

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT REPORT

JUNE 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	23,780	6,337	27,963	24,881	3,082	12%	24,881
Service charges	69,588	81,102	78,960	5,581	77,251	75,935	1,316	2%	75,935
Investment revenue	4,290	3,829	3,479	37	2,703	3,479	(776)	-22%	3,479
Transfers recognised - operational	216,652	213,105	213,105	1,744	214,632	213,105	1,527	1%	213,105
Other own revenue	17,378	15,589	22,294	50,310	65,583	22,157	43,426	196%	22,157
Total Revenue (excluding capital transfers)	330,303	337,606	341,618	64,008	388,132	339,557	48,575	14%	339,557
Employee costs	112,151	109,053	112,496	11,204	116,681	112,496	4,185	4%	112,496
Remuneration of Councillors	19,061	18,908	20,292	1,684	20,404	20,292	112	1%	20,292
Depreciation & asset impairment	49,728	35,796	50,000	46,416	46,416	50,000	(3,584)	-7%	50,000
Finance charges	2,141	60	2,760	(580)	1,426	2,760	(1,334)	-48%	2,760
Materials and bulk purchases	69,966	68,906	73,404	(13)	73,257	83,459	(10,202)	-12%	83,459
Transfers and grants	313	2,128	2,248	-	521	2,248	(1,727)	-77%	2,248
Other expenditure	114,765	94,063	107,161	80,751	181,606	107,178	74,428	69%	107,178
Total Expenditure	368,125	328,915	368,361	139,463	440,313	378,434	61,879	16%	378,434
Surplus/(Deficit)	(37,822)	8,690	(26,743)	(75,455)	(52,181)	(38,877)	(13,304)	34%	(38,877)
Transfers recognised - capital	77,188	75,419	85,419	17,682	68,895	75,419	(6,524)	-9%	75,419
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers	39,366	84,109	58,676	(57,773)	16,714	36,542	(19,828)	-54%	36,542
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	39,366	84,109	58,676	(57,773)	16,714	36,542	(19,828)	-54%	36,542
Capital expenditure & funds sources									
Capital expenditure	108,388	94,449	95,778	19,290	80,799	87,620	(6,821)	-8%	87,620
Capital transfers recognised	77,188	75,419	74,398	15,182	68,895	66,240	2,655	4%	66,240
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	31,200	19,030	21,380	4,108	11,904	21,380	(9,476)	-44%	21,380
Total sources of capital funds	108,388	94,449	95,778	19,290	80,799	87,620	(6,821)	-8%	87,620
Financial position									
Total current assets	58,124	72,418	87,686		84,878				60,701
Total non current assets	979,292	993,473	1,040,124		1,022,382				1,040,124
Total current liabilities	69,263	31,896	79,705		87,782				51,752
Total non current liabilities	95,865	90,513	85,185		91,981				85,185
Community wealth/Equity	872,288	943,481	962,921		927,497				963,888
Cash flows									
Net cash from (used) operating	22,790	119,326	89,505	(5,649)	99,258	89,181	(10,077)	-11%	88,938
Net cash from (used) investing	(30,567)	(89,449)	(67,620)	(19,290)	(80,339)	(87,620)	(7,281)	8%	(87,620)
Net cash from (used) financing	(5,415)	(8,857)	(8,187)	(682)	(9,575)	(5,019)	4,556	(0)	(5,019)
Cash/cash equivalents at the month/year end	11,965	27,259	25,664	-	20,913	8,507	(12,406)	-146%	7,868
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	13,934	3,537	1,477	1,326	7,571	6,549	4,777	8,518	47,689
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

The above C1 Sum table summarizes the following activities:-

Revenue:

The actual year to date operational revenue as at end of June 2017 is R388, 132 million and the year to date budget of R339, 557 million and this reflects under performance variance of R48,

575 million that reflects poor performance of the operational revenue for the reporting period. The following are the secondary revenue item categories reflecting a negative and material variance:

- Interest earned - external investments: 22% unfavorable variance,
- Interest earned – outstanding debtors: 5% unfavorable variance
- Licenses and permits: 2% unfavorable variance
- Rental on Facilities and Equipment: 18% unfavorable variance
- Fines: 61% unfavorable variance
- Service charges - refuse revenue: 9% unfavorable variance

Operating Expenditure

The year to date operational expenditure as at end of June 2017 amounts to R440, 313 million and the year to date budget is R378, 434 million. This reflects an unfavorable variance of R61, 879 million that translates to 16% over spending variance as compared to the projected expenditure.

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

- Other materials: 48% under performance variance
- Finance Charges : 48% under performance variance
- Transfer and Grants: 77% under performance variance
- Contracted services: 12% over performance variance
- Debt impairment: 398% over performance variance
- Other expenditure: 42% over performance variance
- Bulk purchase: 14% underspending variance

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

Capital Expenditure

The year to date actual capital expenditure as at end of June 2017 amounts to R80, 799 million and the year to date budget amounts to R87, 620 million and this gives rise to 8% under spending variance. This is attributed to Upgrading of Hlogotlou stadium with a budget of R10 million (funded by MIG) and other projects that shared an additional allocation of R20 million from MIG. The under spending on projects that are funded by grants will lead the municipality to applying for roll over and as a result, this might have negative impact on future allocations.

Surplus/Deficit

Taking the above into consideration, the net operating surplus for the month is R9, 458 million.

Debtors

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of June 2017 amounts to R47, 689 million and this shows a decrease of R15, 883 million as compared to R63, 571 million as at end of 2015/16 financial year, and the decrease is mainly attributed to debt written off.

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	248,338	246,631	245,997	9,088	251,614	247,098	4,516	2%	247,098
Executive and council	930	-	-	-	-	-	-		-
Budget and treasury office	247,402	246,619	245,983	9,087	251,603	247,085	4,518	2%	247,085
Corporate services	6	11	14	1	12	14	(2)	-15%	14
Community and public safety	5,127	1,384	7,045	48,749	50,922	7,045	43,877	623%	7,045
Community and social services	2,710	39	44	4	45	44	1	3%	44
Sport and recreation	1	3	1	24	-	1	(1)	-100%	1
Public safety	2,415	1,342	7,000	48,722	50,877	7,000	43,877	627%	7,000
Housing	-	-	-	-	-	-	-		-
Health	-	-	-	-	-	-	-		-
Economic and environmental services	74,437	70,558	81,685	10,348	64,421	71,548	(7,127)	-10%	71,548
Planning and development	1,186	1,167	1,148	11	1,635	1,811	(176)	-10%	1,811
Road transport	73,251	69,391	80,537	10,338	62,786	69,737	(6,951)	-10%	69,737
Environmental protection	-	-	-	-	-	-	-		-
Trading services	79,589	94,452	92,310	13,549	90,069	89,285	785	1%	89,285
Electricity	75,904	86,328	84,855	13,548	83,563	81,773	1,791	2%	81,773
Water	-	-	-	-	-	-	-		-
Waste water management	-	-	-	-	-	-	-		-
Waste management	3,685	8,124	7,455	1	6,506	7,512	(1,006)	-13%	7,512
Other	-	-	-	-	-	-	-		-
Total Revenue - Standard	407,491	413,025	427,037	81,735	457,027	414,976	42,051	10%	414,976
Expenditure - Standard									
Governance and administration	206,701	158,368	155,810	66,842	217,883	152,470	65,413	43%	152,470
Executive and council	48,215	45,635	51,067	3,732	53,030	53,149	(119)	0%	53,149
Budget and treasury office	111,996	71,054	51,110	52,005	109,200	46,481	62,719	135%	46,481
Corporate services	46,490	41,679	53,633	11,105	55,653	52,840	2,813	5%	52,840
Community and public safety	20,652	23,423	24,171	3,898	23,183	24,172	(988)	-4%	24,172
Community and social services	8,856	9,521	11,653	2,773	10,859	11,653	(795)	-7%	11,653
Sport and recreation	708	1,431	1,178	92	1,012	1,178	(166)	-14%	1,178
Public safety	11,088	12,470	11,339	1,033	11,313	11,340	(28)	0%	11,340
Housing	-	-	-	-	-	-	-		-
Health	-	-	-	-	-	-	-		-
Economic and environmental services	52,108	50,267	86,753	48,949	93,689	92,722	967	1%	92,722
Planning and development	9,467	10,031	8,231	1,649	7,574	8,231	(657)	-8%	8,231
Road transport	42,640	40,236	78,521	47,301	86,115	84,490	1,625	2%	84,490
Environmental protection	-	-	-	-	-	-	-		-
Trading services	88,664	96,858	101,628	19,773	105,557	109,070	(3,513)	-3%	109,070
Electricity	65,530	78,171	76,876	16,855	83,253	84,711	(1,458)	-2%	84,711
Water	-	-	-	-	-	-	-		-
Waste water management	-	-	-	-	-	-	-		-
Waste management	23,135	18,687	24,752	2,918	22,304	24,359	(2,055)	-8%	24,359
Other	-	-	-	-	-	-	-		-
Total Expenditure - Standard	368,125	328,915	368,361	139,463	440,313	378,434	61,879	16%	378,434
Surplus/ (Deficit) for the year	39,366	84,109	58,676	(57,728)	16,714	36,542	(19,828)	-54%	36,542

