–	16 447	51 966	35 545	16 421	46%	104 880
Internal audit	6 333	6 402	–	856	1 954	2 015	(61)	-3%	6 402
Community and public safety	11 796	15 633	–	2 454	3 975	4 999	(1 025)	-20%	15 633
Community and social services	4 419	6 541	–	1 042	1 801	2 096	(295)	-14%	6 541
Sport and recreation	7 378	9 092	–	1 411	2 173	2 903	(730)	-25%	9 092
Public safety	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	93 269	117 737	–	10 668	20 464	31 192	(10 727)	-34%	117 737
Planning and development	13 570	20 850	–	2 786	5 636	6 557	(921)	-14%	20 850
Road transport	78 612	96 045	–	7 761	14 627	24 352	(9 725)	-40%	96 045
Environmental protection	1 087	842	–	121	201	283	(81)	-29%	842
Trading services	105 557	105 754	–	11 161	33 626	28 957	4 669	16%	105 754
Energy sources	83 253	86 949	–	7 476	25 712	23 407	2 304	10%	86 949
Water management	–	–	–	–	–	–	–	–	–
Waste water management	–	–	–	–	–	–	–	–	–
Waste management	22 304	18 805	–	3 685	7 915	5 550	2 365	43%	18 805
Other	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	440 313	386 388	–	44 588	124 479	114 408	10 071	9%	386 388
Surplus/ (Deficit) for the year	16 714	76 495	–	(23 760)	58 048	47 499	10 549	22%	76 495

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

Vote Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue by Vote									
Vote 1 - Executive & Council	–	31 540	–	–	21 084	13 142	7 943	60%	31 540
Vote 2 - Municipal Manager	–	15 805	–	–	10 675	6 585	4 090	62%	15 805
Vote 3 - Budget & Treasury	238 934	70 368	–	3 103	30 906	26 432	4 474	17%	70 368
Vote 4 - Corporate Services	12	33 797	–	0	19 490	14 081	5 410	38%	33 797
Vote 5 - Community Services	74 839	89 322	–	1 493	19 713	33 173	(13 460)	-41%	89 322
Vote 6 - Technical Services	141 606	200 885	–	16 121	67 266	59 929	7 337	12%	200 885
Vote 7 - Developmental Planning	1 635	8 435	–	110	660	3 261	(2 601)	-80%	8 435
Vote 8 - Executive Support	–	12 731	–	–	12 731	5 305	7 427	140%	12 731
Total Revenue by Vote	457 027	462 883	–	20 828	182 527	161 908	20 620	13%	462 883
Expenditure by Vote									
Vote 1 - Executive & Council	29 665	31 940	–	2 474	11 249	10 426	823	8%	31 940
Vote 2 - Municipal Manager	23 365	15 826	–	2 814	7 382	5 313	2 068	39%	15 826
Vote 3 - Budget & Treasury	109 200	39 702	–	8 005	29 529	14 275	15 253	107%	39 702
Vote 4 - Corporate Services	38 771	39 326	–	3 575	10 736	12 021	(1 286)	-11%	39 326
Vote 5 - Community Services	50 474	71 741	–	10 044	18 804	16 993	1 811	11%	71 741
Vote 6 - Technical Services	164 382	165 483	–	13 132	37 846	48 168	(10 322)	-21%	165 483
Vote 7 - Developmental Planning	7 574	9 604	–	1 324	3 219	2 965	254	9%	9 604
Vote 8 - Executive Support	16 881	12 767	–	3 220	5 713	4 247	1 466	35%	12 767
Total Expenditure by Vote	440 313	386 388	–	44 588	124 478	114 408	10 069	9%	386 388
Surplus/ (Deficit) for the year	16 714	76 495	–	(23 760)	58 050	47 499	10 550	22%	76 495

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

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

Table C4: Financial Performance by Revenue Source and Expenditure Type

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue By Source									
Property rates	27 963	26 472		2 359	13 466	8 824	4 642	53%	26 472
Service charges - electricity revenue	70 745	81 206		5 692	24 566	20 013	4 552	23%	81 206
Service charges - water revenue	–	–		–	–	–	–		–
Service charges - sanitation revenue	–	–		–	–	–	–		–
Service charges - refuse revenue	6 506	8 616		630	4 192	2 872	1 320	46%	8 616
Service charges - other	–	–		–	–	–	–		–
Rental of facilities and equipment	1 319	1 935		31	181	645	(465)	-72%	1 935
Interest earned - external investments	2 703	3 701		146	835	1 200	(365)	-30%	3 701
Interest earned - outstanding debtors	6 469	6 260		504	5 070	2 540	2 530	100%	6 260
Dividends received	–	–		–	–	–	–		–
Fines, penalties and forfeits	50 877	30 000		433	2 843	9 600	(6 757)	-70%	30 000
Licences and permits	4 743	5 171		417	1 604	1 724	(120)	-7%	5 171
Agency services	–	–		–	–	–	–		–
Transfers and subsidies	214 632	226 163		188	92 305	93 902	(1 597)	-2%	226 163
Other revenue	2 175	2 499		166	3 299	821	2 479	302%	2 499
Gains on disposal of PPE	–	–		–	–	–	–		–
Total Revenue (excluding capital transfers)	388 132	392 023	–	10 567	148 360	142 140	6 220	4.38%	392 023
Expenditure By Type									
Employee related costs	116 681	123 460		27 049	46 612	38 744	7 868	20%	123 460
Remuneration of councillors	20 404	22 113		1 694	6 777	7 371	(594)	-8%	22 113
Debt impairment	53 215	26 372		–	–	–	–		26 372
Depreciation & asset impairment	46 416	51 200		–	–	15 804	(15 804)	-100%	51 200
Finance charges	1 426	3 124		51	247	799	(552)	-69%	3 124
Bulk purchases	60 384	69 165		5 724	19 993	18 740	1 253	7%	69 165
Other materials	12 873	13 497		604	3 426	4 673	(1 247)	-27%	13 497
Contracted services	43 080	25 350		4 957	24 106	8 558	15 548	182%	25 350
Transfers and subsidies	521	3 724		792	3 924	1 241	2 683	216%	3 724
Other expenditure	81 945	48 384		3 717	19 394	18 478	916	5%	48 384
Loss on disposal of PPE	3 367	–		–	–	–	–		–
Total Expenditure	440 313	386 388	–	44 588	124 479	114 408	10 071	9%	386 388
Surplus/(Deficit)	(52 181)	5 635	–	(34 021)	23 881	27 732	(3 850)	-14%	5 635
Transfers recognised - capital	68 895	70 860		10 261	34 167	19 768	14 400	73%	70 860
Contributions recognised - capital	–	–		–	–	–	–		–
Transfers and subsidies - capital (in-kind - all)	–	–		–	–	–	–		–
Surplus/(Deficit) after capital transfers	16 714	76 495	–	(23 760)	58 048	47 499			76 495
Taxation	–	–		–	–	–	–		–
Surplus/(Deficit) after taxation	16 714	76 495	–	(23 760)	58 048	47 499			76 495
Attributable to minorities	–	–		–	–	–	–		–
Surplus/(Deficit) attributable to municipality	16 714	76 495	–	(23 760)	58 048	47 499			76 495
Share of surplus/ (deficit) of associate	–	–		–	–	–	–		–
Surplus/ (Deficit) for the year	16 714	76 495	–	(23 760)	58 048	47 499		–	76 495

Table C4 provides budget performance details for revenue by source and expenditure by type. For revenue, the main deviations from budget projections are on property services, service charges refuse removal, fines, and interest earned – external investments, outstanding debtors and other revenue. In the case of expenditure the following line items reflect material variance; Finance charges, contracted services, other material, transfer and subsidies, employee related cost 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.

