

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT REPORT

AUGUST 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	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Financial Performance									
Property rates	22,395	23,981	--	2,187	4,490	3,997	493	12%	23,981
Service charges	69,462	81,102	--	5,994	11,437	13,517	(2,080)	-15%	81,102
Investment revenue	3,780	3,829	--	308	706	838	68	11%	3,829
Transfers recognised - operational	216,641	213,105	--	203	87,948	35,518	52,431	148%	213,105
Other own revenue	14,480	15,589	--	1,254	2,761	2,598	162	6%	15,589
Total Revenue (excluding capital and contributions)	326,759	337,606	--	9,946	107,342	56,268	51,075	91%	337,606
Employee costs	100,770	109,053	--	10,207	18,539	18,176	364	2%	109,053
Remuneration of Councillors	19,638	18,908	--	1,667	3,282	3,151	131	4%	18,908
Depreciation & asset impairment	--	35,796	--	--	--	5,966	(5,966)	-100%	35,796
Finance charges	--	60	--	--	219	10	209	2092%	60
Materials and bulk purchases	67,255	68,906	--	9,729	17,311	11,484	5,827	51%	68,906
Transfers and grants	1,089	2,128	--	196	291	355	(63)	-18%	2,128
Other expenditure	107,587	94,063	--	8,294	19,360	15,677	3,683	23%	94,063
Total Expenditure	296,338	328,915	--	30,093	59,003	54,819	4,184	8%	328,915
Surplus/(Deficit)	30,421	8,690	--	(20,147)	48,339	1,448	46,891	3237%	8,690
Transfers recognised - capital	77,188	75,419	--	3,940	5,128	12,570	(7,441)	-59%	75,419
Contributions & Contributed assets	--	--	--	--	--	--	--	--	--
Surplus/(Deficit) after capital & contributions	107,609	84,109	--	(16,206)	53,468	14,018	39,450	281%	84,109
Share of surplus/ (deficit) of associate	--	--	--	--	--	--	--	--	--
Surplus/ (Deficit) for the year	107,609	84,109	--	(16,206)	53,468	14,018	39,450	281%	84,109
Capital expenditure & funds sources									
Capital expenditure	109,717	94,449	--	4,483	9,709	15,742	(6,032)	-38%	94,449
Capital transfers recognised	77,102	75,419	--	2,004	3,456	12,570	(9,113)	-73%	75,419
Public contributions & donations	--	--	--	--	--	--	--	--	--
Borrowing	--	--	--	--	--	--	--	--	--
Internally generated funds	32,615	19,030	--	2,479	6,253	3,172	3,081	97%	19,030
Total sources of capital funds	109,717	94,449	--	4,483	9,709	15,742	(6,032)	-38%	94,449
Financial position									
Total current assets	55,763	72,418	--	--	79,112	--	--	--	72,418
Total non current assets	959,821	993,473	--	--	955,477	--	--	--	993,473
Total current liabilities	61,431	31,896	--	--	69,219	--	--	--	31,896
Total non current liabilities	90,070	90,513	--	--	104,554	--	--	--	90,513
Community wealth/Equity	864,083	943,481	--	--	860,816	--	--	--	943,481
Cash flows									
Net cash from (used) operating	95,115	119,326	--	(26,476)	(25,582)	19,888	45,470	229%	119,326
Net cash from (used) investing	(107,971)	(89,449)	--	(5,111)	(10,337)	(14,908)	(4,571)	31%	(89,449)
Net cash from (used) financing	(416)	(8,857)	--	(959)	(1,737)	(1,476)	261	-18%	(8,857)
Cash/cash equivalents at the month/year end	11,695	27,259	--	--	45,082	9,742	(35,340)	-363%	103,759
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	9,461	4,363	2,061	1,415	1,311	1,268	7,682	27,450	55,009
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 August 2016 is R107, 342 million and the year to date budget of R56, 268 million and this reflects a positive variance of R51, 075 million that is attributed to disbursement of equitable share that is unconditional grant and as a result, get recognized as revenue immediately. Some major revenue item categories reflect a

negative variance as presented below except transfer recognized operational, Property rates, Rental of facilities, interest earned – external Investment and License and permits:

- Service Charges – Electricity Revenue: 11% unfavorable variance
- Service Charges – Refuse Revenue: 61% unfavorable variance
- Other Revenue: 17% unfavorable variance
- Interest Earned on Outstanding Debtors 11% unfavorable variance
- Fines: 24% unfavorable variance.

Operating Expenditure

The year to date operational expenditure as at end of August amounts to R59, 003 million and the year to date budget is R54, 816 million. This reflects a favorable variance of R4, 184 million (8%). Cognizance should be taken that the above spending does not include “expenditure” on non-cash items and as a results, the expenditure is the actual spending that resulted in actual outflow of cash. With regard to finance charges the Amortization schedules where revised hence the huge percentage of (2092%), Transfer and grants huge percentage (18%) is due to some pertinent transaction being classified as revenue forgone as opposed to transfer and grants.

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 other expenditure with a favorable variance of (23%) and Material and Bulk purchases with variance of 51% favorable.

Capital Expenditure

The year to date actual capital expenditure as at end of August 2016 amounts to R9, 709 million and the year to date budget amounts to R15 745 million, giving rise to 38% under-spending variance for the month under review and this is attributed to major projects that have not yet kick-started and they had budget projection/s for the reporting period. The following projects are contributing to the underspending of capital budget since they are budgeted for and they have no movement to date:

- Road to Kgoshi Matlala
- Laersdrift Road
- Development of workshop
- Roosenekal Street
- Nyakoroane Road

- Hlogotlou street and Storm water control
- Electrification Projects

Surplus/Deficit

Taking the above into consideration, the deficit for the month is R16, 206 million, however, in terms of year to date actuals, the municipality has realized the surplus amounting to R53, 468 million that is mainly attributed to R87, 745 million equitable share (unconditional grant) received during the month of August.

Debtors

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of August 2016 amounts to R55, 009 million and this shows an increase of R1, 177 Million as compared to R53, 832 million as at end of 2015/16 financial year.

Consumer debtors are made up of service charges and property rates and other 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	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue - Standard									
Governance and administration	248,808	246,631	-	3,043	93,978	41,105	52,873	129%	246,631
Executive and council	930	-	-	-	-	-	-	-	-
Budget and treasury office	247,871	246,619	-	3,043	93,976	41,103	52,873	129%	246,619
Corporate services	6	11	-	1	2	2	0	20%	11
Community and public safety	1,216	1,384	-	113	178	231	(53)	-23%	1,384
Community and social services	34	39	-	5	8	7	2	26%	39
Sport and recreation	1	3	-	-	-	1	(1)	-100%	3
Public safety	1,181	1,342	-	108	169	224	(54)	-24%	1,342
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	74,461	70,558	-	4,737	6,878	11,760	(4,882)	-42%	70,558
Planning and development	1,186	1,167	-	46	91	194	(103)	-53%	1,167
Road transport	73,275	69,391	-	4,690	6,787	11,565	(4,778)	-41%	69,391
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	79,462	94,452	-	5,994	11,437	15,742	(4,305)	-27%	94,452
Electricity	75,779	86,328	-	5,794	10,925	14,388	(3,463)	-24%	86,328
Water	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	3,684	8,124	-	199	512	1,354	(842)	-62%	8,124
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	403,947	413,025	-	13,886	112,471	68,837	43,633	63%	413,025
Expenditure - Standard									
Governance and administration	139,984	158,368	-	12,334	27,138	26,395	743	3%	158,368
Executive and council	48,529	45,635	-	3,629	10,982	7,606	3,376	44%	45,635
Budget and treasury office	46,937	71,054	-	4,570	8,603	11,842	(3,239)	-27%	71,054
Corporate services	44,518	41,679	-	4,134	7,553	6,947	606	9%	41,679
Community and public safety	20,793	23,423	-	1,660	3,132	3,904	(771)	-20%	23,423
Community and social services	8,856	9,521	-	690	1,380	1,587	(207)	-13%	9,521
Sport and recreation	708	1,431	-	30	60	239	(179)	-75%	1,431
Public safety	11,230	12,470	-	940	1,693	2,078	(385)	-19%	12,470
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	50,859	50,267	-	6,079	9,432	8,378	1,054	13%	50,267
Planning and development	8,403	10,031	-	565	891	1,872	(781)	-47%	10,031
Road transport	42,456	40,236	-	5,514	8,541	6,706	1,835	27%	40,236
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	84,702	96,858	-	10,020	19,301	16,143	3,158	20%	96,858
Electricity	65,619	78,171	-	8,026	15,620	13,028	2,592	20%	78,171
Water	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	19,083	18,687	-	1,994	3,680	3,115	566	18%	18,687
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	296,338	328,915	-	30,093	59,003	54,819	4,184	8%	328,915
Surplus/ (Deficit) for the year	107,609	84,109	-	(16,206)	53,468	14,018	39,450	281%	84,109