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	247,402	246,619	245,983	9,087	251,603	247,085	4,518	2%	247,085
Vote 4 - Corporate Services	6	11	14	1	12	14	(2)	-15%	14
Vote 5 - Community Services	13,068	14,568	19,359	49,124	62,171	19,417	42,754	220%	19,417
Vote 6 - Technical Services	144,898	150,659	160,532	23,489	141,606	146,650	(5,044)	-3%	146,650
Vote 7 - Strategic Deveopment	-	-	-	-	-	-	-	-	-
Vote 8 - Developmental Planning	1,186	1,167	1,148	(11)	1,635	1,811	(176)	-10%	1,811
Vote 9 - Executive Support	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	407,491	413,025	427,037	81,690	457,027	414,976	42,051	10%	414,976
Expenditure by Vote									
Vote 1 - Executive & Council	29,961	27,109	30,476	2,159	29,665	30,476	(811)	-3%	30,476
Vote 2 - Office of the Municipal Manager	21,217	18,526	20,592	1,573	23,365	22,673	692	3%	22,673
Vote 3 - Budget & Treasury	111,996	71,054	51,110	52,005	109,200	46,481	62,719	135%	46,481
Vote 4 - Corporate Services	22,109	27,391	36,781	9,596	38,771	35,988	2,784	8%	35,988
Vote 5 - Community Services	48,634	47,723	54,029	7,202	50,475	53,636	(3,161)	-6%	53,636
Vote 6 - Technical Services	103,323	112,793	150,291	63,769	164,381	164,096	284	0%	164,096
Vote 7 - Strategic Deveopment	-	-	-	-	-	-	-	-	-
Vote 8 - Developmental Planning	6,505	10,031	8,231	1,649	7,574	8,231	(657)	-8%	8,231
Vote 9 - Executive Support	24,381	14,288	16,852	1,509	16,881	16,852	29	0%	16,852
Total Expenditure by Vote	368,125	328,915	368,361	139,463	440,313	378,433	61,879	16%	378,433
Surplus/ (Deficit) for the year	39,366	84,109	58,676	(57,773)	16,714	36,542	(19,828)	-54%	36,542

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	23,780	6,337	27,963	24,881	3,082	12%	24,881
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	65,904	73,328	71,855	5,580	70,745	68,773	1,972	3%	68,773
Service charges - water revenue	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	3,684	7,774	7,105	1	6,506	7,162	(656)	-9%	7,162
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	1,413	912	2,412	197	1,319	1,612	(293)	-18%	1,612
Interest earned - external investments	4,290	3,829	3,479	37	2,703	3,479	(776)	-22%	3,479
Interest earned - outstanding debtors	5,872	6,123	6,823	67	6,469	6,823	(354)	-5%	6,823
Dividends received	-	-	-	-	-	-	-	-	-
Fines	2,413	1,342	7,000	48,722	50,877	7,000	43,877	627%	7,000
Licences and permits	4,257	5,060	4,860	397	4,743	4,860	(117)	-2%	4,860
Agency services	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	216,652	213,105	213,105	1,744	214,632	213,105	1,527	1%	213,105
Other revenue	3,423	2,152	1,199	926	2,175	1,862	314	17%	1,862
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers)	330,303	337,606	341,618	64,008	388,132	339,557	48,575	14%	339,557
Expenditure By Type									
Employee related costs	112,151	109,053	112,496	11,204	116,681	112,496	4,185	4%	112,496
Remuneration of councillors	19,061	18,908	20,292	1,684	20,404	20,292	112	1%	20,292
Debt impairment	8,130	12,688	10,688	45,252	53,215	10,688	42,527	398%	10,688
Depreciation & asset impairment	49,728	35,796	50,000	46,416	46,416	50,000	(3,584)	-7%	50,000
Finance charges	2,141	60	2,760	(580)	1,426	2,760	(1,334)	-48%	2,760
Bulk purchases	60,361	64,961	62,906	282	60,384	69,961	(9,577)	-14%	69,961
Other materials	9,606	3,945	10,498	(295)	12,873	13,498	(625)	-5%	13,498
Contracted services	36,111	20,550	43,272	1,551	43,080	38,589	4,491	12%	38,589
Transfers and grants	313	2,128	2,248	-	521	2,248	(1,727)	-77%	2,248
Other expenditure	66,734	60,826	53,202	30,581	81,945	57,902	24,043	42%	57,902
Loss on disposal of PPE	3,790	-	-	3,367	3,367	-	3,367	0%	-
Total Expenditure	368,125	328,915	368,361	139,463	440,313	378,434	61,879	16%	378,434
Surplus/(Deficit)	(37,822)	8,690	(26,743)	(75,455)	(52,181)	(38,877)	(13,304)	34%	(38,877)
Transfers recognised - capital	77,188	75,419	85,419	17,682	68,895	75,419	(6,524)	-9%	75,419
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers	39,366	84,109	58,676	(57,773)	16,714	36,542			36,542
Taxation	-	-	-	-	-	-			-
Surplus/(Deficit) after taxation	39,366	84,109	58,676	(57,773)	16,714	36,542			36,542
Attributable to minorities	-	-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality	39,366	84,109	58,676	(57,773)	16,714	36,542			36,542
Share of surplus/ (deficit) of associate	-	-	-	-	-	-			-
Surplus/ (Deficit) for the year	39,366	84,109	58,676	(57,773)	16,714	36,542			36,542