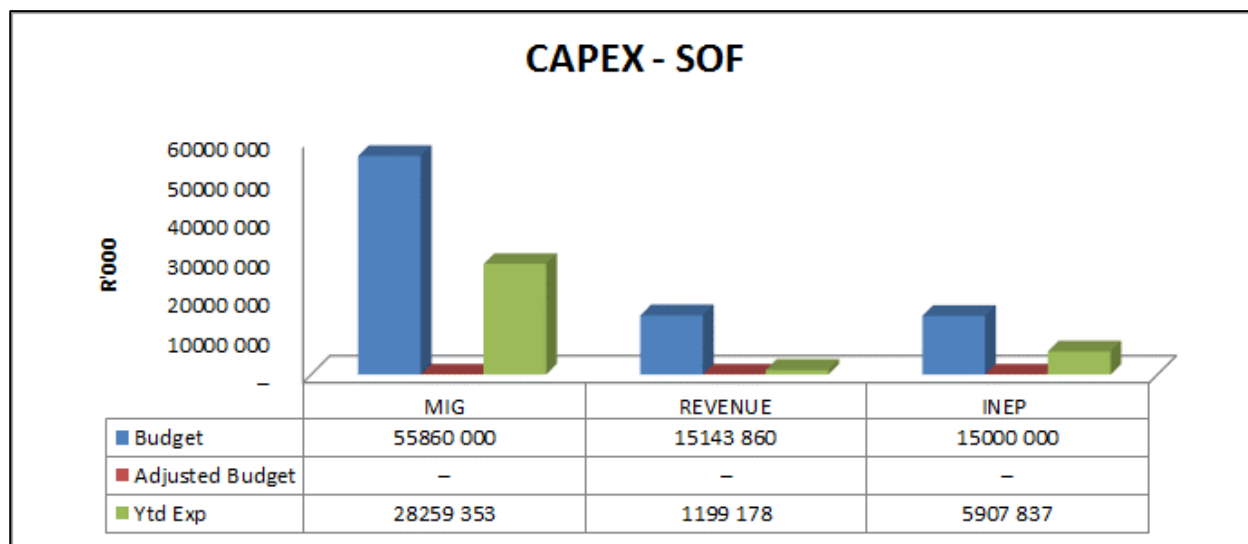
Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding

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	-	-	378	150	228	152%	500
Executive and council	-	-					-		-
Finance and administration	2 091	500		-	378	150	228	152%	500
Internal audit	-	-					-		-
Community and public safety	181	700	-	-	-	50	(50)	-100%	700
Community and social services	28	-					-		-
Sport and recreation	-	700				50	(50)	-100%	700
Public safety	153	-					-		-
Housing	-	-					-		-
Health	-	-					-		-
Economic and environmental services	67 376	62 944	-	3 283	18 792	17 722	1 071	6%	62 944
Planning and development	-	-					-		-
Road transport	67 376	62 944		3 283	18 792	17 722	1 071	6%	62 944
Environmental protection	-	-					-		-
Trading services	11 151	13 158	-	-	2 691	3 520	(829)	-24%	13 158
Energy sources	11 151	13 158		-	2 691	3 520	(829)	-24%	13 158
Water management	-	-					-		-
Waste water management	-	-					-		-
Waste management	-	-					-		-
Other	-	-					-		-
Total Capital Expenditure - Functional Classification	80 799	77 302	-	3 283	21 861	21 442	420	2%	77 302
Funded by:									
National Government	68 874	62 158		2 673	20 662	17 340	3 322	19%	62 158
Provincial Government							-		
District Municipality							-		
Other transfers and grants							-		
Transfers recognised - capital	68 874	62 158	-	2 673	20 662	17 340	3 322	19%	62 158
Public contributions & donations							-		
Borrowing							-		
Internally generated funds	11 925	15 144		610	1 199	4 102	(2 902)	-71%	15 144
Total Capital Funding	80 799	77 302	-	3 283	21 861	21 442	420	2%	77 302

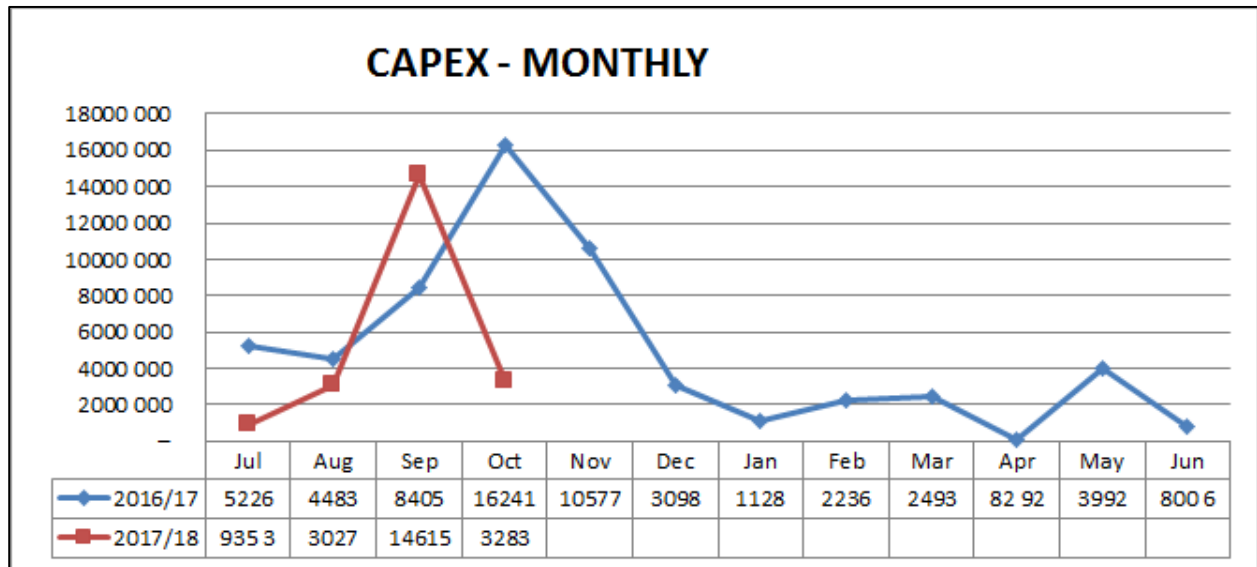
Table C5C: Monthly Capital Expenditure by Vote

Vote Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Multi-Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	1 508	500	-	-	378	150	228	152%	500
Vote 5 - Community Services	-	500	-	-	-	250	(250)	-100%	500
Vote 6 - Technical Services	50 994	52 539	-	2 673	16 261	16 217	44	0%	52 539
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	52 502	53 539	-	2 673	16 639	16 617	22	0%	53 539
Single Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	181	700	-	-	-	50	(50)	-100%	700
Vote 6 - Technical Services	27 534	23 063	-	610	5 222	4 774	448	9%	23 063
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	583	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	28 297	23 763	-	610	5 222	4 824	398	8%	23 763
Total Capital Expenditure	80 799	77 302	-	3 283	21 861	21 442	420	2%	77 302

The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of October 2017, R3, 283 million spending was incurred and that increased the year to date expenditure to R21, 861 million whilst the year to date budget is R21, 442 million and this gave rise to over spending variance of R 420 thousand that translates to 2%.