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

Vote Description	2015/16	Budget Year 2016/17							
	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	930	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	247,871	246,619	-	3,043	93,976	41,103	52,873	128.6%	246,619
Vote 4 - Corporate Services	6	11	-	1	2	2	0	19.9%	11
Vote 5 - Community Services	9,752	14,568	-	783	1,587	2,428	(841)	-34.6%	14,568
Vote 6 - Technical Services	144,201	150,659	-	10,013	16,815	25,110	(8,295)	-33.0%	150,659
Vote 7 - Strategic Deveopment	-	-	-	-	-	-	-	-	-
Vote 8 - Developmental Planning	1,188	1,167	-	46	91	194	(103)	-53.2%	1,167
Vote 9 - Executive Support	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	403,947	413,025	-	13,886	112,471	68,837	43,633	63.4%	413,025
Expenditure by Vote									
Vote 1 - Executive & Council	31,709	27,109	-	2,418	4,664	4,518	146	3.2%	27,109
Vote 2 - Office of the Municipal Manager	19,783	18,526	-	1,211	6,317	3,088	3,230	104.6%	18,526
Vote 3 - Budget & Treasury	46,937	71,054	-	4,570	8,603	11,842	(3,239)	-27.4%	71,054
Vote 4 - Corporate Services	20,284	27,391	-	2,647	4,850	4,565	285	6.2%	27,391
Vote 5 - Community Services	44,723	47,723	-	4,059	7,621	7,954	(333)	-4.2%	47,723
Vote 6 - Technical Services	103,228	112,793	-	13,135	23,354	18,799	4,555	24.2%	112,793
Vote 7 - Strategic Deveopment	-	-	-	-	-	-	-	-	-
Vote 8 - Developmental Planning	5,440	10,031	-	565	891	1,672	(781)	-46.7%	10,031
Vote 9 - Executive Support	24,234	14,288	-	1,487	2,703	2,381	321	13.5%	14,288
Total Expenditure by Vote	296,338	328,915	-	30,093	59,003	54,819	4,184	7.6%	328,915
Surplus/ (Deficit) for the year	107,609	84,109	-	(16,206)	53,468	14,018	39,450	281.4%	84,109

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	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue By Source									
Property rates	22,395	23,981	--	2,187	4,490	3,997	493	12%	23,981
Property rates - penalties & collection charges	--	--	--	--	--	--	--	--	--
Service charges - electricity revenue	65,779	73,328	--	5,794	10,925	12,221	(1,296)	-11%	73,328
Service charges - water revenue	--	--	--	--	--	--	--	--	--
Service charges - sanitation revenue	--	--	--	--	--	--	--	--	--
Service charges - refuse revenue	3,684	7,774	--	199	512	1,296	(784)	-61%	7,774
Service charges - other	--	--	--	--	--	--	--	--	--
Rental of facilities and equipment	841	912	--	78	487	152	335	220%	912
Interest earned - external investments	3,780	3,829	--	308	706	638	68	11%	3,829
Interest earned - outstanding debtors	5,872	6,123	--	385	910	1,021	(110)	-11%	6,123
Dividends received	--	--	--	--	--	--	--	--	--
Fines	1,178	1,342	--	108	169	224	(54)	-24%	1,342
Licences and permits	4,852	5,060	--	471	898	843	54	6%	5,060
Agency services	--	--	--	--	--	--	--	--	--
Transfers recognised - operational	216,641	213,105	--	203	87,948	35,518	52,431	148%	213,105
Other revenue	1,737	2,152	--	212	297	359	(62)	-17%	2,152
Gains on disposal of PPE	--	--	--	--	--	--	--	--	--
Total Revenue (excluding capital and contributions)	326,759	337,606	--	9,946	107,342	56,268	51,075	91%	337,606
Expenditure By Type									
Employee related costs	100,770	109,053	--	10,207	18,539	18,176	364	2%	109,053
Remuneration of councillors	19,638	18,908	--	1,667	3,282	3,151	131	4%	18,908
Debt impairment	(2)	12,688	--	--	--	2,115	(2,115)	-100%	12,688
Depreciation & asset impairment	--	35,796	--	--	--	5,966	(5,966)	-100%	35,796
Finance charges	--	60	--	--	219	10	209	2092%	60
Bulk purchases	60,661	64,961	--	7,426	14,691	10,827	3,864	36%	64,961
Other materials	6,595	3,945	--	2,303	2,620	658	1,963	299%	3,945
Contracted services	36,268	20,550	--	4,051	7,817	3,425	4,392	128%	20,550
Transfers and grants	1,089	2,128	--	196	291	355	(63)	-18%	2,128
Other expenditure	71,321	60,826	--	4,243	11,543	10,138	1,405	14%	60,826
Loss on disposal of PPE	--	--	--	--	--	--	--	--	--
Total Expenditure	296,338	328,915	--	30,093	59,003	54,819	4,184	8%	328,915
Surplus/(Deficit)	30,421	8,690	--	(20,147)	48,339	1,448	46,891	0	8,690
Transfers recognised - capital	77,188	75,419	--	3,940	5,128	12,570	(7,441)	(0)	75,419
Contributions recognised - capital	--	--	--	--	--	--	--	--	--
Contributed assets	--	--	--	--	--	--	--	--	--
Surplus/(Deficit) after capital & contributions	107,609	84,109	--	(16,206)	53,468	14,018			84,109
Taxation	--	--	--	--	--	--	--	--	--
Surplus/(Deficit) after taxation	107,609	84,109	--	(16,206)	53,468	14,018			84,109
Attributable to minorities	--	--	--	--	--	--	--	--	--
Surplus/(Deficit) attributable to municipality	107,609	84,109	--	(16,206)	53,468	14,018			84,109
Share of surplus/ (deficit) of associate	--	--	--	--	--	--	--	--	--
Surplus/ (Deficit) for the year	107,609	84,109	--	(16,206)	53,468	14,018			84,109

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 rental of facilities, Transfer recognized – operational and other revenue. In the case of expenditure, all the line items reflect immaterial variances except Finance charges, contracted services other expenditure and transfer and grants expenditure.

Reasons for deviations will only be provided for material variances and a variance is deemed to be material if it's 10% and more.