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

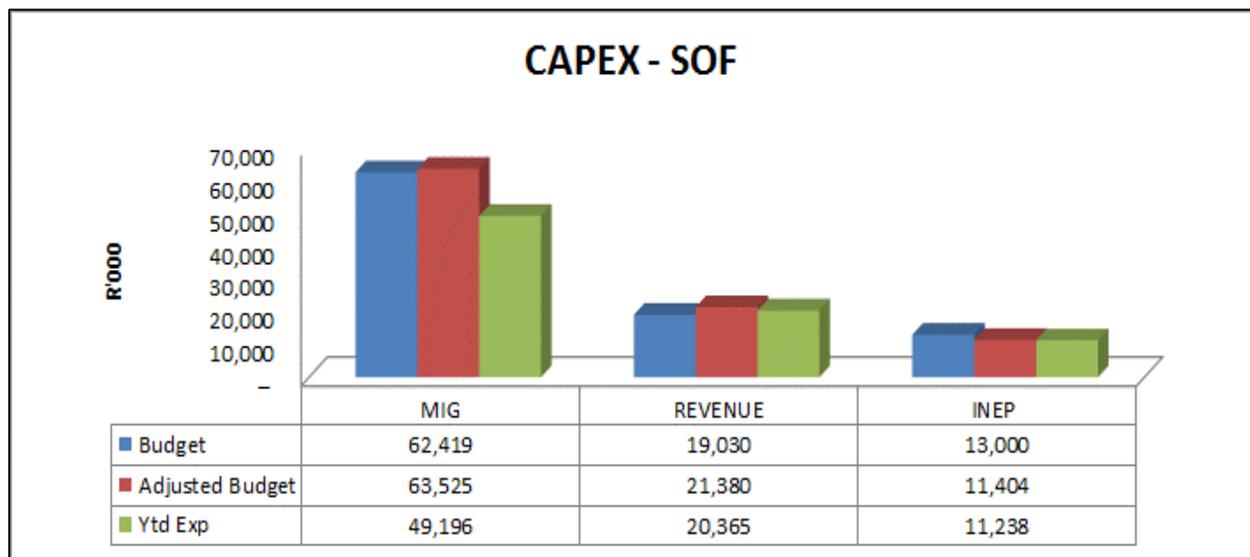
Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding

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	1,148	650	2,550	123	2,091	2,550	(459)	-18%	2,550
Executive and council	-	-	-	-	-	-	-	-	-
Budget and treasury office	-	-	-	-	-	-	-	-	-
Corporate services	1,148	650	2,550	123	2,091	2,550	(459)	-18%	2,550
Community and public safety	77	1,380	1,280	-	181	1,280	(1,099)	-86%	1,280
Community and social services	77	1,200	1,100	-	28	1,100	(1,072)	-97%	1,100
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	180	180	-	153	180	(27)	-15%	180
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	84,276	77,019	80,144	10,618	67,376	71,986	(4,610)	-6%	71,986
Planning and development	-	-	-	-	-	-	-	-	-
Road transport	84,276	77,019	80,144	10,618	67,376	71,986	(4,610)	-6%	71,986
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	22,887	15,400	11,804	8,549	11,151	11,804	(653)	-6%	11,804
Electricity	22,445	14,500	11,404	8,549	11,151	11,404	(253)	-2%	11,404
Water	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	442	900	400	-	-	400	(400)	-100%	400
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	108,388	94,449	95,778	19,290	80,799	87,620	(6,821)	-8%	87,620
Funded by:									
National Government	77,188	75,419	74,398	15,182	60,434	66,240	2,655	4%	66,240
Provincial Government	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	77,188	75,419	74,398	15,182	60,434	66,240	2,655	4%	66,240
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	31,200	19,030	21,380	4,108	20,365	21,380	(9,476)	-44%	21,380
Total Capital Funding	108,388	94,449	95,778	19,290	80,799	87,620	(6,821)	-8%	87,620

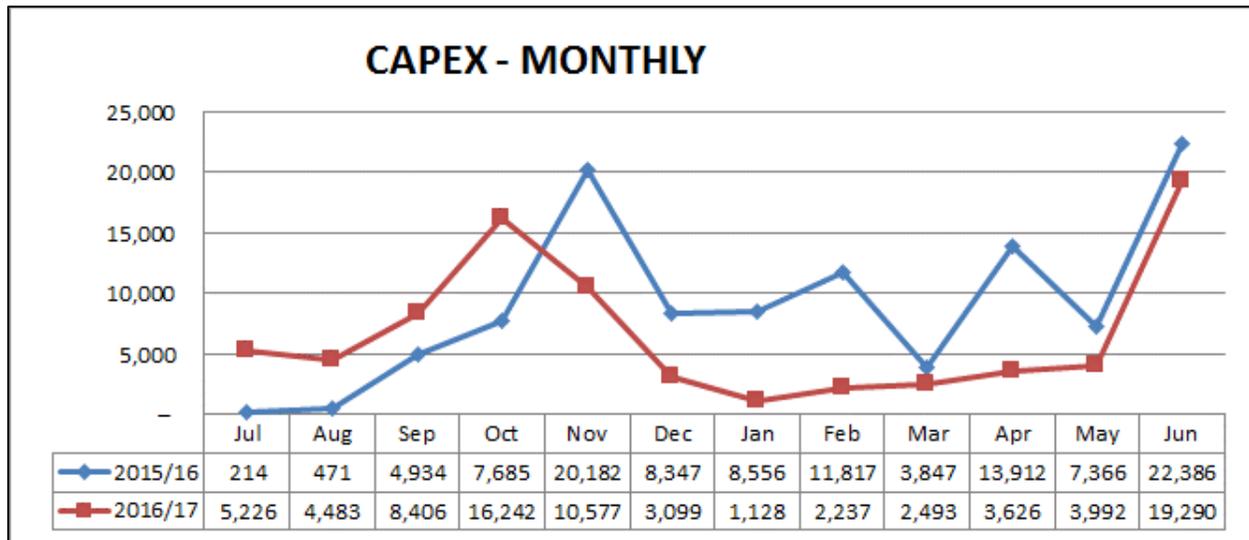
Table C5C: Monthly Capital Expenditure by Vote

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	1,148	-	-	-	-	-	-	-	-
Vote 5 - Community Services	3,701	600	600	-	28	600	(572)	-95%	600
Vote 6 - Technical Services	67,215	63,619	61,415	13,338	50,994	53,257	(2,264)	-4%	53,257
Vote 7 - Strategic Deveopment	-	-	-	-	-	-	-	-	-
Vote 8 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 9 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	72,063	64,219	62,015	13,338	51,021	53,857	(2,836)	-5%	53,857
Single Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	650	1,950	123	1,508	1,950	(442)	-23%	1,950
Vote 5 - Community Services	-	2,180	1,080	-	153	1,080	(927)	-86%	1,080
Vote 6 - Technical Services	36,325	27,400	30,133	5,829	27,534	30,133	(2,599)	-9%	30,133
Vote 7 - Strategic Deveopment	-	-	-	-	-	-	-	-	-
Vote 8 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 9 - Executive Support	-	-	600	-	583	600	(17)	-3%	600
Total Capital single-year expenditure	36,325	30,230	33,763	5,952	29,778	33,763	(3,985)	-12%	33,763
Total Capital Expenditure	108,388	94,449	95,778	19,290	80,799	87,620	(6,821)	-8%	87,620

The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of June 2017, R19, 290 million spending was incurred and the year to date expenditure is R80, 799 million whilst the year to date budget is R87, 620 million and this gave rise to unfavorable spending variance of R6, 821 million that translates to 8%.



The above graph shows the components of sources of finance for capital budget. Of the total capital budget of R95, 778 million, R63, 525 million is funded from Municipal Infrastructure grant, R11, 404 million from INEP and R21, 380 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. The graphs shows performance and/or spending improvement from the month of July to October, and then the spending declined from November 2016 to June 2017 as compared to 2015/16 capital budget spending pattern.

