

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT REPORT

SEPTEMBER 2017

PART 1: IN - YEAR REPORT

PURPOSE

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

EXECUTIVE SUMMARY

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

IN YEAR BUDGET STATEMENT TABLES

Table C1 – Budget Statement Summary

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Financial Performance									
Property rates	27,963	26,472	–	2,404	11,106	6,618	4,488	68%	26,472
Service charges	77,251	89,822	–	6,223	22,436	16,070	6,365	40%	89,822
Investment revenue	2,703	3,701	–	261	689	930	(241)	-26%	3,701
Transfers and subsidies	214,632	226,163	–	160	94,908	93,639	1,270	1%	226,163
Other own revenue	65,583	45,865	–	1,934	8,655	12,006	(3,352)	-28%	45,865
Total Revenue (excluding capital transfers)	388,132	392,023	–	10,982	137,794	129,264	8,530	7%	392,023
Employee costs	116,681	123,460	–	441	19,563	29,019	(9,456)	-33%	123,460
Remuneration of Councillors	20,404	22,113	–	1,694	5,083	5,528	(445)	-8%	22,113
Depreciation & asset impairment	46,416	51,200	–	–	–	11,853	(11,853)	-100%	51,200
Finance charges	1,426	3,124	–	123	196	603	(407)	-67%	3,124
Materials and bulk purchases	73,257	82,662	–	7,630	17,069	17,691	(622)	-4%	82,662
Transfers and subsidies	521	3,724	–	725	3,194	931	2,263	243%	3,724
Other expenditure	181,606	100,105	–	10,297	34,736	22,455	12,281	55%	100,105
Total Expenditure	440,313	386,388	–	20,909	79,840	88,079	(8,239)	-9%	386,388
Surplus/(Deficit)	(52,181)	5,635	–	(9,926)	57,954	41,184	16,769	41%	5,635
Transfers and subsidies - capital (monetary allocations)	68,895	70,860	–	19,946	23,906	12,358	11,548	93%	70,860
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	16,714	76,495	–	10,020	81,859	53,542	28,318	53%	76,495
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	16,714	76,495	–	10,020	81,859	53,542	28,318	53%	76,495
Capital expenditure & funds sources									
Capital expenditure	80,799	77,302	–	13,273	18,578	6,239	12,340	198%	77,302
Capital transfers recognised	68,874	62,158	–	12,901	17,989	5,440	12,549	231%	62,158
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	11,925	15,144	–	371	589	799	(210)	-26%	15,144
Total sources of capital funds	80,799	77,302	–	13,273	18,578	6,239	12,340	198%	77,302
Financial position									
Total current assets	84,878	107,614	–	–	107,031	–	–	–	107,614
Total non current assets	1,022,382	1,066,797	–	–	1,042,902	–	–	–	1,066,797
Total current liabilities	87,782	60,491	–	–	65,927	–	–	–	60,491
Total non current liabilities	91,981	98,733	–	–	92,012	–	–	–	98,733
Community wealth/Equity	927,497	1,015,187	–	–	991,994	–	–	–	1,015,187
Cash flows									
Net cash from (used) operating	99,278	93,102	–	(24,767)	33,764	79,780	46,016	58%	93,102
Net cash from (used) investing	(80,359)	(77,302)	–	(13,433)	(17,396)	(6,239)	11,157	-179%	(77,302)
Net cash from (used) financing	(9,575)	(8,497)	–	(641)	(1,976)	(921)	1,055	-115%	(8,497)
Cash/cash equivalents at the month/year end	20,913	32,968	–	–	35,306	98,284	62,978	64%	28,217
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	9,076	5,840	2,550	1,771	1,149	994	5,771	22,152	49,302
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 first quarter is R137, 794 million and the year to date budget of R129, 264 million and this reflects a positive variance of R8, 530 million that can be attributed to property rates, service charges electricity and refuse removal that have positive variance of material figure. The following are the secondary revenue item categories reflecting a negative and material variance:

- Interest earned - external investments: 26% unfavorable variance,
- Interest earned – outstanding Debtors 116% favorable variance,
- Rental on Facilities and Equipment: 70% unfavorable
- License and Permits: 8% unfavorable variance
- Fines: 68% unfavorable variance
- Other revenue: 46% unfavorable variance

Operating Expenditure

The year to date operational expenditure as at end of September amounts to R79, 840 million and the year to date budget is R88, 079 million. This reflects an unfavorable variance of R8, 239 million that translates to 9% underspending variance. The variance is attributed to non-incorporation of depreciation amount for first quarter and over spending on contracted services. The municipality is however, in a process of linking the Asset Management system with core financial system so that the depreciation calculated on the initial system can be interfaced to the financial system and this will assist in doing away with the practice of calculating depreciation only at year end.