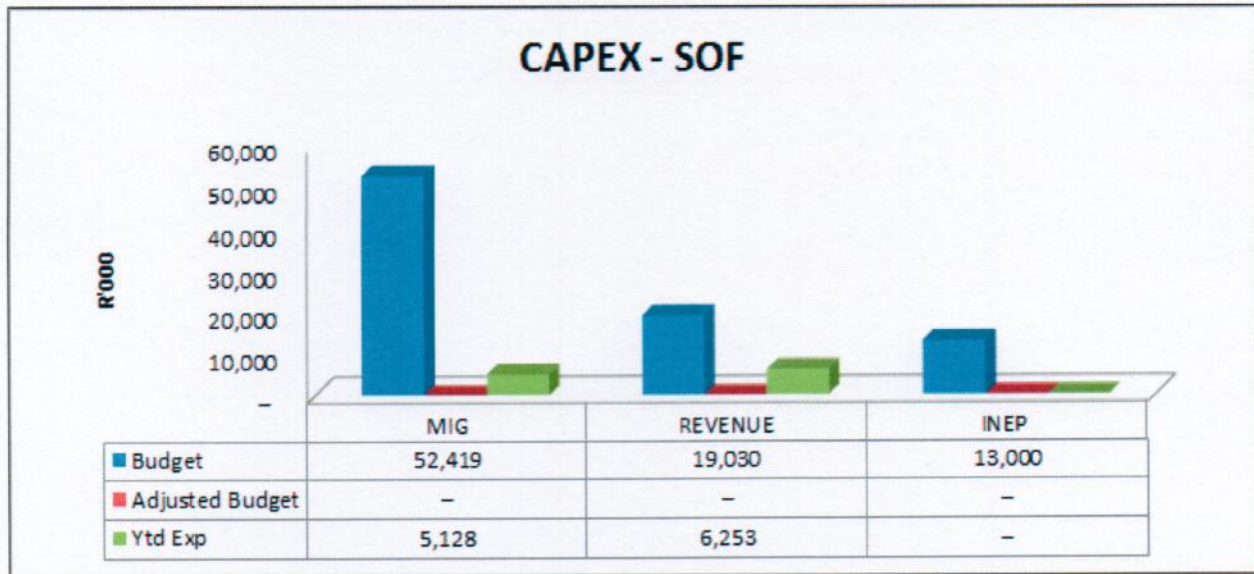
Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding

Vote Description	2015/16	Budget Year 2016/17							
	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	1,516	650	-	253	770	108	662	611%	650
Executive and council	-	-	-	-	-	-	-	-	-
Budget and treasury office	-	-	-	-	-	-	-	-	-
Corporate services	1,516	650	-	253	770	108	662	611%	650
Community and public safety	77	1,380	-	-	28	230	(202)	-88%	1,380
Community and social services	77	1,200	-	-	28	200	(172)	-86%	1,200
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	180	-	-	-	30	(30)	-100%	180
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	85,527	77,019	-	4,230	8,911	12,837	(3,925)	-31%	77,019
Planning and development	-	-	-	-	-	-	-	-	-
Road transport	85,527	77,019	-	4,230	8,911	12,837	(3,925)	-31%	77,019
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	22,597	15,400	-	-	-	2,567	(2,567)	-100%	15,400
Electricity	22,155	14,500	-	-	-	2,417	(2,417)	-100%	14,500
Water	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	442	900	-	-	-	150	(150)	-100%	900
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	109,717	94,449	-	4,483	9,709	15,742	(6,032)	-38%	94,449
Funded by:									
National Government	77,102	75,419	-	2,004	3,456	12,570	(9,113)	-73%	75,419
Provincial Government	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	77,102	75,419	-	2,004	3,456	12,570	(9,113)	-73%	75,419
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	32,615	19,030	-	2,479	6,253	3,172	3,081	97%	19,030
Total Capital Funding	109,717	94,449	-	4,483	9,709	15,742	(6,032)	-38%	94,449

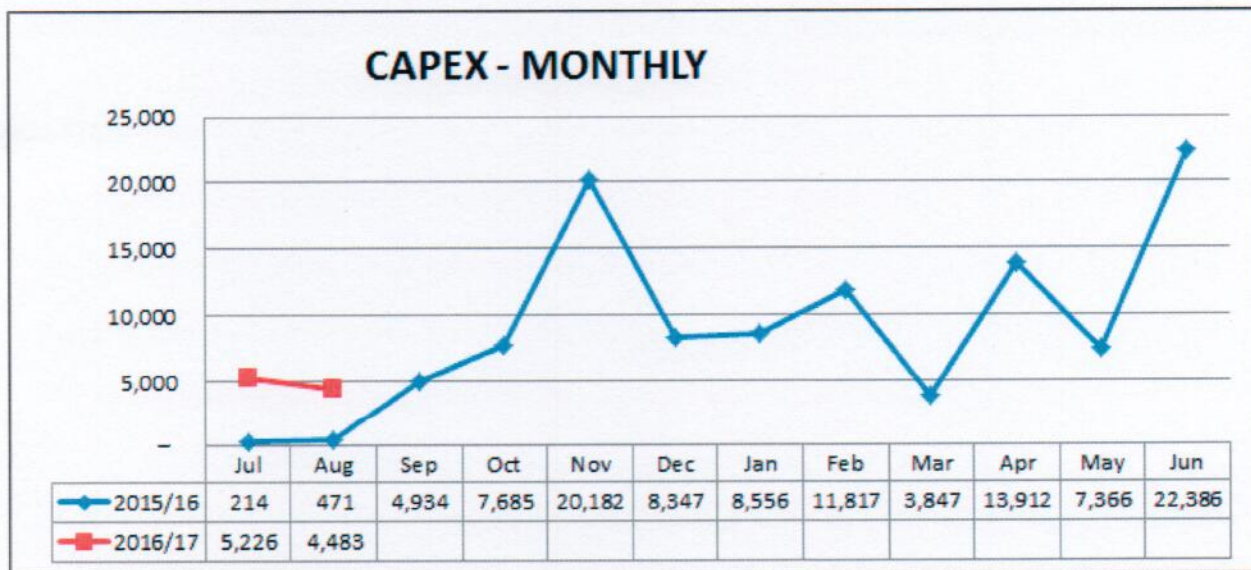
Table C5C: Monthly Capital Expenditure by Vote

Vote Description	2015/16	Budget Year 2016/17							
	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 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	1,516	-	-	-	-	-	-	-	-
Vote 5 - Community Services	3,701	600	-	-	28	100	(72)	-72%	600
Vote 6 - Technical Services	67,323	63,619	-	3,211	4,157	10,603	(6,447)	-61%	63,619
Vote 7 - Strategic Deveopment	-	-	-	-	-	-	-	-	-
Vote 8 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 9 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	72,540	64,219	-	3,211	4,184	10,703	(6,519)	-61%	64,219
Single Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	650	-	253	770	108	662	611%	650
Vote 5 - Community Services	-	2,180	-	-	-	363	(363)	-100%	2,180
Vote 6 - Technical Services	37,177	27,400	-	1,020	4,755	4,567	188	4%	27,400
Vote 7 - Strategic Deveopment	-	-	-	-	-	-	-	-	-
Vote 8 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 9 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	37,177	30,230	-	1,272	5,525	5,038	487	10%	30,230
Total Capital Expenditure	109,717	94,449	-	4,483	9,709	15,742	(6,032)	-38%	94,449

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 August 2016, R4, 483 million spending was incurred and the year to date expenditure is R9, 709 million whilst the year to date budget is R15, 742 million and this gave rise to an unfavorable spending variance of R6, 032 million or 38%.



The above graph shows the components of sources of finance for capital budget. Of the total capital budget of R94, 449 million, R52, 419 million is funded from Municipal Infrastructure grant, R13 million from INEP and R19, 030 million from Own Revenue and the spending per source of finance is presented in the above graph.



The above graph compares the 2015/16 and 2016/17 monthly capital expenditure performance.