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	5,066	3,247	14,369	5,288	3,247
Call investment deposits	6,899	33,369	11,294	15,625	5,017
Consumer debtors	24,545	18,947	32,082	39,268	32,082
Other debtors	18,226	13,855	26,955	21,505	16,955
Current portion of long-term receivables	–	–	–	–	–
Inventory	3,388	3,000	2,986	3,193	3,400
Total current assets	58,124	72,418	87,686	84,878	60,701
Non current assets					
Long-term receivables	–	–	–	–	–
Investments	–	–	–	–	–
Investment property	96,146	89,472	93,468	96,285	96,146
Investments in Associate	–	–	–	–	–
Property, plant and equipment	871,247	891,663	934,417	913,411	931,739
Agricultural	–	–	–	–	–
Biological assets	–	–	–	–	–
Intangible assets	496	640	178	291	178
Other non-current assets	11,404	11,698	12,061	12,396	12,061
Total non current assets	979,292	993,473	1,040,124	1,022,382	1,040,124
TOTAL ASSETS	1,037,416	1,065,891	1,127,810	1,107,261	1,100,825
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	8,170	–	10,100	6,900	10,100
Consumer deposits	5,120	5,444	5,900	5,141	5,200
Trade and other payables	53,644	25,000	62,253	72,248	35,000
Provisions	2,330	1,452	1,452	3,494	1,452
Total current liabilities	69,263	31,896	79,705	87,782	51,752
Non current liabilities					
Borrowing	6,900	6,264	–	–	–
Provisions	88,965	84,249	85,185	91,981	85,185
Total non current liabilities	95,865	90,513	85,185	91,981	85,185
TOTAL LIABILITIES	165,128	122,409	164,890	179,763	136,937
NET ASSETS	872,288	943,481	962,921	927,497	963,888
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	872,288	943,481	962,921	927,497	963,888
Reserves	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	872,288	943,481	962,921	927,497	963,888

The above table shows that community wealth amounts to R927, 497 billion, total liabilities R179, 763 million and the total assets R1, 107 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 R16, 990 million relating to MIG and INEP.

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									
Property rates, penalties & collection charges	8,908	22,302	17,579	3,163	20,672	23,637	(2,965)	-13%	23,637
Service charges	59,267	74,803	70,069	4,986	69,070	71,422	(2,352)	-3%	71,422
Other revenue	8,835	8,463	13,403	1,258	10,066	11,403	(1,337)	-12%	11,403
Government - operating	216,652	213,105	213,105	-	214,632	213,105	1,527	1%	213,105
Government - capital	77,188	75,419	85,419	-	83,703	75,419	8,284	11%	75,419
Interest	10,163	5,666	4,136	414	10,410	5,769	4,642	80%	5,526
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(355,769)	(278,243)	(309,616)	(14,512)	(307,348)	(306,626)	722	0%	(306,626)
Finance charges	(2,141)	(60)	(2,341)	(857)	(1,426)	(2,700)	(1,274)	47%	(2,700)
Transfers and Grants	(313)	(2,128)	(2,248)	(101)	(521)	(2,248)	(1,727)	77%	(2,248)
NET CASH FROM/(USED) OPERATING ACTIVITIES	22,790	119,326	89,505	(5,649)	99,258	89,181	(10,077)	-11%	88,938
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	654	5,000	-	-	440	-	440	#DIV/0!	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	77,167	-	-	-	-	-	-	-	-
Payments									
Capital assets	(108,388)	(94,449)	(67,620)	(19,290)	(80,779)	(87,620)	(6,841)	8%	(87,620)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(30,567)	(89,449)	(67,620)	(19,290)	(80,339)	(87,620)	(7,281)	8%	(87,620)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	(412)	500	(17)	12	21	(17)	38	-221%	(17)
Payments									
Repayment of borrowing	(5,003)	(9,357)	(8,170)	(694)	(9,596)	(5,002)	4,594	-92%	(5,002)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(5,415)	(8,857)	(8,187)	(682)	(9,575)	(5,019)	4,556	-91%	(5,019)
NET INCREASE/ (DECREASE) IN CASH HELD	(13,192)	21,020	13,698	(25,621)	9,344	(3,458)			(3,701)
Cash/cash equivalents at beginning:	25,158	6,238	11,965		11,570	11,965			11,570
Cash/cash equivalents at month/year end:	11,965	27,259	25,664		20,913	8,507			7,868

Table C7 presents details pertaining to cash flow performance. As at end of June 2017, the net cash inflow from operating activities is R99, 258 million whilst net cash outflow from investing activities is R80, 399 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R9, 575 million. The cash and cash equivalent held at end of June 2017 amounted to R20, 913 million and the net effect of the above cash flows is cash inflow movement of R9, 344 million. The cash and cash equivalent at end of the reporting period of R20, 913 million is made up of cash amounting to R5, 288 million and short term investments of R15, 625 million as presented in Table A6 under current assets.

PART 2: SUPPORTING TABLES

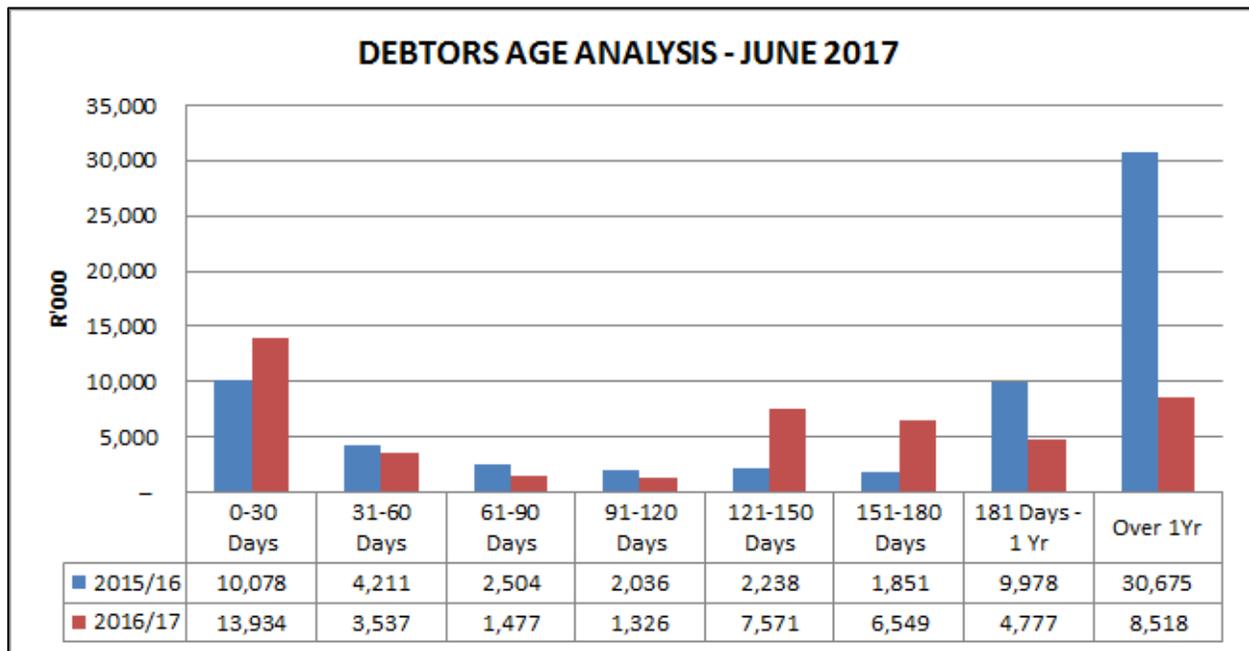
Supporting Table: SC 3 - Debtors Age Analysis