The above graph shows the components of sources of finance for capital budget. Of the total capital budget of R86, 004 million, R55, 860 million is funded from Municipal Infrastructure grant, R15, 000 million from INEP and R 15, 144 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 spending pattern for first quarter and then a significant decline in October 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		5 232	4 400
Call investment deposits	15 626	28 568		10 113	28 568
Consumer debtors	19 030	34 600		29 760	34 600
Other debtors	41 743	36 846		34 779	36 846
Current portion of long-term receivables	–	–		–	–
Inventory	3 193	3 200		4 027	3 200
Total current assets	84 878	107 614	–	83 911	107 614
Non current assets					
Long-term receivables	–	–		–	–
Investments	–	–		–	–
Investment property	96 285	96 146		96 703	96 146
Investments in Associate	–	–		–	–
Property, plant and equipment	913 874	957 866		940 686	957 866
Agricultural	–	–		–	–
Biological assets	–	–		–	–
Intangible assets	291	–		291	–
Other non-current assets	11 932	12 786		11 932	12 786
Total non current assets	1 022 382	1 066 797	–	1 049 612	1 066 797
TOTAL ASSETS	1 107 261	1 174 411	–	1 133 523	1 174 411
LIABILITIES					
Current liabilities					
Bank overdraft	–	–		–	–
Borrowing	6 900	8 608		6 900	8 608
Consumer deposits	5 141	5 089		5 232	5 089
Trade and other payables	72 468	45 253		49 978	45 253
Provisions	3 274	1 542		4 640	1 542
Total current liabilities	87 782	60 491	–	66 750	60 491
Non current liabilities					
Borrowing	–	16 500		4 400	16 500
Provisions	91 981	82 233		87 612	82 233
Total non current liabilities	91 981	98 733	–	92 012	98 733
TOTAL LIABILITIES	179 763	159 224	–	158 762	159 224
NET ASSETS	927 497	1 015 187	–	974 761	1 015 187
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	927 497	1 015 187		974 761	1 015 187
Reserves	–	–		–	–
TOTAL COMMUNITY WEALTH/EQUITY	927 497	1 015 187	–	974 761	1 015 187

The above table shows that community wealth amounts to R974, 761 billion, total liabilities R158, 762 million and the total assets R1, 133 billion. Non-current liabilities is mainly made up of provisions for long service award, landfill site and bonus, and borrowing that is exclusively finance lease for yellow fleet.

Included in the trade and other payables is unspent conditional grants amounting to R10, 655 million relating to MIG, INEP, FMG and EPWP.

Table C7: Monthly Budget Statement Cash Flow

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	19 328	21 177		1 797	5 905	7 059	(1 154)	-16%	21 177
Service charges	62 251	83 078		6 720	22 165	20 429	1 736	9%	83 078
Other revenue	18 040	13 516		3 534	7 949	4 437	3 512	79%	13 516
Government - operating	213 105	226 163		-	94 987	94 985	2	0%	226 163
Government - capital	85 419	70 860		5 000	33 330	29 444	3 886	13%	70 860
Interest	10 410	5 579		198	705	2 092	(1 387)	-66%	5 579
Dividends	-	-					-		-
Payments									
Suppliers and employees	(307 328)	(320 424)		(26 375)	(137 015)	(98 604)	38 410	-39%	(320 424)
Finance charges	(1 426)	(3 124)		(51)	(247)	(799)	(552)	69%	(3 124)
Transfers and Grants	(521)	(3 724)		(792)	(3 985)	(1 241)	2 744	-221%	(3 724)
NET CASH FROM/(USED) OPERATING ACTIVITIES	99 278	93 102	-	(9 969)	23 795	57 802	34 007	59%	93 102
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	440	-					-		-
Decrease (Increase) in non-current debtors		-					-		-
Decrease (increase) other non-current receivables		-					-		-
Decrease (increase) in non-current investments		-					-		-
Payments									
Capital assets	(80 799)	(77 302)		(10 261)	(27 657)	(21 442)	6 216	-29%	(77 302)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(80 359)	(77 302)	-	(10 261)	(27 657)	(21 442)	6 216	-29%	(77 302)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		-					-		-
Borrowing long term/refinancing		-					-		-
Increase (decrease) in consumer deposits	21	111		563	663	60	603	1004%	111
Payments									
Repayment of borrowing	(9 596)	(8 608)		(293)	(2 368)	(2 824)	(456)	16%	(8 608)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(9 575)	(8 497)	-	270	(1 706)	(2 764)	(1 058)	38%	(8 497)
NET INCREASE/ (DECREASE) IN CASH HELD	9 343	7 304	-	(19 961)	(5 568)	33 596			7 304
Cash/cash equivalents at beginning:	11 570	25 664			20 913	25 664			20 913
Cash/cash equivalents at month/year end:	20 913	32 968			15 345	59 260			28 217

Table C7 presents details pertaining to cash flow performance. As at end of October 2017, the net cash inflow from operating activities is R23, 792 million whilst net cash outflow from investing activities is R27, 657 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R1, 706 million. The cash and cash equivalent held at end of October 2017 amounted to R15, 345 million and the net effect of the above cash flows is cash outflow movement of R5, 568 million. The cash and cash equivalent at end of the reporting period of R 15, 345 million is made up of cash amounting to R5, 232 million and short term investments of R10, 113 million as presented in Table A6 under current assets.

PART 2: SUPPORTING TABLES

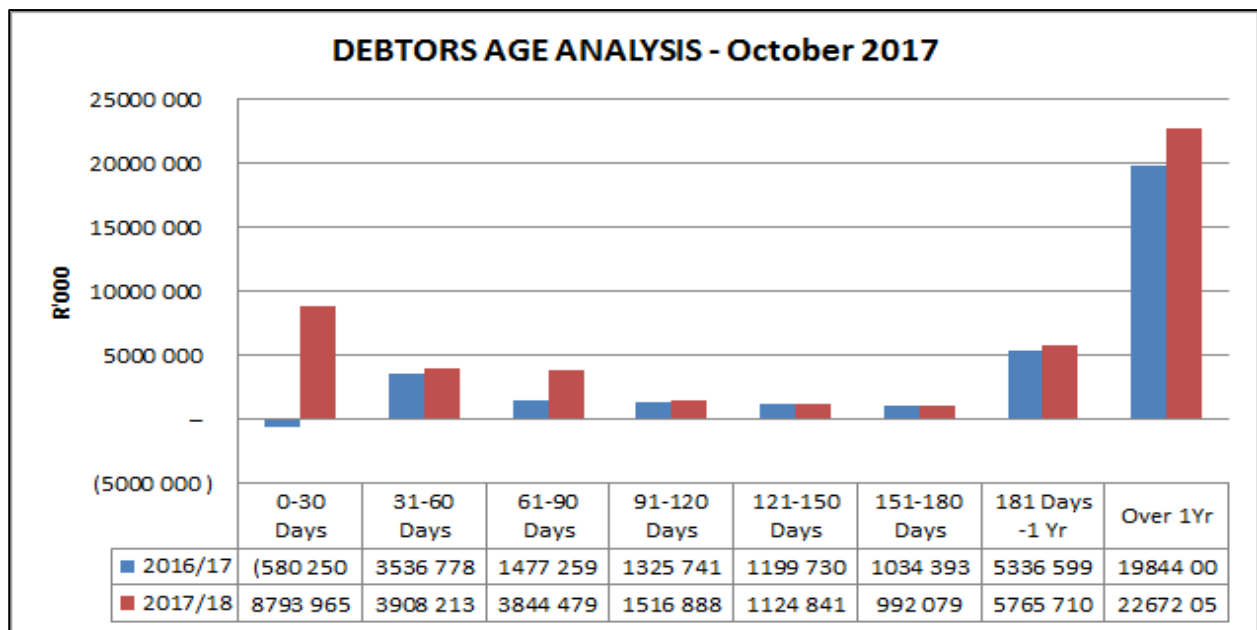
Supporting Table: SC 3 - Debtors Age Analysis