Table C6: Monthly Budget Statement Financial Position

Description	2015/16	Budget Year 2016/17			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	4,655	3,247	–	3,221	3,247
Call investment deposits	7,040	33,369	–	56,857	33,369
Consumer debtors	23,703	18,947	–	24,907	18,947
Other debtors	16,988	13,855	–	5,940	13,855
Current portion of long-term receivables	–	–	–	–	–
Inventory	3,377	3,000	–	3,184	3,000
Total current assets	55,763	72,418	–	94,108	72,418
Non current assets					
Long-term receivables	–	–	–	–	–
Investments	–	–	–	–	–
Investment property	89,472	89,472	–	96,146	89,472
Investments in Associate	–	–	–	–	–
Property, plant and equipment	858,735	891,663	–	847,142	891,663
Agricultural	–	–	–	–	–
Biological assets	–	–	–	–	–
Intangible assets	640	640	–	323	640
Other non-current assets	10,974	11,698	–	11,867	11,698
Total non current assets	959,821	993,473	–	955,477	993,473
TOTAL ASSETS	1,015,584	1,065,891	–	1,049,585	1,065,891
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	8,363	–	–	7,881	–
Consumer deposits	5,115	5,444	–	5,057	5,444
Trade and other payables	45,405	25,000	–	53,269	25,000
Provisions	2,547	1,452	–	3,013	1,452
Total current liabilities	61,431	31,896	–	69,219	31,896
Non current liabilities					
Borrowing	10,760	6,264	–	11,520	6,264
Provisions	79,310	84,249	–	93,034	84,249
Total non current liabilities	90,070	90,513	–	104,554	90,513
TOTAL LIABILITIES	151,501	122,409	–	173,773	122,409
NET ASSETS	864,083	943,481	–	875,812	943,481
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	864,083	943,481	–	875,812	943,481
Reserves	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	864,083	943,481	–	875,812	943,481

The above table shows that community wealth amounts to R875, 812 million, total liabilities R173, 773 million and the total assets R1, 049 Million.

Table C7: Monthly Budget Statement Cash Flow

Description	2015/16	Budget Year 2016/17							
	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	102,468	105,568	-	7,228	17,056	17,595	(538)	-3%	105,568
Government - operating	216,652	213,105	-	20,151	37,683	35,518	2,165	6%	213,105
Government - capital	63,102	75,419	-	3,940	5,128	12,570	(7,441)	-59%	75,419
Interest	8,815	5,666	-	457	855	944	(89)	-9%	5,666
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(294,860)	(278,243)	-	(29,897)	(72,422)	(46,374)	26,048	-56%	(278,243)
Finance charges	-	(60)	-	-	(219)	(10)	209	-2092%	(60)
Transfers and Grants	(1,062)	(2,128)	-	(196)	(291)	(355)	(63)	18%	(2,128)
NET CASH FROM/(USED) OPERATING ACTIVITIES	95,115	119,326	-	1,682	(12,210)	19,888	32,098	161%	119,326
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	1,746	5,000	-	-	-	833	(833)	-100%	5,000
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(109,717)	(94,449)	-	(4,483)	(9,709)	(15,742)	(6,032)	38%	(94,449)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(107,971)	(89,449)	-	(4,483)	(9,709)	(14,908)	(5,199)	35%	(89,449)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	(416)	500	-	36	58	83	(26)	-31%	500
Payments									
Repayment of borrowing	-	(9,357)	-	-	(800)	(1,560)	(760)	49%	(9,357)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(416)	(8,857)	-	36	(742)	(1,476)	(734)	50%	(8,857)
NET INCREASE/ (DECREASE) IN CASH HELD	(13,272)	21,020	-	(2,765)	(22,661)	3,503			21,020
Cash/cash equivalents at beginning:	24,967	6,238	-		82,739	6,238			82,739
Cash/cash equivalents at month/year end:	11,695	27,259	-		60,078	9,742			103,759

Table C7 presents details pertaining to cash flow performance. For the month of August 2016, the net cash inflow from operating activities is R1, 682 million whilst net cash outflow from investing activities is R4, 483 million that is mainly comprised of capital expenditure movement; and the net cash inflow from financing activities is R36 thousand. The cash and cash equivalent held at the end of August 2016 amounted to R60, 078 million and the net effect of the above cash flows is cash inflow movement of R22, 661 million. The cash and cash equivalent at end of the reporting period is R60, 078 million that is made up of cash amounting R3, 221 million and short term investments of R56, 857 million as presented in Table A6 under current assets.

PART 2: SUPPORTING TABLES

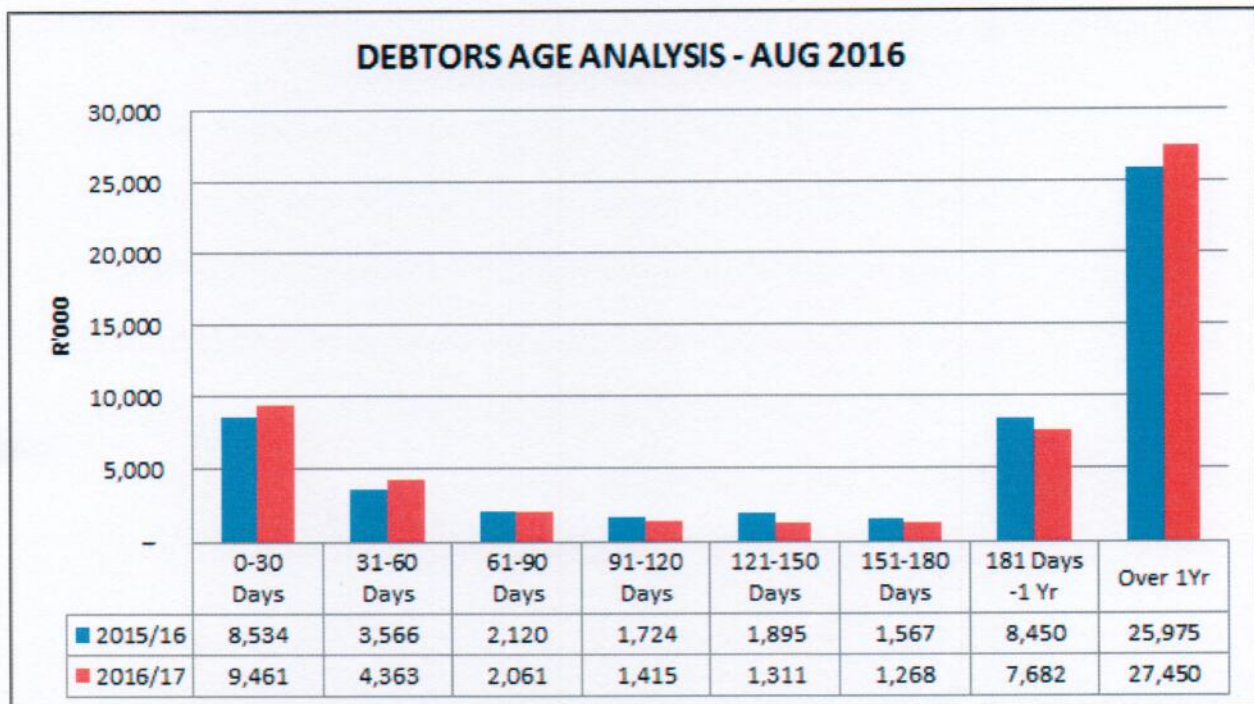
Supporting Table: SC 3 - Debtors Age Analysis