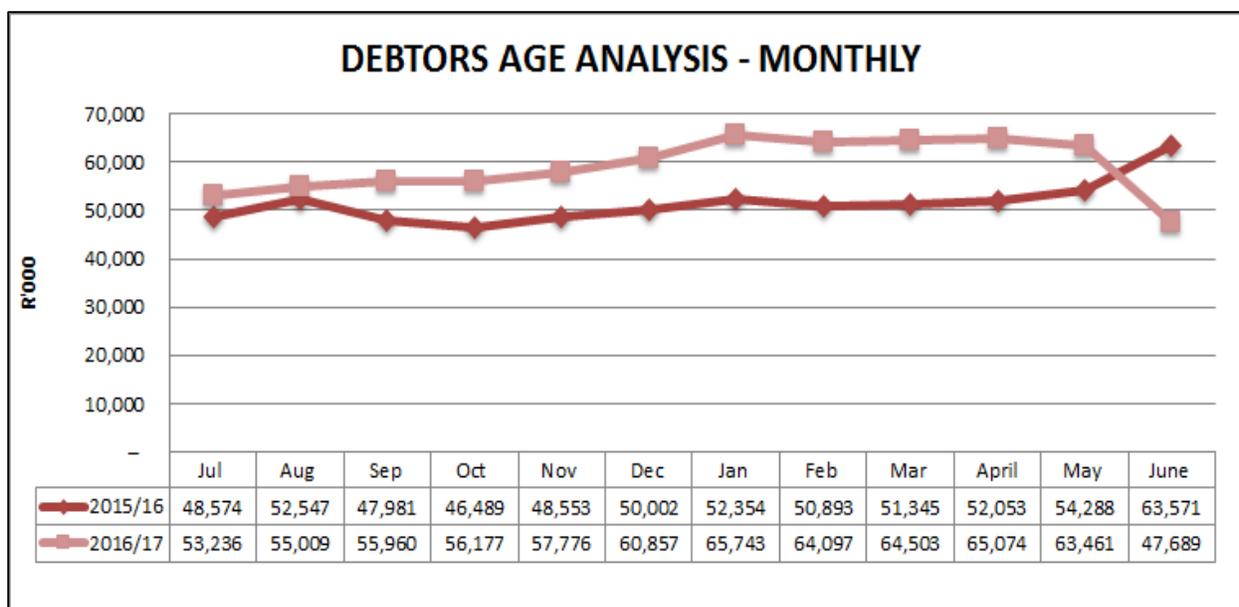
Description	Budget Year 2016/17											Actual Bad Debts Written Off	Impairment - Bad Debts	
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days- 1 Yr	Over 1Yr	Total	Total over 90 days				
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	5,583	1,984	412	281	1,490	1,032	415	301	11,499	3,520	-	-	3,438	
Receivables from Non-exchange Transactions - Property Rates	3,986	793	555	522	3,456	3,311	3,511	4,694	20,828	15,494	-	-	12,546	
Receivables from Exchange Transactions - Waste Water Management	-	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	477	167	94	78	451	280	520	503	2,571	1,832	-	-	1,328	
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest on Arrear Debtor Accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other	3,888	592	416	444	2,174	1,925	331	3,021	12,792	7,895	4,752	-	11,347	
Total By Income Source	13,934	3,537	1,477	1,326	7,571	6,549	4,777	8,518	47,689	28,740	4,752	-	28,659	
2015/16 - totals only	10,078	4,211	2,504	2,036	2,238	1,851	9,978	30,675	63,571	46,778	-	-	-	
Debtors Age Analysis By Customer Group														
Organs of State	448	280	4	(9)	503	185	78	125	1,613	882	-	-	2,494	
Commercial	4,230	1,347	348	208	410	994	1,787	2,511	11,835	5,910	-	-	14,049	
Households	6,790	1,474	717	721	4,006	5,185	2,381	4,957	26,230	17,249	-	-	8,116	
Other	2,467	437	408	406	2,652	184	531	925	8,010	4,698	4,752	-	4,000	
Total By Customer Group	13,934	3,537	1,477	1,326	7,571	6,549	4,777	8,518	47,689	28,740	4,752	-	28,659	

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of June amount to R47, 689 million. The debtors' book is made up as follows:

- Rates 43,67%
- Electricity 24,11%
- Rental 3,23%
- Other 26,82%

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 June 2017) whilst the latter shows monthly movement of debtors for both the current financial year and the 2015/16 financial year. The latter graph portrays a picture that indicates that the municipality is still struggling to collect debts owed to it and/or to keep debtors book at minimal and this is evident from debtors' book that is forever below the 2015/16 financial year debtors' book line. This will undoubtedly have a negative impact on revenue collection rate.

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	801 494,79	N
9900067	WATER PURIFICATION PLANT (SDM)	775 260,94	Y
214913	MEAT SPOT	436 656,52	N
2000270	PROVINSIALE HOSPITAAL	387 800,65	N
9900028	ELIAS MOTSOLEDI (OFFICE)	379 189,20	Y
1501364	JAN JOUBERT TR (JO JO TANKS)	360 056,78	N
6000908	DEPARTMENT OF EDUCATION	328 919,62	Y
9000000	REPUBLIEK VAN SUID-AFRIKA	318 796,67	Y
211693	BOXER SUPERSTORE'ATT KERSHNEE	300 818,60	N
9001077	ROYAL SQUARE INV 361 CC	284 192,09	Y
9001035	NDEBELE MAHLANGU TRIBE	269 141,28	Y
201885	SHOPRITE CHECKERS (PTY) LTD	266 747,66	N
9000804	NATIONAL GOVERNMENT REPUBLIC OF SOUTH AFRICA	242 369,18	Y
9001052	NDEBELE STAM	231 799,63	Y
1200305	BUNGELA LAMOLA BOTTLE STORE	230 036,82	N
9001039	NDEBELE MAHLANGU TRIBE	217 659,32	Y
9001055	NDEBELE STAM	214 044,18	Y
9001050	NDEBELE STAM	203 295,49	Y
9001550	Lehlakony Communal Prop. Ass	190 157,13	Y
9001043	CHEGO-TUBATSE COMMUNITY DEVELO	182 841,12	Y
6000816		171 366,13	Y
TOTAL		6 792 643,80	

Supporting Table: SC 4 - Creditors Age Analysis

Description	Budget Year 2016/17									Prior year totals for	
	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
80519	NSK ELECTRICAL AND CONSTRUCTIO	1 079 700,00
40054	SHONISANI RAMBAU CONSTRUCT	990 257,67
00429	NJ NKOSANA BUSINESS ENTERPRISE	767 851,75
00512	PATRICK MAKGOKA CONSTRUCTION	264 774,69
32409	MAKGONATSOHLE TRADING ENTERPRI	195 976,26
00014	AMPER ALLES GENERAL DEALERS	174 435,13
00379	MONDE CONSULTING ENGINEERS	136 436,00
01256	MANY LE MANG CONSTRUCTION	129 579,00
37702	REDIRA SINTLE TRADING ENTERPRI	115 508,50
41048	IMBAWULA TRADING ENTERPRISE CC	95 541,12
41095	REAKGONA TRAVEL SERVICES	56 610,00
35516	MAHLOME TRADING ENTERPRISE	38 600,00
02103	THARI E TALA TRADERS CC	28 840,00
80518	FI TAC TRADING SOLUTIONS	28 800,00
32604	SEGOKGOME TRADING AND PROJECTS	28 600,00
37813	KEYS TO POWER CONSTRUCTION	28 545,63
80525	TSHEPO YAKA NKASE ELAHLE PROJE	28 000,00
80510	WORLD WIDE INDUSTRIES(PTY)LTD	27 720,00
80536	0459 TRADING (PTY)LTD	27 594,00
80511	NKGUDIANAPO TRADING AND PROJECT	27 090,00
GRAND TOTAL		4 270 459,75

The above table presents the top twenty creditors paid during the month of June 2017 and an amount of R4, 270 million was paid to these creditors during the reporting period.

Supporting Table: SC 5 - Investment Portfolio

Investments by ID	Period	Type of Investment	Expiry date	Accrued interest	Percentage Interest	MV - Opening	Change in MV	MV - Closing
Nedbank	1 Month	Short term	3-Jun-17	37	7.60%	20,191	(20,228)	-
VBS Mutual Bank	1 Month	Short term	2-Jul-17	190	9.25%	30,441	(14,625)	15,625
Totals				228		50,632	(34,854)	15,625

Supporting table SC5 presents all investments that indicate that the total amount of R15, 625 million had been invested as at end of June 2017. The opening balance was R50, 632 million, and an amount of R34, 854 million was withdrawn in the reporting period. Accrued interest for the month amounted to R228 thousand.