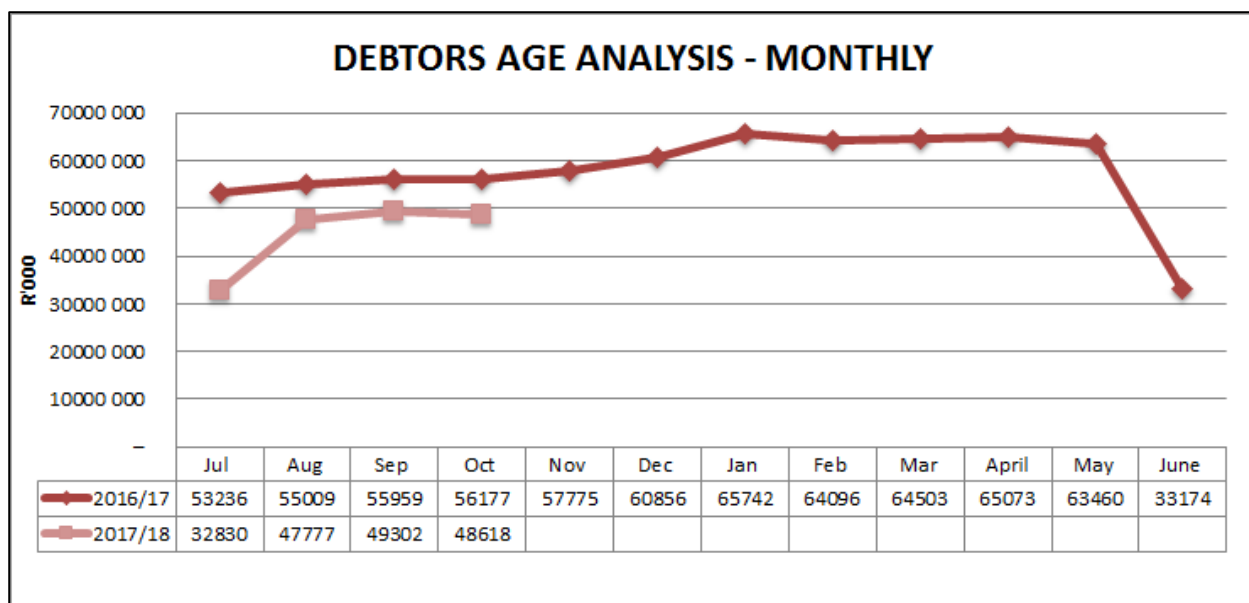
Description												Bad Debts Written Off	Impairment - Bad Debts	
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days				
Debtors Age Analysis By Income Source	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	4 881 109	1 560 512	487 698	279 244	243 762	131 078	1 207 273	2 008 561	10 799 237	3 869 918	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	2 361 053	1 348 453	1 382 863	613 478	546 101	452 047	2 458 288	12 766 929	21 929 212	16 836 844	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	629 303	426 681	807 749	224 998	206 845	59 938	327 735	1 489 832	4 173 082	2 309 349	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	25 178	2 726	2 194	56 038	1 080	17 484	221 237	815 676	1 141 612	1 111 514	-	-	-	-
Interest on Arrear Debtor Accounts	516 643	500 629	959 451	413 569	358 330	381 785	2 021 716	7 567 036	12 719 158	10 742 436	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	380 679	69 213	204 524	70 439	231 277	50 251	470 541	1 975 981	2 144 073	2 798 489	-	-	-	-
Total By Income Source	8 793 965	3 908 213	3 844 479	1 516 888	1 124 841	992 079	5 765 710	22 672 054	48 618 229	32 071 572	-	-	-	-
2016/17 - totals only	580 250	3 536 778	1 477 259	1 325 741	1 199 730	1 034 393	5 336 599	19 844 003	33 174 251	28 740 464	-	-	-	-
Debtors Age Analysis By Customer Group														
Organs of State	750 492	279 705	189 833	79 623	17 209	20 417	542 259	1 554 624	3 434 160	2 214 131	-	-	-	-
Commercial	4 297 598	1 404 491	553 838	348 591	315 526	285 157	890 342	3 552 982	11 648 524	5 392 597	-	-	-	-
Households	2 836 290	1 518 469	2 463 994	531 803	362 243	242 645	1 242 745	6 437 239	15 635 428	8 816 675	-	-	-	-
Other	909 585	705 548	636 814	556 871	429 864	443 861	3 090 364	11 127 209	17 900 116	15 648 169	-	-	-	-
Total By Customer Group	8 793 965	3 908 213	3 844 479	1 516 888	1 124 841	992 079	5 765 710	22 672 054	48 618 229	32 071 572	-	-	-	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of OCTOBER amount to R48, 618 million. The debtors' book is made up as follows:

- Rates 45%
- Electricity 22%
- Rental 2%
- Refuse removal 9%
- Interest on Debtors 26%
- Other -4%

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 October 2017) 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.

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

TOP TWENTY DEBTORS

ACCOUNT NO	ACCOUNT HOLDER NAME	BALANCE	HAND OVER
9012345	BREED J & OOSTHUIZEN J F	R 897 656.69	N
200106	ANABEL AND T INVESTMENTS (WALTLOO MEAT & CHICKEN)	R 534 482.52	N
1501364	JAN JOUBERT TR (JO JO TANKS)	R 487 804.11	N
214913	MEAT SPOT	R 471 562.39	N
9900028	ELIAS MOTSOLEDI (OFFICE)	R 379 189.20	Y
9000000	REPUBLIEK VAN SUID-AFRIKA	R 359 743.02	Y
9001077	ROYAL SQUARE INV 361 CC	R 315 973.18	Y
9000804	NATIONAL GOVERNMENT REPUBLIC OF SOUTH AFRICA	R 269 463.33	Y
201885	SHOPRITE CHECKERS (PTY) LTD	R 263 755.01	N
1200305	BUNGELA LAMOLA BOTTLE STORE	R 176 838.29	N
9000276	DEPARTMENT OF PUBLIC WORKS-PROVINCIAL	R 172 615.42	Y
5001708	UNITRADE 518 (PTY) LTD	R 167 994.09	Y
9002958	PROVINCIAL GOVERNMENT OF LIMPO	R 164 838.36	N
9000802		R 149 612.77	Y
136	LIZINEX (PTY) LTD	R 148 045.20	N
211693	BOXER SUPERSTORE'ATT KERSHNEE	R 145 911.04	N
269	CUMULATIVE PROPERTIES LTD	R 144 374.16	N
9002065	GOVERNMENT OF KWANDEBELE	R 140 667.65	N
9001763	TSHEHLA TRUST MAMAILE GEORGE	R 138 719.11	N
9002067	NATIONAL GOVERNMENT OF THE REP	R 138 512.18	N
TOTAL		R 5 667 757.72	