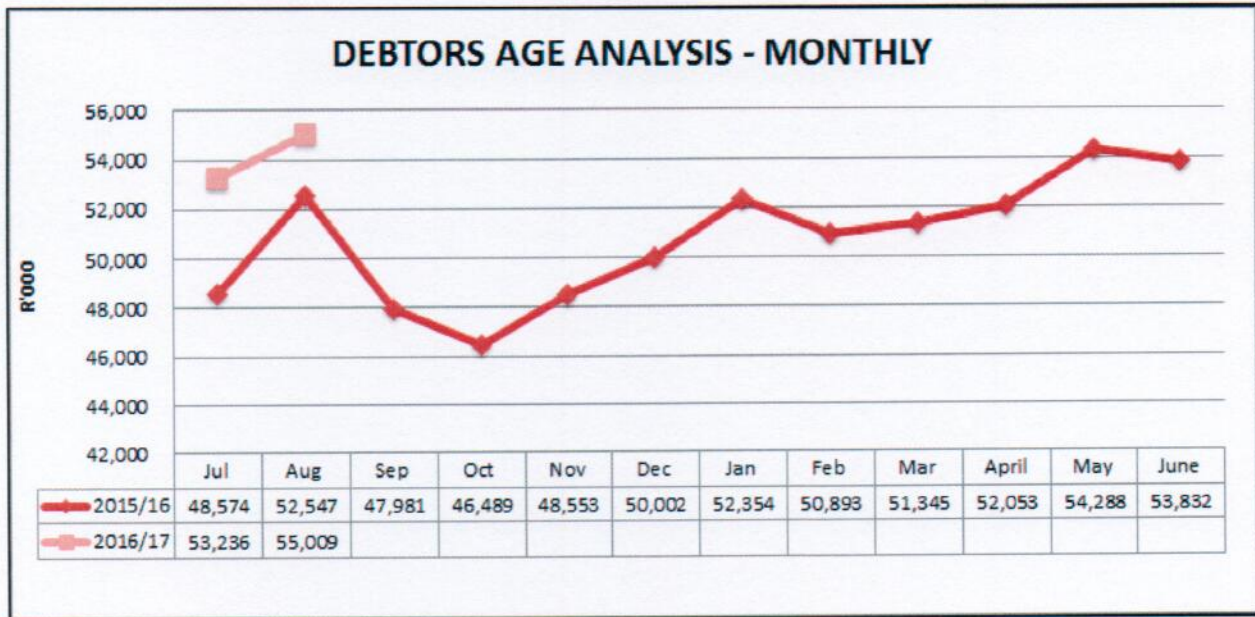
Description	NT Code	Budget Year 2016/17										Total over 90 days	Bad Debts	Impairment			
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total							
Debtors Age Analysis By Income Source																	
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	5,830	1,844	712	136	131	59	323	1,724	10,759	2,373	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	2,210	1,350	761	674	673	622	3,479	17,700	27,468	23,148	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	279	142	64	43	34	30	170	1,130	1,892	1,407	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	83	345	11	11	11	11	79	853	1,405	966	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	579	545	542	494	477	461	2,466	8,508	14,073	12,406	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	478	137	(30)	57	(15)	85	1,165	(2,465)	(588)	(1,173)	-	-	-	-	-	-
Total By Income Source	2000	9,461	4,363	2,061	1,415	1,311	1,268	7,682	27,450	55,009	39,126	-	-	-	-	-	-
2015/16 - totals only	0	8,534	3,566	2,120	1,724	1,895	1,567	8,450	25,975	53,832	78,251	-	-	-	-	-	-
Debtors Age Analysis By Customer Group																	
Organs of State	2200	1,381	679	441	88	48	70	369	2,049	5,125	2,624	-	-	-	-	-	-
Commercial	2300	3,749	1,393	499	373	390	301	1,998	4,291	12,996	7,354	-	-	-	-	-	-
Households	2400	3,122	1,405	757	502	447	457	2,487	12,600	21,776	16,492	-	-	-	-	-	-
Other	2500	1,209	886	363	451	426	440	2,827	8,511	15,112	12,655	-	-	-	-	-	-
Total By Customer Group	2600	9,461	4,363	2,061	1,415	1,311	1,268	7,682	27,450	55,009	39,126	-	-	-	-	-	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of August amount to R55, 009 million. The debtors' book is made up as follows:

- Rates 49.93%
- Electricity 19,56%
- Rental 2,55%
- Interest on Debtors 25.58%
- Refuse removal 3,44%
- Other – 1,07%

The debtors' age analysis is graphically presented below.





The initial graph compares debtors' age analysis for 2015/16 financial year and 2016/17 (as at end of August 2016) whilst the latter shows monthly movement of debtors for both the current financial year and the 2015/16 financial year.

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

TOP TWENTY DEBTORS

ACCOUNT NO	ACCOUNT HOLDER NAME	ERF NUMBER	TYPE	CATEGORY	TOWN	BALANCE	HAND OVER
9900067	WATER PURIFICATION PLANT (SDM)	00-000000100-00000-0000	OCCUPIER	GOVERNMENT	GROBLERSDAL	1,138,633	Y
9012345	BREED J & OOSTHUIZEN J F	90-000000026-0000RG-0000	OCCUPIER		GROBLERSDAL	734,031	N
1501364	JAN JOUBERT TR (JO JO TANKS)	15-000001780-000000-0000	OWNER	INDUSTRIAL	GROBLERSDAL	392,689	N
9000000	REPUBLIEK VAN SUID-AFRIKA	90-000000012-00000-0000	OWNER	AGRICULTURE	FARMS JS	277,892	Y
6000908	DEPARTMENT OF EDUCATION	60-000000822-00000-0000	OWNER	RESIDENTIAL	MOTETEMA A	270,491	Y
9001077	ROYAL SQUARE INV 361 CC	90-000000177-00000-0000	OWNER		FARMS JS	247,959	Y
9001035	NDEBELE MAHLANGU TRIBE	90-000000129-00000-0000	OWNER	AGRICULTURE	FARMS JS	232,401	Y
1200305	BUNGELA LAMOLA BOTTLE STORE	12-000000768-00000-0000	OCCUPIER	BUSINESS	GROBLERSDAL	220,364	N
2913	SHOPRITE/CHECKERS	00-000000100-00001-0000	OCCUPIER	MUNICIPAL	GROBLERSDAL	213,764	Y
9000804	NATIONAL GOVERNMENT REPUBLIC	90-000000056-00002-0000	OWNER		FARMS JS	211,491	Y
9001052	NDEBELE STAM	90-000000153-00000-0000	OWNER	AGRICULTURE	FARMS JS	200,486	Y
201885	SHOPRITE CHECKERS (PTY) LTD	02-000000984-00000-0000	OCCUPIER	BUSINESS	GROBLERSDAL	196,876	N
9000628	LANDBOUNAVORSINGSRAAD	90-000000053-00111-0000	OWNER	AGRICULTURE	FARMS JS	196,808	Y
9001039	NDEBELE MAHLANGU TRIBE	90-000000133-00000-0000	OWNER		FARMS JS	189,930	Y
5050505	MOBILE TELEPHONE NETWORKS (PTY)	50-000002677-000000-0000	OCCUPIER	BUSINESS	ROOSSENEKAL	187,994	N
9001055	NDEBELE STAM	90-000000157-00000-0000	OWNER	AGRICULTURE	FARMS JS	185,898	Y
9001050	NDEBELE STAM	90-000000151-00000-0000	OWNER	AGRICULTURE	FARMS JS	174,223	Y
400383	BEN J A FAMILIE TRUST JAFAMILIET	04-000000360-00000-0000	OWNER	BUSINESS	GROBLERSDAL	168,341	Y
2000270	PROVINSIALE HOSPITAAL	90-000000053-000106-0000	OCCUPIER	GOVERNMENT	GROBLERSDAL	161,766	N
9001550	Lehlakony Communal Prop. Ass	90-000000189-00000-0000	OWNER	AGRICULTURE	FARMS JS	161,606	Y
TOTAL						5,763,642	

Supporting Table: SC 4 - Creditors Age Analysis

Description	NT Code	Budget Year 2016/17								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	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	-	-	-	-	-	-	-	-	-

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
37678	SHATADI DEVELOPERS	749,477
4001	MOKWENA MOTORS T/A NONYANE MOT	396,760
93	FOREVER RESORTS - LOSKOP DAM	316,373
512	PATRICK MAKGOKA CONSTRUCTION	301,200
41036	JMV ORTHOSMART CONSULTING	291,600
32409	MAKGONAT SOHLE TRADING ENTERPRI	262,623
777	VISION PRINT GRAPHICS & DESIGN	78,660
37537	FITO & SONS CONSTRUCTION	29,190
80117	LEGENTON (PTY) LTD	28,999
41118	MAT SIPANE CONSTRUCTION	28,985
80025	BENGIZAMA MINING AND CONSTRUCT	28,500
41061	KGADI YA MALAPA TRADING	28,200
37641	RASESE DEVELOPERS AND CONSTRUCT	28,100
32508	NTSHIANA T/ENTERPRISE t/a NTS	27,930
37761	TISITSO TRADING & PROJECTS PTY	27,700
37766	MATLAWENI TRADING ENTERPRISE	27,500
41089	MAPULE WA LEPULANE ENTERPRISE	27,400
40061	SET SHEPI SA TSWANE TRADING	27,090
32049	LEDANDULU'S CONSTRUCTION	27,000
37770	BAHLOTSE TRADING (PTY) LTD	26,960
TOTAL		2,760,247

The above table presents the top twenty creditors paid during the month of August 2016 and an amount of R2, 760 million was paid during the month under review.