Supporting Table: SC 6 - Transfers and Grant Receipts

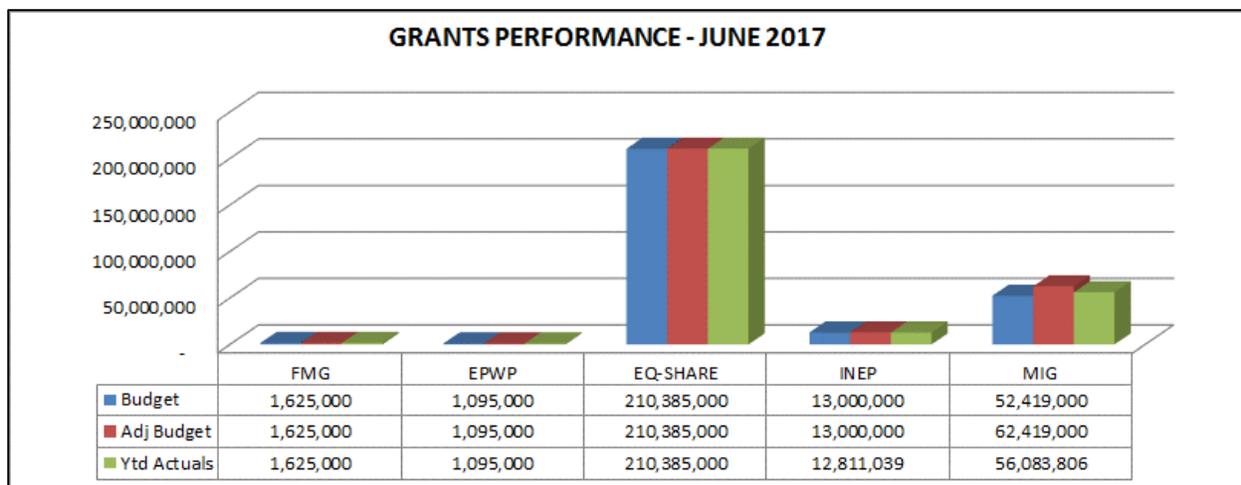
Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
RECEIPTS:									
Operating Transfers and Grants									
National Government:	216,641	213,105	213,105	-	213,105	213,105	-		213,105
Local Government Equitable Share	212,948	210,385	210,385	-	210,385	210,385	-		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	1,095	-	1,095	1,095			1,095
Provincial Government:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
District Municipality:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
Other grant providers:	-	-	-	-	-	-	-		-
N/A	-	-	-	-	-	-	-		-
Total Operating Transfers and Grants	216,641	213,105	213,105	-	213,105	213,105	-		213,105
Capital Transfers and Grants									
National Government:	63,102	75,419	85,419	-	85,419	85,419	-		75,419
Municipal Infrastructure Grant (MIG)	53,102	62,419	72,419	-	72,419	72,419	-		62,419
Intergrated National Electrification Grant	10,000	13,000	13,000	-	13,000	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	85,419	-	85,419	85,419	-		75,419
TOTAL RECEIPTS OF TRANSFERS & GRANTS	279,743	288,524	298,524	-	298,524	298,524	-		288,524

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R298 million of which the major portion is attributed to equitable share. All the grants allocated for the current financial year have been received in line with the payment schedule.

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	213,105	17,836	213,105	213,105	-		213,105
Local Government Equitable Share	212,948	210,385	210,385	17,532	210,385	210,385	-		210,385
Finance Management	1,600	1,625	1,625	246	1,625	1,625	-		1,625
Municipal Systems Improvement	930	-	-	-	-	-	-		-
EPWP Incentive	1,163	1,095	1,095	58	1,095	1,095	-		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	213,105	17,836	213,105	213,105	-		213,105
Capital expenditure of Transfers and Grants									
National Government:	63,102	75,419	85,419	703	68,895	75,419	(6,524)	-9%	75,419
Municipal Infrastructure Grant (MIG)	53,102	62,419	72,419	(57)	56,084	62,419	(6,335)	-10%	62,419
Intergrated National Electrification Grant	10,000	13,000	13,000	760	12,811	13,000	(189)	-1%	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	85,419	703	68,895	75,419	(6,524)	-9%	75,419
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	279,743	288,524	298,524	18,539	282,000	288,524	(6,524)	-2%	288,524

An amount of R18, 539 million has been spent on grants during the month of June 2017 and the year to date actuals is R282 million whilst the year to date budget amounts to R288, 524 million and this results in under spending variance of R16, 990 that translates to 7%. Of the total spending amounting to R282 million, R213, 105 million is spent on operational grants whilst R68, 895 million is spent of capital grants. All the Grants got spent fairly well when comparing the year to date actuals with the projected budget thereof, except MIG and INEP that the municipality has applied for rollover.



The above graph depicts the gazetted and adjusted budgeted amounts for all the grants and the expenditure thereof as at end of June 2017. The grants expenditure is shown below in percentages:

- Financial Management Grant 100%
- Expanded Public Work Programme 100%
- Equitable Share 100%
- Municipal Infrastructure Grant 89,85%
- Integrated National Electrification Grant 98,55%

Supporting Table: SC8 - Councilor Allowances and Employee Related Costs

Employee and Councillor remuneration	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	11,508	13,424	13,435	997	12,363	13,435	(1,071)	-8%	13,435
Pension and UIF Contributions	987	1,080	1,555	146	1,691	1,555	136	9%	1,555
Medical Aid Contributions	306	275	266	21	250	266	(16)	-6%	266
Motor Vehicle Allowance	3,640	4,000	4,458	386	4,672	4,458	214	5%	4,458
Cellphone Allowance	1,615		570	135	1,146	570	576	101%	570
Housing Allowances	-		-	-	-	-	-		-
Other benefits and allowances	1,005	128	8	-	-	8	(8)	-100%	8
Sub Total - Councillors	19,061	18,908	20,292	1,684	20,122	20,292	(170)	-1%	20,292
% increase		-1%	6%						6%
Senior Managers of the Municipality									
Basic Salaries and Wages	4,473	5,706	7,311	(666)	5,416	7,311	(1,894)	-26%	7,311
Pension and UIF Contributions	352	496	564	(52)	317	564	(247)	-44%	564
Medical Aid Contributions	169	86	139	3	6	139	(134)	-96%	139
Overtime	-	-	-	-	-	-	-		-
Performance Bonus	-	-	-	-	-	-	-		-
Motor Vehicle Allowance	718	793	1,018	(52)	457	1,018	(562)	-55%	1,018
Cellphone Allowance	-	-	-	1	5	-	5	0%	-
Housing Allowances	-	-	-	-	-	-	-		-
Other benefits and allowances	283	71	267	(5)	130	267	(136)	-51%	267
Payments in lieu of leave	-	-	-	-	-	-	-		-
Long service awards	-	-	-	-	-	-	-		-
Post-retirement benefit obligations	-	-	-	-	-	-	-		-
Sub Total - Senior Managers of Municipality	5,994	7,153	9,300	(771)	6,331	9,300	(2,969)	-32%	9,300
% increase		19%	55%						55%
Other Municipal Staff									
Basic Salaries and Wages	66,719	67,914	67,431	5,749	68,064	67,431	633	1%	67,431
Pension and UIF Contributions	12,228	13,194	14,021	1,156	14,452	14,021	431	3%	14,021
Medical Aid Contributions	3,565	3,869	3,944	366	4,235	3,944	291	7%	3,944
Overtime	2,589	1,060	2,076	224	2,835	2,076	759	37%	2,076
Performance Bonus	-	-	-	-	-	-	-		-
Motor Vehicle Allowance	5,437	7,693	7,501	671	7,995	7,501	493	7%	7,501
Cellphone Allowance	-	-	145	32	116	127	(10)	-8%	127
Housing Allowances	137	158	175	12	152	175	(23)	-13%	175
Other benefits and allowances	12,594	6,458	6,846	514	7,651	6,846	804	12%	6,846
Payments in lieu of leave	2,046	1,060	952	54	54	952	(898)	-94%	952
Long service awards	841	494	123	3,235	3,762	123	3,639	2956%	123
Post-retirement benefit obligations	-	-	-	(81)	962	-	962	0%	-
Sub Total - Other Municipal Staff	106,156	101,900	103,215	11,932	110,276	103,196	7,080	7%	103,196
% increase		-4%	-3%						-3%
Total Parent Municipality	131,211	127,962	132,807	12,846	136,730	132,788	3,941	3%	132,788
		-2%	1%						1%
TOTAL SALARY, ALLOWANCES & BENEFITS	131,211	127,962	132,807	12,846	136,730	132,788	3,941	0	132,788
% increase		-2%	1%						1%
TOTAL MANAGERS AND STAFF	112,151	109,053	112,515	11,161	116,608	112,496	4,111	0	112,496