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 TWENTY CREDITORS PAID

CODE	CREDITOR NAME	AMOUNT
80599	MOEPENG TRADING 40	3323540.61
464	MOLELEKI A TLALA TRANSPORT AND	1249272.99
37678	SHATADI DEVELOPERS	1178053.2
80563	KF PHETLA PROJECTS	583163.51
41037	SML PROJECTS PTY LTD	359655.49
80588	MIT GROUP	247894
80342	REDIRA SINTLE TRADING	184434
37770	BAHLOTSE TRADING (PTY) LTD	152670
35403	BONGILEMASHUMI C C	148500
1256	MANY LE MANG CONSTRUCTION	141312
41024	KGOKA MEDUPI (PTY) LTD	91000
80553	NGWATWANE SUPPLY AND CONSTRUCT	71900
41076	MSOX TRANSPORT SERVICES	29950
80602	SHADADI LE HLABIRWA PTY LTD	29925
37690	THUTOHUTO SETSHABENG TRADING	29400
80575	THABANG KHOLOFELO	29350
37514	LEJAKATHATA PROJECT	29200
80554	DIMATIGU TRAVEL AGENCY	29200
80550	BOSHIWE ENGINEERING PTY LTD	28900
80586	MANALA TRADING PTY LTD	28800
TOTAL		7 966 121

The above table presents the top twenty creditors paid during the month of October 2017 and an amount of R7, 966 million was paid to these creditors during the reporting period.

Supporting Table: SC 5 - Investment Portfolio

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
Municipality								
VBS	2017/08/21	Short term	2017/10/20	83	8.0%	20 319	(20 402)	–
NEDBANK	2017/09/07	Short term	2017/11/06	63	7.5%	10 049	–	10 113
TOTAL INVESTMENTS AND INTEREST				146		30 368	(20 402)	10 113

Supporting table SC5 presents all investments that indicate that the total amount of R10, 113 million had been invested as at end of October 2017. The opening balance was R30, 368 million, and an amount of R20, 402 million was withdrawn in the reporting period. Accrued interest for the month amounted to R146 thousand.

Supporting Table: SC 6 - Transfers and Grant Receipts

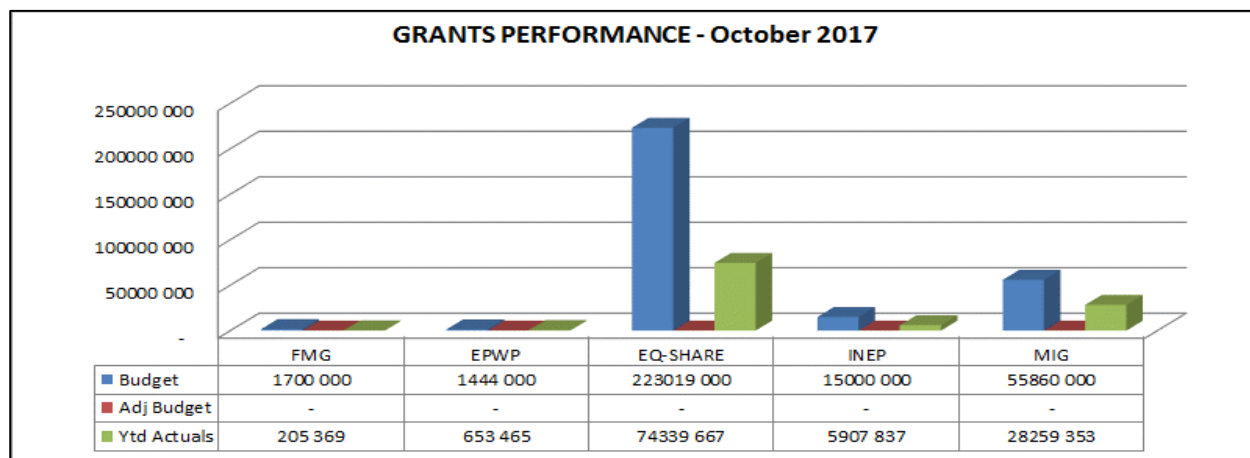
Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
RECEIPTS:									
Operating Transfers and Grants									
National Government:	213 105	226 163	–	–	94 987	94 987	–		226 163
Local Government Equitable Share	210 385	223 019	–	–	92 926	92 926	–		223 019
Finance Management	1 625	1 700	–	–	1 700	1 700			1 700
EPWP Incentive	1 095	1 444	–	–	361	361			1 444
Provincial Government:	–	–	–	–	–	–	–		–
N/A	–	–	–	–	–	–	–		–
District Municipality:	–	–	–	–	–	–	–		–
N/A	–	–	–	–	–	–	–		–
Other grant providers:	–	–	–	–	–	–	–		–
N/A	–	–	–	–	–	–	–		–
Total Operating Transfers and Grants	213 105	226 163	–	–	94 987	94 987	–		226 163
Capital Transfers and Grants									
National Government:	85 419	70 860	–	5 000	33 330	33 330	–		70 860
Municipal Infrastructure Grant (MIG)	72 419	55 860	–	–	23 330	23 330	–		55 860
Intergrated National Electrification Grant	13 000	15 000	–	5 000	10 000	10 000	–		15 000
Provincial Government:	–	–	–	–	–	–	–		–
N/A	–	–	–	–	–	–	–		–
District Municipality:	–	–	–	–	–	–	–		–
N/A	–	–	–	–	–	–	–		–
Other grant providers:	–	–	–	–	–	–	–		–
N/A	–	–	–	–	–	–	–		–
Total Capital Transfers and Grants	85 419	70 860	–	5 000	33 330	33 330	–		70 860
TOTAL RECEIPTS OF TRANSFERS & GRANTS	298 524	297 023	–	5 000	128 317	128 317	–		297 023

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R128, 317 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	-	18 773	75 199	75 707	(509)	-1%	226 163
Local Government Equitable Share	211 912	223 019		18 585	74 340	74 340	-		223 019
Finance Management	1 625	1 700		80	205	627	(421)	-67%	1 700
EPWP Incentive	1 095	1 444		107	653	741	(87)	-12%	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	-	18 773	75 199	75 707	(509)	-1%	226 163
Capital expenditure of Transfers and Grants									
National Government:	68 874	70 860	-	10 261	34 167	17 340	16 827	97%	70 860
Municipal Infrastructure Grant (MIG)	56 064	55 860		9 250	28 259	13 820	14 439	104%	55 860
Intergrated National Electrification Grant	12 811	15 000		1 011	5 908	3 520	2 388	68%	15 000
Provincial Government:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
District Municipality:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
Other grant providers:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants	68 874	70 860	-	10 261	34 167	17 340	16 827	97%	70 860
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	283 507	297 023	-	29 034	109 366	93 047	16 319	18%	297 023

An amount of R29, 034 million has been spent on grants during the month of October 2017 and the year to date actuals is R109, 366 million whilst the year to date budget amounts to R 93, 047 million and this results in overspending variance of R16, 319 that translates to 18%. Of the total spending amounting to R109, 366 million, R75, 199 million is spent on operational grants whilst R28, 259 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 October 2017. The grants expenditure is shown below in percentages:

- Financial Management Grant 12, 08%
- Expanded Public Work Programme 45,25%
- Equitable Share 33 ,33%
- Municipal Infrastructure Grant 50, 59%
- Integrated National Electrification Grant 39, 39%

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		1 001	4 011	4 916	(905)	-18%	14 748
Pension and UIF Contributions	1 691	1 670		144	576	557	19	3%	1 670
Medical Aid Contributions	250	285		24	90	95	(5)	-5%	285
Motor Vehicle Allowance	4 672	4 788		390	1 559	1 596	(37)	-2%	4 788
Cellphone Allowance	1 146	612		135	541	204	337	165%	612
Housing Allowances	-	-		-	-	-	-	-	-
Other benefits and allowances	-	9		-	-	3	(3)	-100%	9
Sub Total - Councillors	20 122	22 113	-	1 694	6 777	7 371	(594)	-8%	22 113
% increase		10%							10%
Senior Managers of the Municipality									
Basic Salaries and Wages	5 416	4 745		431	1 565	1 582	(16)	-1%	4 745
Pension and UIF Contributions	317	1 021		24	97	340	(243)	-72%	1 021
Medical Aid Contributions	6	228		7	31	76	(45)	-59%	228
Overtime	-	-		-	-	-	-	-	-
Performance Bonus	-	-		-	-	-	-	-	-
Motor Vehicle Allowance	457	840		62	261	280	(19)	-7%	840
Cellphone Allowance	5	14		4	15	5	10	208%	14
Housing Allowances	-	-		-	-	-	-	-	-
Other benefits and allowances	130	75		3	94	4	90	2086%	75
Payments in lieu of leave	-	-		-	82	85	(3)	-3%	-
Long service awards	-	-		-	-	-	-	-	-
Post-retirement benefit obligations	-	-		-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	6 331	6 923	-	532	2 146	2 372	(226)	-10%	6 923
% increase		9%							9%
Other Municipal Staff									
Basic Salaries and Wages	68 064	78 939		18 218	30 429	26 313	4 116	16%	78 939
Pension and UIF Contributions	13 958	14 523		3 751	6 250	4 841	1 409	29%	14 523
Medical Aid Contributions	4 235	4 340		1 107	1 806	1 447	359	25%	4 340
Overtime	2 835	1 595		646	1 059	340	720	212%	1 595
Performance Bonus	-	-		-	-	-	-	-	-
Motor Vehicle Allowance	7 995	8 062		2 177	3 636	2 687	948	35%	8 062
Cellphone Allowance	113	636		113	184	212	(28)	-13%	636
Housing Allowances	152	145		41	67	48	19	39%	145
Other benefits and allowances	7 284	7 333		331	472	302	170	56%	7 333
Payments in lieu of leave	-	802		33	250	191	59	31%	802
Long service awards	3 741	162		101	313	80	233	292%	162
Post-retirement benefit obligations	594	-		-	-	-	-	-	-
Sub Total - Other Municipal Staff	108 969	116 537	-	26 518	44 466	36 461	8 005	22%	116 537
% increase		7%							7%
Total Parent Municipality	135 422	145 573	-	28 744	53 389	46 204	7 185	16%	145 573
		7%							7%
TOTAL SALARY, ALLOWANCES & BENEFITS	135 422	145 573	-	28 744	53 389	46 204	7 185	0	145 573
% increase		7%							7%
TOTAL MANAGERS AND STAFF	115 301	123 460	-	27 049	46 612	38 833	7 779	0	123 460

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of October 2017 amounts to R53, ;389 million and the year to date budget is R46, 204 million and the expenditure for remuneration of councilors amounts to R6, 777 million while the year to date budget is R 7, 371 million. The year to date actuals for senior managers is R2, 146 million and the year to date budget thereof is R2, 372 million and the year to date actuals for other municipal staff is R44, 466 million and the year to date budget is R36, 461 million. The remuneration of councilors and senior managers categories have over spending variance while other municipal staff category has under 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	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Year	Year +1	Year +2
Cash Receipts By Source															
Property rates	1 611	755	1 742	1 797	1 765	1 765	1 765	1 765	1 765	1 765	1 765	2 918	21 177	22 384	23 638
Service charges - electricity revenue	5 992	3 719	4 876	6 380	5 816	6 301	6 884	7 513	8 144	8 271	8 284	6 589	78 770	81 133	83 729
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse	354	216	288	340	410	410	410	410	410	410	410	240	4 308	4 553	4 808
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	28	15	31	28	153	153	153	153	153	153	153	761	1 935	2 046	2 160
Interest earned - external investments	154	135	-	63	398	184	178	240	440	300	308	1 300	3 701	3 912	4 132
Interest earned - outstanding debtors	114	26	78	134	131	159	143	144	106	128	156	558	1 878	1 985	2 096
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	25	2	4	28	330	435	345	353	405	390	413	1 771	4 500	4 757	5 023
Licences and permits	-	805	-	417	431	431	431	431	431	431	431	861	5 100	5 391	5 693
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operating	94 626	361	-	-	649	74 339	-	434	55 756	-	-	(2)	226 163	238 214	247 841
Other revenue	1 369	812	1 324	3 060	165	165	165	165	165	165	165	(5 740)	1 981	2 094	2 211
Cash Receipts by Source	104 272	6 847	8 343	12 249	10 247	84 343	10 474	11 607	67 775	12 013	12 085	9 258	349 514	366 469	381 331
Other Cash Flows by Source															
Transfer receipts - capital	28 330	-	-	5 000	30 599	-	4 615	-	6 201	-	-	(3 886)	70 860	69 013	86 340
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits	58	5	37	563	12	6	4	20	10	14	12	(630)	111	142	168
Receipt of non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	132 660	6 852	8 380	17 812	40 859	84 349	15 093	11 627	73 986	12 027	12 097	4 743	420 485	435 624	467 839
Cash Payments by Type															
Employee related costs	9 543	9 580	9 600	9 680	9 719	16 328	10 029	9 808	9 775	9 705	9 717	9 978	123 460	130 069	137 325
Remuneration of councillors	1 694	1 694	1 694	1 694	1 843	1 843	1 843	1 843	1 843	1 843	1 843	2 117	21 794	23 036	24 326
Interest paid	-	74	123	51	194	190	188	186	400	398	395	926	3 124	790	645
Bulk purchases - Electricity	7 038	71	7 159	5 724	5 300	5 513	5 700	5 950	6 012	7 250	7 300	6 147	69 165	69 937	73 853
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	688	1 642	470	604	3 105	215	1 225	545	1 122	807	1 330	1 744	13 497	14 795	15 623
Contracted services	6 156	6 036	6 234	4 957	3 316	1 783	1 693	1 838	2 328	2 003	1 858	(12 854)	25 350	23 279	23 118
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other	1 727	742	725	792	310	310	310	310	310	310	310	(2 434)	3 724	3 936	4 156
General expenses	24 438	4 706	4 063	3 717	3 545	4 120	3 352	3 077	6 480	3 261	2 762	(14 817)	48 703	46 114	47 108
Cash Payments by Type	51 284	24 544	30 067	27 218	27 333	30 303	24 340	23 557	28 270	25 577	25 515	(9 192)	308 817	311 956	326 154
Other Cash Flows/Payments by Type															
Capital assets	935	5 145	13 433	10 261	9 672	10 917	6 450	8 552	6 630	4 221	4 180	(3 095)	77 302	84 306	91 111
Repayment of borrowing	490	490	678	293	706	706	706	706	706	750	750	1 626	8 608	6 000	6 000
Other Cash Flows/Payments	-	3 389	3 043	-	1 600	4 000	1 500	1 000	1 150	1 400	1 000	373	18 455	18 576	26 322
Total Cash Payments by Type	52 710	33 569	47 221	37 773	39 311	45 925	32 996	33 815	36 756	31 948	31 445	(10 288)	413 181	420 837	449 586
NET INCREASE/(DECREASE) IN CASH HELD	79 950	(26 717)	(38 841)	(19 961)	1 548	38 423	(17 903)	(22 188)	37 230	(19 921)	(19 348)	15 031	7 304	14 787	18 253
Cash/cash equivalents at the month/year beginning:	20 913	100 863	74 147	35 306	15 345	16 893	55 316	37 413	15 225	52 455	32 534	13 186	20 913	28 217	43 004
Cash/cash equivalents at the month/year end:	100 863	74 147	35 306	15 345	16 893	55 316	37 413	15 225	52 455	32 534	13 186	28 217	28 217	43 004	61 256