Supporting Table: SC 5 - Investment Portfolio

Investments	Period of Investment	Type of Investment	Expiry date	Accrued interest	Yield for the month	MV - Opening	Change in MV	MV - Closing
Municipality								
Nedbank	2 Month	Short term	8-Sep-2016	267	7.60%	40,200	-	40,466
Nedbank	2 Month	Short term	10-Aug-2016	37	7.50%	20,099	(20,136)	-
Nedbank	1 Months	Short term	31-Aug-2016	-	6.00%	5,548	(5,548)	-
Absa	1 Months	Short term	5-Sep-2016	-	7.45%	15,000	-	15,000
Absa - MIG	1 Months	Short term	31-Aug-2016	4	0.47%	748	(0)	748
Absa Call Account	1 Month	Short term	31-Aug-2016	4	5.00%	639	(0)	642
TOTAL INVESTMENTS AND INTEREST				311		82,234	(25,683)	56,857

Supporting table SC5 presents all investments that indicate that the total amount of R56, 857 million had been invested as at end of August 2016. The opening balance was R82, 234 million, an amount of R25, 683 million has been withdrawn as addition during the current month and accrued interest for the month amounted to R311 thousand.

Supporting Table: SC 6 - Transfers and Grant Receipts

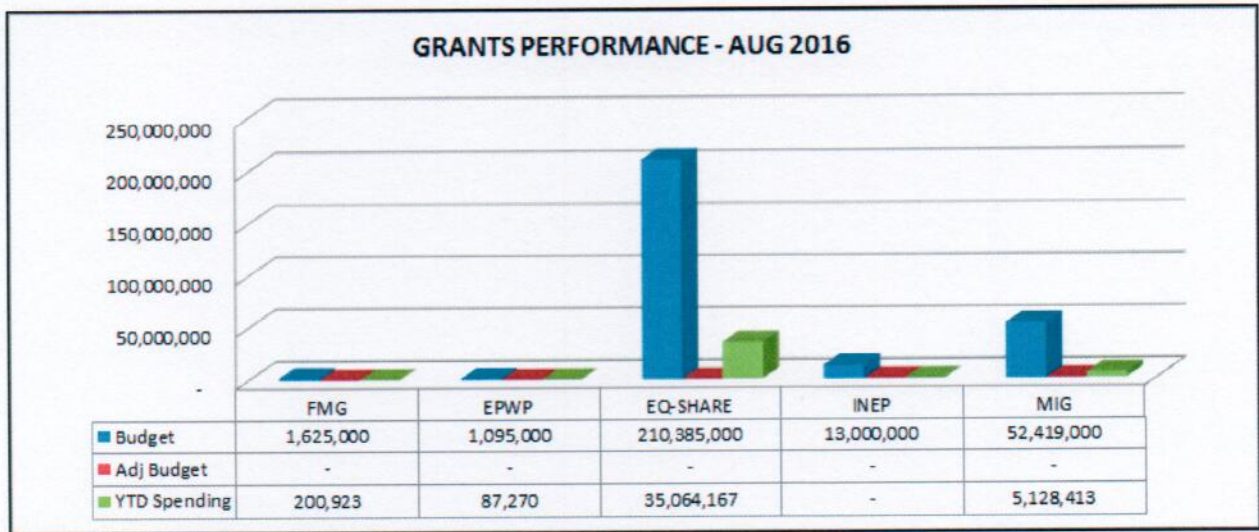
Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Operating Transfers and Grants									
National Government:	216,641	213,105	-	1,899	89,559	89,559	-		213,105
Local Government Equitable Share	212,948	210,385	-	-	87,660	87,660	-		210,385
Finance Management	1,600	1,625	-	1,625	1,625	1,625	-		1,625
Municipal Systems Improvement	930	-	-	-	-	-	-		-
EPWP Incentive	1,163	1,095	-	274	274	274	-		1,095
Provincial Government:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
District Municipality:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
Other grant providers:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
Total Operating Transfers and Grants	216,641	213,105	-	1,899	89,559	89,559	-		213,105
Capital Transfers and Grants									
National Government:	63,102	75,419	-	-	22,000	22,000	-		75,419
Municipal Infrastructure Grant (MIG)	53,102	62,419	-	-	22,000	22,000	-		62,419
Intergrated National Electrification Grant	10,000	13,000	-	-	-	-	-		13,000
Provincial Government:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
District Municipality:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
Other grant providers:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
Total Capital Transfers and Grants	63,102	75,419	-	-	22,000	22,000	-		75,419
TOTAL RECEIPTS OF TRANSFERS & GRANTS	279,743	288,524	-	1,899	111,559	111,559	-		288,524

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R111, 559 million of which the major portion is attributed to equitable share (i.e. R87, 660 million) received. All the grants allocated for the current financial year have been received as gazette.

Supporting Table: SC 7 Transfers and grants – Expenditure

Description	2015/16	Budget Year 2016/17							
	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:	216,641	213,105	-	17,735	35,352	35,518	(165)	-0.5%	213,105
Local Government Equitable Share	212,948	210,385	-	17,532	35,064	35,064	(0)	0.0%	210,385
Finance Management	1,600	1,625	-	159	201	271	(70)	-25.8%	1,625
Municipal Systems Improvement	930	-	-	-	-	-	-	-	-
EPWP Incentive	1,163	1,095	-	44	87	183	(95)	-52.2%	1,095
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	216,641	213,105	-	17,735	35,352	35,518	(165)	-0.5%	213,105
Capital expenditure of Transfers and Grants									
National Government:	63,102	75,419	-	3,940	5,128	12,570	(7,441)	-59.2%	75,419
Municipal Infrastructure Grant (MIG)	53,102	62,419	-	3,940	5,128	10,403	(5,275)	-50.7%	62,419
Intergrated National Electrification Grant	10,000	13,000	-	-	-	2,167	(2,167)	-100.0%	13,000
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	63,102	75,419	-	3,940	5,128	12,570	(7,441)	-59.2%	75,419
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	279,743	288,524	-	21,675	40,481	48,087	(7,607)	-15.8%	288,524

An amount of R21, 675 million has been spent on grants during the month of August 2016 and the year to date actuals is R40, 481 million whilst the year to date budget amounts to R48, 087 million and this results in underspending variance of R7, 601 (15.8%). Of the total spending R35, 352 million is spent from operational grant whilst R5, 128 million is spent from capital grant (MIG). All the Grants are under-spending when comparing the year to date actuals with the projected budget thereof, except equitable shares.