Table SC8 provides details for Remuneration of Councillors and Employee related cost. The total salaries, allowances and benefits paid for June 2017 amounts to R11, 161 million and the year to date actual expenditure is R116, 608 million and the expenditure on remuneration of councillors for the month of June amounts to R1, 684 million while the year to date actual expenditure is R20, 122 million and the year to date budget is R20, 292 million giving rise to over spending variance of R170 thousand that translates to 1%.

Description	Budget Year 2016/17												2016/17 Medium Term Revenue &		
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Year	Year +1	Year +2
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	2016/17	2017/18	2018/19
Cash Receipts By Source															
Property rates	1,263	1,471	1,340	1,940	1,407	1,137	1,543	1,541	1,929	1,275	1,662	7,128	23,637	25,103	26,584
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	6,778	4,328	5,763	6,142	5,499	4,443	4,656	5,840	6,644	5,532	6,551	3,157	65,334	69,385	73,478
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse	283	273	254	292	246	220	263	299	236	229	312	3,181	6,088	6,465	6,847
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	44	82	46	116	90	67	247	63	60	47	16	654	1,532	1,626	1,722
Interest earned - external investments	398	311	274	94	29	193	313	175	202	314	274	903	3,479	3,695	3,912
Interest earned - outstanding debtors	182	146	98	124	73	116	107	220	177	74	140	588	2,047	2,174	2,302
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	18	80	44	17	7	23	190	294	319	112	787	1,258	3,150	3,345	3,543
Licences and permits	427	-	347	442	375	302	430	351	378	371	453	985	4,860	5,161	5,466
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operating	87,660	1,899	-	-	69,286	-	-	329	53,931	-	421	(421)	213,105	227,853	243,113
Other revenue	936	992	21	3,169	65	1,462	657	901	324	18,085	5,107	(29,856)	1,862	1,977	2,094
Cash Receipts by Source	97,989	9,582	8,188	12,335	77,078	7,963	8,406	10,014	64,201	26,037	15,723	(12,423)	325,093	346,784	369,061
Other Cash Flows by Source															
Transfer receipts - capital	22,000	2,296	4,693	5,200	28,400	20,257	(11,090)	-	13,663	-	-	(10,000)	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	2	5	0	(47)	(13)	964	(13)	(4)	285	(1,253)	(17)	(200)	(250)
Receipt of non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	120,011	11,915	12,883	17,540	105,478	28,172	(2,697)	10,978	77,851	26,033	16,007	(23,676)	400,495	412,796	438,197
Cash Payments by Type															
Employee related costs	8,307	10,207	8,705	8,782	8,644	13,858	8,906	9,074	8,920	9,055	9,189	8,850	112,496	119,471	126,520
Remuneration of councillors	1,615	1,667	1,478	1,580	1,584	1,586	1,586	2,257	1,694	1,694	1,694	1,855	20,292	21,550	22,822
Interest paid	219	-	335	-	-	800	358	-	107	100	87	754	2,760	2,931	3,104
Bulk purchases - Electricity	7,265	7,426	5,587	71	4,604	9,639	85	4,859	5,040	9,164	4,403	11,816	69,961	74,298	78,682
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	317	2,303	401	391	872	594	836	1,121	309	425	856	5,072	13,498	14,335	15,181
Contracted services	3,766	4,051	7,239	2,252	804	3,788	4,481	4,321	2,687	4,688	3,327	(4,815)	36,589	34,822	36,876
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other	96	196	167	180	101	282	-	380	875	175	599	(803)	2,248	2,387	2,528
General expenses	7,325	4,243	5,910	4,567	27,192	5,037	2,586	5,832	5,419	6,421	10,676	(31,479)	53,730	47,361	59,118
Cash Payments by Type	28,910	30,093	29,823	17,824	43,801	35,585	18,838	27,845	25,050	31,722	30,832	(8,750)	311,574	317,156	344,830
Other Cash Flows/Payments by Type															
Capital assets	5,226	4,483	8,406	17,022	10,577	3,099	1,128	2,237	1,712	83	3,992	29,654	87,620	83,747	92,397
Repayment of borrowing	800	-	701	-	-	578	509	487	693	-	294	939	5,002	10,100	-
Other Cash Flows/Payments	14,031	-	-	-	-	-	-	-	-	-	-	(14,031)	-	-	-
Total Cash Payments by Type	48,967	34,576	38,930	34,846	54,379	39,262	20,476	30,569	27,455	31,805	35,119	7,813	404,196	411,003	437,227
NET INCREASE/(DECREASE) IN CASH HELD	71,044	(22,661)	(26,047)	(17,306)	51,099	(11,090)	(23,173)	(19,590)	50,396	(5,771)	(19,111)	(31,489)	(3,701)	1,793	969
Cash/cash equivalents at the month/year beginning:	11,695	82,739	60,078	34,031	16,724	67,823	56,733	33,561	13,970	64,366	58,594	39,483	11,695	7,994	9,787
Cash/cash equivalents at the month/year end:	82,739	60,078	34,031	16,724	67,823	56,733	33,561	13,970	64,366	58,594	39,483	7,994	7,994	9,787	10,757

Supporting table SC9 provides detailed monthly cash flow statement that spells out the receipts by source and payments by type. 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									
July	214	15,914	5,226	5,226	5,226	5,226	-		6%
August	471	19,478	4,483	4,483	9,709	9,709	-		10%
September	4,934	14,244	8,272	8,406	18,115	17,982	(133)	-1%	19%
October	7,685	8,854	15,529	16,242	34,357	33,511	(846)	-3%	36%
November	20,182	14,023	10,577	10,577	44,934	44,088	(846)	-2%	48%
December	8,347	7,942	3,945	3,099	48,033	48,033	(0)	0%	51%
January	8,556	5,595	841	1,128	49,161	48,875	(287)	-1%	52%
February	11,817	1,735	3,064	2,237	51,398	51,939	541	1%	54%
March	3,847	1,628	10,741	2,493	53,891	62,680	8,789	14%	57%
April	13,912	3,520	7,524	3,626	57,517	70,204	12,687	18%	61%
May	7,366	200	9,740	3,992	61,509	79,944	18,435	23%	65%
June	22,386	1,315	15,834	19,290	80,799	95,778	14,978	16%	86%
Total Capital expenditure	109,717	94,449	95,778	80,799					

Supporting table SC12 provides information on the monthly trends for capex. In terms of this table the capital expenditure for the month of June amounts to R19, 290 million. The year to date capital budget is R 80, 799 million that gives rise to under spending variance of R14, 978 million or 16%.