Supporting table SC9 provides detailed monthly cash flow statement that spells out the receipts by source and payments by type. The monthly cash receipts reflect an amount of R12, 249 million and the total cash payment for the month were R37, 773 million and this resulted in net decrease in cash held amounting to R19, 961 million and with cash and cash equivalent of R35, 306 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting to R15, 345 million. This is a supporting table for table C7 – Cash Flow Statement.

Supporting Table: SC 12 Capital Expenditure Trend

Month	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
Monthly expenditure performance trend									
July	5 226	1 624		935	935	1 624	689	42%	1%
August	4 483	4 590		3 028	3 963	6 214	2 251	36%	5%
September	8 406	7 000		13 273	17 236	13 214	(4 021)	-30%	22%
October	16 242	8 227		3 283	20 519	21 442	923	4%	27%
November	10 577	9 672				31 114	–		
December	3 099	10 917				42 030	–		
January	1 128	6 450				48 480	–		
February	2 237	8 552				57 032	–		
March	2 493	6 630				63 662	–		
April	83	4 221				67 883	–		
May	3 992	4 180				72 063	–		
June	22 833	5 239				77 302	–		
Total Capital expenditure	80 799	77 302	–	20 519					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of October amounts to R3, 283 million. The year to date capital budget is R21, 442 million that give rise to under spending variance of R923 thousand or 4%.

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	-	859	7 426	9 320	1 894	20%	32 281
Roads Infrastructure	21 733	19 123	-	859	4 735	5 800	1 065	18%	19 123
Roads	21 733	19 123		859	4 735	5 800	1 065	18%	19 123
Electrical Infrastructure	11 151	13 158	-	-	2 691	3 520	829	24%	13 158
Power Plants		-					-		-
HV Substations		-					-		-
HV Switching Station		-					-		-
HV Transmission Conductors	11 151	13 158		-	2 691	3 520	829	24%	13 158
MV Substations		-					-		-
MV Switching Stations		-					-		-
Capital Spares		-					-		-
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites		-					-		
Waste Transfer Stations		-					-		
Waste Processing Facilities		-					-		
Waste Drop-off Points		-					-		
Waste Separation Facilities		-					-		
Electricity Generation Facilities		-					-		
Capital Spares		-					-		
Community Assets	-	300	-	-	-	50	50	100%	300
Community Facilities	-	300	-	-	-	50	50	100%	300
Libraries		-					-		-
Cemeteries/Crematoria		-					-		-
Police		-					-		-
Parks		-					-		-
Public Open Space	-	300				50	50	100%	300
Nature Reserves		-					-		-
Capital Spares		-					-		-
Investment properties	-	-	-	-	-	-	-		-
Revenue Generating	-	-	-	-	-	-	-		-
Improved Property		-					-		
Unimproved Property		-					-		
Other assets	1 298	-	-	-	-	-	-		-
Operational Buildings	1 298	-	-	-	-	-	-		-
Municipal Offices	583	-					-		
Building Plan Offices		-					-		
Workshops	715	-					-		
Biological or Cultivated Assets	-	-	-	-	-	-	-		-
Biological or Cultivated Assets		-					-		
Intangible Assets	-	-	-	-	-	-	-		-
Computer Software and Applications		-					-		
Load Settlement Software Applications		-					-		
Computer Equipment	1 168	300	-	-	218	384	166	43%	300
Computer Equipment	1 168	300		-	218	384	166	43%	300
Furniture and Office Equipment	340	200	-	-	160	200	40	20%	200
Furniture and Office Equipment	340	200		-	160	200	40	20%	200
Machinery and Equipment	2 100	600	-	295	411	300	(111)	-37%	600
Machinery and Equipment	2 100	600		295	411	300	(111)	-37%	600
Transport Assets	2 253	700	-	-	-	400	400	100%	700
Transport Assets	2 253	700				400	400	100%	700
Total Capital Expenditure on new assets	40 043	34 381	-	1 154	8 215	10 654	2 439	23%	34 381

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

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	38 131	38 474	-	2 129	13 551	9 210	(4 341)	-47%	38 474
Infrastructure - Road transport	38 131	38 474	-	2 129	13 551	9 210	(4 341)	-47%	38 474
Roads	38 131	38 474		2 129	13 551	9 210	(4 341)	-47%	38 474
Road Structures		-					-		-
Electrical Infrastructure	-	-	-	-	-	-	-		-
Power Plants		-					-		
HV Substations		-		-	-		-		
HV Switching Station		-					-		
HV Transmission Conductors	-	-					-		
MV Substations		-		-	-		-		
MV Switching Stations		-					-		
MV Networks		-					-		
LV Networks		-					-		
Capital Spares		-					-		
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites		-					-		
Waste Transfer Stations		-					-		
Waste Processing Facilities		-					-		
Waste Drop-off Points		-					-		
Waste Separation Facilities		-					-		
Electricity Generation Facilities		-					-		
Capital Spares		-					-		
Community Assets	1 694	-	-	-	-	-	-		-
Community Facilities	-	-	-	-	-	-	-		-
Halls		-					-		
Centres		-					-		
Crèches		-					-		
Sport and Recreation Facilities	1 694	-	-	-	-	-	-		-
Indoor Facilities		-					-		
Outdoor Facilities	1 694	-					-		
Capital Spares		-					-		
Investment properties	-	-	-	-	-	-	-		-
Revenue Generating	-	-	-	-	-	-	-		-
Other assets	932	500	-	-	-	250	250	100%	500
Operational Buildings	932	500	-	-	-	250	250	100%	500
Municipal Offices	-	500				250	250	100%	500
Training Centres	932	-					-		-
Manufacturing Plant		-					-		-
Depots		-					-		-
Capital Spares		-					-		-
Total Capital Expenditure on renewal of existing assets	40 757	38 974	-	2 129	13 551	9 460	(4 091)	-43%	38 974