The above graph depicts the gazetted and adjusted budgeted amounts for all the grants and the expenditure thereof as at end of August 2016. The grants expenditure is shown below in percentages:

- Financial Management Grant 12,36%
- Expanded Public Work Programme 7,97%
- Equitable Share 16.67%
- Municipal Infrastructure Grant 9.78%
- Integrated National Electrification Grant 0%

Supporting Table: SC8 - Councilor Allowances and Employee Related Costs

Description	2015/16	Budget Year 2016/17							
	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	12,625	13,424	-	1,085	2,203	2,237	(34)	-2%	13,424
Pension and UIF Contributions	1,076	1,080	-	144	231	180	51	29%	1,080
Medical Aid Contributions	339	275	-	19	51	46	6	12%	275
Motor Vehicle Allowance	3,983	4,000	-	419	762	667	95	14%	4,000
Cellphone Allowance	1,615	-	-	-	34	-	34	#DN/O!	-
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	128	-	-	-	21	(21)	-100%	128
Sub Total - Councillors	19,638	18,908	-	1,667	3,282	3,151	131	4%	18,908
Senior Managers of the Municipality									
Basic Salaries and Wages	4,473	5,706	-	1,748	2,134	951	1,183	124%	5,706
Pension and UIF Contributions	362	496	-	120	148	83	66	80%	496
Medical Aid Contributions	169	86	-	30	38	14	23	162%	86
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	718	793	-	224	281	132	148	112%	793
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	283	71	-	0	0	12	(12)	-98%	71
Payments in lieu of leave	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	6,005	7,153	-	2,123	2,601	1,192	1,409	118%	7,153
Other Municipal Staff									
Basic Salaries and Wages	63,381	67,914	-	5,536	11,088	11,319	(231)	-2%	67,914
Pension and UIF Contributions	12,228	13,194	-	1,141	2,276	2,199	77	4%	13,194
Medical Aid Contributions	3,565	3,869	-	314	631	645	(14)	-2%	3,869
Overtime	2,589	1,060	-	330	436	177	259	147%	1,060
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	5,437	7,693	-	583	1,172	1,282	(110)	-9%	7,693
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	137	158	-	13	26	26	(1)	-2%	158
Other benefits and allowances	6,083	6,458	-	118	196	1,076	(880)	-82%	6,458
Payments in lieu of leave	502	1,060	-	50	115	177	(62)	-35%	1,060
Long service awards	841	494	-	-	-	82	(82)	-100%	494
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff	94,763	101,900	-	8,085	15,940	16,983	(1,044)	-6%	101,900
Total Parent Municipality	120,405	127,962	-	11,874	21,823	21,327	496	2%	127,962
Total Municipal Entities	-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS	120,405	127,962	-	11,874	21,823	21,327	496	2%	127,962
TOTAL MANAGERS AND STAFF	100,767	109,053	-	10,208	18,541	18,176	365	2%	109,053

Table SC8 provides details for Remuneration of Councillors and Employee related cost. The total salaries, allowances and benefits paid for August 2016 amounts to R11, 874 million (Year

to date expenditure is R21, 327 million) and the expenditure for remuneration of councilors for the month amounts to R 1, 667 million while the year to date expenditure is R3, 282).

Description	Budget Year 2016/17												2016/17 Medium Term Revenue			
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year	Budget Year +1	Budget Year +2	
	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
Cash Receipts By Source																
Property rates	1,263	1,471	1,859	1,859	1,859	1,859	1,859	1,859	1,859	1,859	1,859	2,841	22,302	23,685	25,083	
Property rates - penalties & collection charges	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Service charges - electricity revenue	6,778	4,328	4,717	5,070	4,889	5,210	5,465	5,517	6,597	6,628	7,389	5,608	68,195	72,423	76,696	
Service charges - water revenue	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Service charges - sanitation revenue	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Service charges - refuse	283	273	551	551	551	551	551	551	551	551	551	1,066	6,608	7,017	7,431	
Service charges - other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Rental of facilities and equipment	44	82	71	71	71	71	71	71	71	71	71	87	848	901	954	
Interest earned - external investments	398	311	200	310	315	350	350	350	360	381	381	122	3,829	4,066	4,306	
Interest earned - outstanding debtors	182	146	153	153	153	153	153	153	153	153	153	131	1,837	1,951	2,066	
Dividends received	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Fines	18	80	21	18	18	48	41	30	18	50	48	13	403	428	453	
Licences and permits	427	—	422	422	422	422	422	422	422	422	422	838	5,060	5,373	5,691	
Agency services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Transfer receipts - operating	87,660	1,899	—	—	70,457	—	—	329	52,596	—	—	164	213,105	227,853	243,113	
Other revenue	938	982	254	178	84	274	134	212	174	174	15	(1,276)	2,152	2,285	2,420	
Cash Receipts by Source	97,989	9,582	8,246	8,630	78,817	8,936	9,044	9,492	62,800	10,289	10,887	9,625	324,338	345,983	368,213	
Other Cash Flows by Source																
Transfer receipts - capital	22,000	2,296	3,640	22,435	2,730	3,900	—	2,730	19,198	—	—	(3,510)	75,419	66,212	69,386	
Contributions & Contributed assets	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Proceeds on disposal of PPE	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Short term loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Borrowing long term/refinancing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Increase in consumer deposits	22	36	105	60	45	124	14	30	12	14	18	20	500	531	562	
Receipt of non-current debtors	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Receipt of non-current receivables	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Change in non-current investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Total Cash Receipts by Source	120,011	11,915	11,991	31,125	81,592	12,960	9,058	12,252	82,010	10,303	10,905	11,135	405,257	412,726	438,161	
Cash Payments by Type																
Employee related costs	8,307	10,207	8,564	8,546	8,489	15,248	8,734	8,514	8,516	8,544	8,494	6,912	109,053	115,814	122,648	
Remuneration of councillors	1,615	1,667	1,576	1,576	1,576	1,576	1,576	1,576	1,576	1,576	1,576	1,445	18,908	20,081	21,265	
Interest paid	219	—	—	—	—	—	—	—	—	—	—	(159)	60	12	—	
Bulk purchases - Electricity	7,265	7,426	5,000	5,000	5,500	5,000	5,461	5,000	6,000	6,000	6,000	1,309	64,961	68,988	73,059	
Bulk purchases - Water & Sewer	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Other materials	317	2,303	351	134	555	173	441	136	480	197	266	(1,407)	3,945	4,190	4,437	
Contracted services	3,766	4,051	1,378	1,498	1,798	1,528	2,328	1,378	2,498	1,428	1,628	(2,724)	20,550	18,638	19,738	
Grants and subsidies paid - other municipalities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Grants and subsidies paid - other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
General expenses	7,325	4,243	5,574	4,964	5,829	3,841	5,087	6,017	4,513	4,661	4,873	3,898	60,826	60,495	61,379	
Cash Payments by Type	26,910	30,093	22,594	21,869	23,928	27,518	23,777	22,847	23,734	22,657	22,988	9,515	280,431	290,479	304,918	
Other Cash Flows/Payments by Type																
Capital assets	5,226	4,483	12,244	8,854	12,023	7,942	4,095	1,735	1,628	1,520	200	34,498	94,449	80,212	87,886	
Repayment of borrowing	800	—	780	780	780	780	780	780	780	780	780	1,540	9,357	6,264	—	
Other Cash Flows/Payments	14,031	—	—	—	—	—	—	—	—	—	—	(14,031)	—	—	—	
Total Cash Payments by Type	48,967	34,576	35,618	31,504	36,731	36,240	28,652	25,362	26,142	24,957	23,968	31,521	384,237	376,955	392,804	
NET INCREASE/(DECREASE) IN CASH HELD	71,044	(22,661)	(23,626)	(379)	44,861	(23,280)	(19,594)	(13,109)	55,868	(14,655)	(13,063)	(20,386)	21,020	35,771	45,357	
Cash/cash equivalents at the month/year beginning	11,695	82,739	60,076	36,451	36,073	80,933	57,654	38,060	24,951	80,819	66,164	53,102	11,695	32,716	68,487	
Cash/cash equivalents at the month/year end	82,739	60,076	36,451	36,073	80,933	57,654	38,060	24,951	80,819	66,164	53,102	32,716	32,716	68,487	113,843	

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 11, 915 million and the total cash payment for the month were R34 , 576 million. This is a supporting table for table C7 – Cash Flow Statement.