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
Capital expenditure on new assets									
Infrastructure	78,112	36,500	35,057	6,301	32,884	35,057	2,173	6%	35,057
Infrastructure - Road transport	55,753	23,000	23,653	(2,247)	21,733	23,653	1,920	8%	23,653
Roads, Pavements & Bridges	52,140	23,000	23,653	(2,247)	21,733	23,653	1,920	8%	23,653
Storm water	3,613	-	-	-	-	-	-	-	-
Infrastructure - Electricity	22,359	13,000	11,404	8,549	11,151	11,404	253	2%	11,404
Generation	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	15,218	13,000	11,404	8,549	11,151	11,404	253	2%	11,404
Street Lighting	7,141	-	-	-	-	-	-	-	-
Infrastructure - Other	-	500	-	-	-	-	-	-	-
Waste Management	-	500	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Community	-	700	600	-	-	600	600	100%	600
Parks & gardens	-	-	-	-	-	-	-	-	-
Sportsfields & stadia	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Recreational facilities	-	600	600	-	-	600	600	100%	600
Fire, safety & emergency	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-
Other	-	100	-	-	-	-	-	-	-
Other assets	86	4,530	6,183	2,153	6,575	6,183	(393)	-6%	6,183
General vehicles	-	2,500	2,253	-	2,253	2,253	-	-	2,253
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-	-	-
Computers - hardware/equipment	-	350	1,550	75	1,168	1,550	382	25%	1,550
Furniture and other office equipment	-	300	400	48	340	400	60	15%	400
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	300	715	715	300	(415)	-138%	300
Other Buildings	-	-	-	-	-	-	-	-	-
Other Land	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	86	1,380	1,680	1,315	2,100	1,680	(420)	-25%	1,680
Total Capital Expenditure on new assets	78,198	41,730	41,840	8,455	39,460	41,840	2,380	6%	41,840

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
Capital expenditure on renewal of existing assets									
Infrastructure	25,266	41,219	43,689	8,755	38,131	35,531	(2,600)	-7%	35,531
Infrastructure - Road transport	24,824	39,719	43,689	8,755	38,131	35,531	(2,600)	-7%	35,531
Roads, Pavements & Bridges	24,824	39,719	43,689	8,755	38,131	35,531	(2,600)	-7%	35,531
Storm water	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	-	1,500	-	-	-	-	-	-	-
Generation	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	-	1,500	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-	-	-
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Dams & Reservoirs	-	-	-	-	-	-	-	-	-
Infrastructure - Other	442	-	-	-	-	-	-	-	-
Waste Management	442	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Community	77	10,000	8,772	1,694	1,694	8,772	7,078	81%	8,772
Parks & gardens	-	-	-	-	-	-	-	-	-
Sportsfields & stadia	-	10,000	8,772	1,694	1,694	8,772	7,078	81%	8,772
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-
Cemeteries	77	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Other assets	4,847	1,500	1,477	387	1,514	1,477	(37)	-3%	1,477
General vehicles	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-	-	-
Computers - hardware/equipment	623	-	-	-	-	-	-	-	-
Furniture and other office equipment	237	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	600	-	583	600	17	3%	600
Other Buildings	3,699	1,500	877	387	932	877	(54)	-6%	877
Other Land	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	288	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	30,190	52,719	53,938	10,835	41,339	45,780	4,441	10%	45,780

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	3,998	7,450	4,850	305	4,633	5,630	997	18%	5,630
Infrastructure - Road transport	1,788	3,300	1,300	264	946	1,300	354	27%	1,300
Roads, Pavements & Bridges	1,788	3,300	1,300	264	946	1,300	354	27%	1,300
Storm water	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	1,001	1,800	1,000	40	1,802	1,780	(22)	-1%	1,780
Generation	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	1,001	1,800	1,000	40	1,802	1,780	(22)	-1%	1,780
Street Lighting	-	-	-	-	-	-	-	-	-
Infrastructure - Other	1,209	2,350	2,550	1	1,885	2,550	665	26%	2,550
Waste Management	1,209	2,350	2,550	1	1,885	2,550	665	26%	2,550
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	-	-	-	-	-	-	-	-	-
Other assets	5,599	6,765	5,623	(854)	5,638	7,843	2,205	28%	7,843
General vehicles	1,427	1,300	1,300	208	1,800	1,890	90	5%	1,890
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	2,749	1,500	2,377	330	2,161	1,900	(261)	-14%	1,900
Computers - hardware/equipment	-	-	-	-	-	-	-	-	-
Furniture and other office equipment	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-	-	-
Other Buildings	1,154	2,500	1,500	(1,463)	1,432	3,607	2,174	60%	3,607
Other Land	-	-	-	-	-	-	-	-	-
Other	269	1,465	447	72	244	447	202	45%	447
Intangibles	9	500	25	-	82	25	(57)	-227%	25
Computers - software & programming	-	-	-	-	-	-	-	-	-
Other	9	500	25	-	82	25	(57)	-227%	25
Total Repairs and Maintenance Expenditure	9,606	14,715	10,498	(550)	10,353	13,498	3,145	23%	13,498

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

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
Depreciation by Asset Class									
Infrastructure	43,432	32,638	44,841	33,387	33,387	44,841	11,454	26%	44,841
Infrastructure - Road transport	27,895	27,435	30,235	23,416	23,416	30,235	6,819	23%	30,235
Roads, Pavements & Bridges	21,648	22,710	24,710	19,160	19,160	24,710	5,550	22%	24,710
Storm water	6,247	4,725	5,525	4,256	4,256	5,525	1,269	23%	5,525
Infrastructure - Electricity	13,538	3,903	12,306	9,482	9,482	12,306	2,824	23%	12,306
Generation	-	2,328	-	-	-	-	-	-	-
Transmission & Reticulation	13,538	1,575	12,306	9,482	9,482	12,306	2,824	23%	12,306
Street Lighting	-	-	-	-	-	-	-	-	-
Infrastructure - Other	1,999	1,300	2,300	488	488	2,300	1,812	79%	2,300
Waste Management	1,999	1,300	2,300	488	488	2,300	1,812	79%	2,300
Transportation	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Community	1,842	2,145	2,145	2,129	2,129	2,145	16	1%	2,145
Parks & gardens	-	-	-	-	-	-	-	-	-
Sportsfields & stadia	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-
Cemeteries	1,842	2,145	2,145	2,129	2,129	2,145	16	1%	2,145
Social rental housing	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Other assets	4,454	1,014	3,014	10,695	10,695	3,014	(7,681)	-255%	3,014
General vehicles	1,200	-	854	3,924	3,924	854	(3,070)	-359%	854
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	1,800	854	2,000	1,323	1,323	2,000	677	34%	2,000
Computers - hardware/equipment	16	20	20	953	953	20	(933)	-4664%	20
Furniture and other office equipment	20	25	25	1,518	1,518	25	(1,493)	-5971%	25
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-	-	-
Other Buildings	1,405	100	100	2,978	2,978	100	(2,878)	-2878%	100
Other Land	-	-	-	-	-	-	-	-	-
Other	13	15	15	-	-	15	15	100%	15
Intangibles	-	-	-	205	205	-	(205)	0%	-
Computers - software & programming	-	-	-	205	205	-	(205)	0%	-
Other	-	-	-	-	-	-	-	-	-
Total Depreciation	49,728	35,797	50,000	46,416	46,416	50,000	3,584	7%	50,000

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 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 R39, 460 million and the year to date budget is R41, 840 million which reflects under spending variance of R2, 380 million that translates to 6% variance. The year to date actuals on renewal of existing assets amounts R41, 339 million with the year to date budget of R45, 780 million and this reflects under spending variance of R4, 441 million that translates to 10% variance.

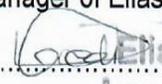
The year to date actual expenditure on repairs and maintenance is R10, 353 million and the year to date budget is R13, 498 million, reflecting under spending variance of R3, 145 million that translates to 23%.

The year to date actual expenditure on depreciation and assets impairment is R46, 416 million and the year to date budget is R50 million, reflecting under performance variance of R3, 584 million that translates to 7%.

Quality certificate

I, **RAMAKGAHLELA MINAH MAREDI**, the Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the monthly budget statement report and supporting documentation for the month of June 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  **Elias Motsoaledi**
Local Municipality

Date **31/08/2017**
31 AUG 2017

Municipal Manager