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

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	4 633	6 700	-	527	2 691	2 200	(491)	-22%	6 700
Roads Infrastructure	946	2 500	-	368	1 624	420	(1 204)	-287%	2 500
Roads	946	2 500		368	1 624	420	(1 204)	-287%	2 500
Road Structures		-		-	-		-		-
Road Furniture		-		-	-		-		-
Capital Spares		-		-	-		-		-
Storm water Infrastructure	-	-	-	-	-	-	-		-
Drainage Collection		-		-	-		-		-
Storm water Conveyance		-		-	-		-		-
Attenuation		-		-	-		-		-
Electrical Infrastructure	1 802	1 900	-	160	631	920	289	31%	1 900
Power Plants		-		-	-		-		-
HV Substations		-		-	-		-		-
HV Switching Station		-		-	-		-		-
HV Transmission Conductors		-		-	-		-		-
MV Substations		-		-	-		-		-
MV Switching Stations		-		-	-		-		-
MV Networks	1 802	1 800		160	631	870	239	27%	1 800
LV Networks		-		-	-		-		-
Capital Spares		100		-	-	50	50	100%	100
Solid Waste Infrastructure	1 885	2 300	-	-	436	860	424	49%	2 300
Landfill Sites	1 885	2 150		-	436	810	374	46%	2 150
Waste Transfer Stations		-		-	-		-		-
Waste Processing Facilities		-		-	-		-		-
Waste Drop-off Points		-		-	-		-		-
Waste Separation Facilities		-		-	-		-		-
Electricity Generation Facilities		-		-	-		-		-
Capital Spares		150		-	-	50	50	100%	150
Other assets	1 432	1 300	-	-	12	420	408	97%	1 300
Operational Buildings	1 432	1 300	-	-	12	420	408	97%	1 300
Municipal Offices	1 432	1 300		-	12	420	408	97%	1 300
Intangible Assets	82	100	-	-	-	20	20	100%	100
Servitudes		-		-	-		-		-
Licences and Rights	82	100	-	-	-	20	20	100%	100
Computer Software and Applications	82	100		-	-	20	20	100%	100
Computer Equipment	-	-	-	5	10	-	(10)	0%	-
Computer Equipment	-	-		5	10		(10)	0%	-
Machinery and Equipment	2 405	1 711	-	-	3	553	550	99%	1 711
Machinery and Equipment	2 405	1 711		-	3	553	550	99%	1 711
Transport Assets	1 800	1 500	-	-	193	720	527	73%	1 500
Transport Assets	1 800	1 500		-	193	720	527	73%	1 500
Total Repairs and Maintenance Expenditure	10 353	11 311	-	532	2 909	3 913	1 004	26%	11 311

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

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Depreciation by Asset Class/Sub-class									
Infrastructure	41 257	45 835	-	-	-	15 278	15 278	100%	45 835
Roads Infrastructure	23 126	25 298	-	-	-	8 433	8 433	0	25 298
Roads	23 126	25 298				8 433	8 433	0	25 298
Road Structures		-				-	-		-
Road Furniture		-				-	-		-
Capital Spares		-				-	-		-
Storm water Infrastructure	4 525	5 746	-	-	-	1 915	1 915	0	5 746
Drainage Collection		-				-	-		-
Storm water Conveyance	4 525	5 746				1 915	1 915	0	5 746
Attenuation		-				-	-		-
Electrical Infrastructure	11 306	12 398	-	-	-	4 133	4 133	0	12 398
Power Plants		-				-	-		-
HV Substations		-				-	-		-
HV Switching Station		-				-	-		-
HV Transmission Conductors	11 306	12 398				4 133	4 133	0	12 398
MV Substations		-				-	-		-
MV Switching Stations		-				-	-		-
MV Networks		-				-	-		-
LV Networks		-				-	-		-
Capital Spares		-				-	-		-
Solid Waste Infrastructure	2 300	2 392	-	-	-	797	797	0	2 392
Landfill Sites	2 300	2 392				797	797	0	2 392
Community Assets	2 145	2 231	-	-	-	744	744	0	2 231
Community Facilities	2 145	2 231	-	-	-	744	744	0	2 231
Halls		-				-	-		-
Centres		-				-	-		-
Crèches		-				-	-		-
Clinics/Care Centres		-				-	-		-
Fire/Ambulance Stations		-				-	-		-
Testing Stations		-				-	-		-
Museums		-				-	-		-
Galleries		-				-	-		-
Theatres		-				-	-		-
Libraries		-				-	-		-
Cemeteries/Crematoria	2 145	2 231				744	744	0	2 231
Investment properties	-	-	-	-	-	-	-		-
Revenue Generating	-	-	-	-	-	-	-		-
Improved Property		-				-	-		-
Unimproved Property		-				-	-		-
Other assets	115	120	-	-	-	40	40	0	120
Operational Buildings	115	120	-	-	-	40	40	0	120
Municipal Offices	115	120				40	40	0	120
Computer Equipment	20	21	-	-	-	7	7	0	21
Computer Equipment	20	21				7	7	0	21
Furniture and Office Equipment	25	26	-	-	-	9	9	0	26
Furniture and Office Equipment	25	26				9	9	0	26
Machinery and Equipment	2 000	2 080	-	-	-	693	693	0	2 080
Machinery and Equipment	2 000	2 080				693	693	0	2 080
Transport Assets	854	888	-	-	-	296	296	0	888
Transport Assets	854	888				296	296	0	888
Total Depreciation	46 416	51 200	-	-	-	17 067	17 067	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	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Drainage Collection	-	-	-	-	-	-	-	-	-
Storm water Conveyance	-	-	-	-	-	-	-	-	-
Attenuation	-	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
Power Plants	-	-	-	-	-	-	-	-	-
HV Substations	-	-	-	-	-	-	-	-	-
HV Switching Station	-	-	-	-	-	-	-	-	-
HV Transmission Conductors	-	-	-	-	-	-	-	-	-
MV Substations	-	-	-	-	-	-	-	-	-
MV Switching Stations	-	-	-	-	-	-	-	-	-
MV Networks	-	-	-	-	-	-	-	-	-
LV Networks	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Landfill Sites	-	-	-	-	-	-	-	-	-
Waste Transfer Stations	-	-	-	-	-	-	-	-	-
Waste Processing Facilities	-	-	-	-	-	-	-	-	-
Waste Drop-off Points	-	-	-	-	-	-	-	-	-
Waste Separation Facilities	-	-	-	-	-	-	-	-	-
Electricity Generation Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Other assets	-	3 947	-	-	94	1 327	1 233	93%	3 947
Operational Buildings	-	3 947	-	-	94	1 327	1 233	93%	3 947
Municipal Offices	-	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	3 947	-	-	94	1 327	1 233	93%	3 947
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading of existing assets	-	3 947	-	-	94	1 327	1 233	93%	3 947

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 R8, 215 million and the year to date budget is R10, 654 million which reflects under spending variance of R2, 439 million that translates to 23% variance. The year to date actuals on renewal of existing assets amounts R13, 511 million and with the year to date budget of R9, 460 million and this reflects over spending variance of R4, 091 million that translates to 43% variance.

The year to date actual expenditure on repairs and maintenance is R2, 909 million and the year to date budget is R3, 913 million, reflecting under spending variance of R1, 004 million that translates to 26%.


The year to date actual expenditure on upgrading of existing assets is R94 thousand and the year to date budget is R1, 327 million, reflecting under spending variance of R1, 233 million that translates to 93%.

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 October 2017 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Municipal Manager of Elias Motsoaledi Local Municipality (LIM 472)

Signature 

Date 15/10/2017