Supporting Table: SC 12 Capital Expenditure Trend

Month	2015/16	Budget Year 2016/17							
	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	214	15,914	-	5,226	5,226	15,914	10,688	67.2%	5.53%
August	471	19,478	-	4,483	4,483	35,392	30,909	87.3%	4.75%
September	4,934	14,244	-	-	-	49,636	-	-	-
October	7,685	8,854	-	-	-	58,491	-	-	-
November	20,182	14,023	-	-	-	72,514	-	-	-
December	8,347	7,942	-	-	-	80,456	-	-	-
January	8,556	5,595	-	-	-	86,051	-	-	-
February	11,817	1,735	-	-	-	87,786	-	-	-
March	3,847	1,628	-	-	-	89,414	-	-	-
April	13,912	3,520	-	-	-	92,934	-	-	-
May	7,366	200	-	-	-	93,134	-	-	-
June	22,386	1,315	-	-	-	94,449	-	-	-
Total Capital expenditure	109,717	94,449	-	9,709					

Supporting table SC12 provides information on the monthly trends for capex. In terms of this table the capital expenditure for the month of August amounts to R4, 483 million. The capital budget spending is way below the projected spending for August and this result in the spending projection target not being achieved.

In terms of the budget projection for the month, the spending was anticipated to be at R35, 392 million and only R4, 483 million has actually been spent. This reflects under spending variance of 87.3%.

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

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
New assets by Asset Class/Sub-class									
Infrastructure	77,040	36,500	-	2,249	3,110	6,083	2,973	48.9%	36,500
Infrastructure - Road transport	55,743	23,000	-	2,249	3,110	3,833	723	18.9%	23,000
Roads, Pavements & Bridges	52,130	23,000	-	2,249	3,110	3,833	723	18.9%	23,000
Storm water	3,613	-	-	-	-	-	-	-	-
Infrastructure - Electricity	21,297	13,000	-	-	-	2,167	2,167	100.0%	13,000
Generation	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	14,156	13,000	-	-	-	2,167	2,167	100.0%	13,000
Street Lighting	7,141	-	-	-	-	-	-	-	-
Infrastructure - Other	-	500	-	-	-	83	83	100.0%	500
Waste Management	-	500	-	-	-	83	83	100.0%	500
Other	-	-	-	-	-	-	-	-	-
Community	-	700	-	-	-	117	117	100.0%	700
Parks & gardens	-	-	-	-	-	-	-	-	-
Sportsfields & stadia	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Recreational facilities	-	600	-	-	-	100	100	100.0%	600
Security and policing	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-
Other	-	100	-	-	-	17	17	100.0%	100
Heritage assets	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Other assets	857	4,530	-	253	3,051	755	(2,296)	-304.1%	4,530
General vehicles	-	2,500	-	-	2,253	417	(1,836)	-440.6%	2,500
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-	-	-
Computers - hardware/equipment	-	350	-	224	741	58	(683)	-1170.9%	350
Furniture and other office equipment	-	300	-	29	29	50	21	42.0%	300
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-	-	-
Other Buildings	-	-	-	-	-	-	-	-	-
Other Land	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	857	1,380	-	-	28	230	202	87.9%	1,380
Agricultural assets	-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Computers - software & programming	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	77,898	41,730	-	2,501	6,161	6,955	794	11.4%	41,730

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

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Renewal of existing assets by Asset Class/Sub-class									
Infrastructure	24,351	41,219	-	1,982	3,549	6,870	3,321	48.3%	41,219
Infrastructure - Road transport	23,064	39,719	-	1,982	3,549	6,620	3,071	46.4%	39,719
Roads, Pavements & Bridges	23,064	39,719	-	1,982	3,549	6,620	3,071	46.4%	39,719
Storm water	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	532	1,500	-	-	-	250	250	100.0%	1,500
Generation	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	532	1,500	-	-	-	250	250	100.0%	1,500
Street Lighting	-	-	-	-	-	-	-	-	-
Infrastructure - Other	755	-	-	-	-	-	-	-	-
Waste Management	755	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Community	-	10,000	-	-	-	1,667	1,667	100.0%	10,000
Parks & gardens	-	-	-	-	-	-	-	-	-
Sportsfields & stadia	-	10,000	-	-	-	1,667	1,667	100.0%	10,000
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Other assets	7,469	1,500	-	-	-	250	250	100.0%	1,500
General vehicles	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-	-	-
Computers - hardware/equipment	623	-	-	-	-	-	-	-	-
Furniture and other office equipment	537	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	77	-	-	-	-	-	-	-	-
Other Buildings	5,876	1,500	-	-	-	250	250	100.0%	1,500
Other Land	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	356	-	-	-	-	-	-	-	-
Agricultural assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Computers - software & programming	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Capital Expenditure on renewal of existing assets	31,820	52,719	-	1,982	3,549	8,787	5,238	59.6%	52,719

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

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Repairs and maintenance expenditure									
Infrastructure	3,093	7,450	-	222	432	1,242	810	65.2%	7,450
Infrastructure - Road transport	883	3,300	-	-	-	550	550	100.0%	3,300
Roads, Pavements & Bridges	883	3,300	-	-	-	550	550	100.0%	3,300
Storm water	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	1,001	1,800	-	222	287	300	13	4.4%	1,800
Generation	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	1,001	1,800	-	222	287	300	13	4.4%	1,800
Street Lighting	-	-	-	-	-	-	-	-	-
Infrastructure - Other	1,209	2,350	-	-	145	392	247	63.0%	2,350
Waste Management	1,209	2,350	-	-	145	392	247	63.0%	2,350
Transportation	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Community	-	-	-	-	-	-	-	-	-
Parks & gardens	-	-	-	-	-	-	-	-	-
Sportsfields & stadia	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Other assets	5,599	6,765	-	2,104	2,357	1,019	(1,338)	-131.2%	6,765
General vehicles	1,427	1,300	-	114	328	108	(220)	-203.2%	1,300
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	2,749	1,500	-	329	367	250	(117)	-46.8%	1,500
Computers - hardware/equipment	-	-	-	-	-	-	-	-	-
Furniture and other office equipment	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-	-	-
Other Buildings	1,154	2,500	-	1,638	1,638	417	(1,221)	-293.1%	2,500
Other Land	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	269	1,465	-	23	23	244	221	90.4%	1,465
Agricultural assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	9	500	-	-	-	83	83	100.0%	500
Computers - software & programming	-	-	-	-	-	-	-	-	-
Other	9	500	-	-	-	83	83	100.0%	500
Total Repairs and Maintenance Expenditure	8,701	14,715	-	2,327	2,789	2,344	(444)	-19.0%	14,715

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 expenditure for new capital projects amounts to R6, 161 million and the year to date budget is R6, 955 million which reflects 11.4% favorable variance. The spending on renewal of existing assets for August amounts R1, 982 million and the year to date actual is R3, 549 million with the year to date budget reflecting an amount of R8, 787 million and this reflects 59.6%.

The actual expenditure for the month of August 2016 on repairs and maintenance is R2, 327 million and the year to date actuals is R2, 789 million while the year to date budget is R2, 344 million, reflecting spending variance of -19%.

Quality certificate

I **RAMAKGAHLELE MAREDI**, the Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the monthly budget statement report and supporting documentation for the month of August 2016 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Municipal Manager of Elias Motsoaledi Local Municipality (LIM 472)

Signature  **Elias Motsoaledi
Local Municipality**

Date **19/09/16** SEP 2016

Municipal Manager