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

- Employee related cost: 33% under performance variance
- Other materials: 33% under performance variance
- Finance Charges: 67% under performance variance
- Transfers and subsidies: 243% over performance variance

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

Capital Expenditure

The year to date actual capital expenditure as at end of first quarter amounts to R18, 578 million and the year to date budget amounts to R6, 239 million and this gives rise to 198% over performance variance.

Surplus/Deficit

Taking the above into consideration, the net operating surplus for the quarter is R81, 859 million that is mainly attributed to receipt of unconditional grant - equitable share and over performance on MIG in the reporting period.

Debtors

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of First quarter amounts to R49, 302 million and this shows an increase of R1, 613 million as compared to R47, 688 million as at end of 2016/17 financial year.

Consumer debtors is made up of service charges and property rates that amount to R45, 284 million and other debtors amounting to R4, 018 Million.

Creditors

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

Table C2 – Financial Performance (Standard Classification)

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue - Functional									
Governance and administration	238,946	170,084	-	3,199	97,628	65,087	32,540	50%	170,084
Executive and council	-	35,581	-	-	21,084	14,825	6,259	42%	35,581
Finance and administration	238,946	128,101	-	3,199	70,141	47,594	22,547	47%	128,101
Internal audit	-	6,402	-	-	6,402	2,668	3,735	140%	6,402
Community and public safety	12,713	12,846	-	7	9,860	5,345	4,516	84%	12,846
Community and social services	45	6,377	-	7	4,756	2,649	2,107	80%	6,377
Sport and recreation	12,668	6,469	-	-	5,104	2,695	2,409	89%	6,469
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	115,298	150,237	-	16,603	25,684	42,288	(16,604)	-39%	150,237
Planning and development	1,635	13,512	-	119	2,709	5,216	(2,506)	-48%	13,512
Road transport	113,662	135,883	-	16,483	22,975	36,721	(13,746)	-37%	135,883
Environmental protection	-	842	-	-	-	351	(351)	-100%	842
Trading services	90,069	129,716	-	11,120	28,528	28,901	(374)	-1%	129,716
Energy sources	83,563	106,984	-	10,489	23,764	20,894	2,870	14%	106,984
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	6,506	22,732	-	631	4,763	8,007	(3,244)	-41%	22,732
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	457,027	462,883	-	30,928	161,699	141,621	20,078	14%	462,883
Expenditure - Functional									
Governance and administration	229,690	147,263	-	11,498	46,083	38,837	7,247	19%	147,263
Executive and council	33,282	35,981	-	3,052	9,485	8,870	615	7%	35,981
Finance and administration	190,075	104,880	-	7,749	35,499	28,386	7,114	25%	104,880
Internal audit	6,333	6,402	-	697	1,099	1,581	(482)	-31%	6,402
Community and public safety	11,796	15,633	-	73	1,518	3,748	(2,230)	-60%	15,633
Community and social services	4,419	6,541	-	72	758	1,575	(816)	-52%	6,541
Sport and recreation	7,378	9,092	-	1	759	2,173	(1,414)	-65%	9,092
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	93,269	117,737	-	1,166	9,781	24,262	(14,482)	-60%	117,737
Planning and development	13,570	20,850	-	654	2,847	5,013	(2,165)	-43%	20,850
Road transport	78,612	96,045	-	512	6,853	19,042	(12,188)	-64%	96,045
Environmental protection	1,087	842	-	-	80	208	(128)	-62%	842
Trading services	105,557	105,754	-	8,170	22,458	21,232	1,226	6%	105,754
Energy sources	83,253	86,949	-	7,860	18,233	17,041	1,192	7%	86,949
Water management	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	22,304	18,805	-	310	4,225	4,191	34	1%	18,805
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	440,313	386,388	-	20,909	79,840	88,079	(8,239)	-9%	386,388
Surplus/ (Deficit) for the year	16,714	76,495	-	10,020	81,859	53,542	28,318	53%	76,495

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

Vote Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue by Vote									
Vote 1 - Executive & Council	-	31,540	-	-	21,084	13,142	7,943	0	31,540
Vote 2 - Municipal Manager	-	15,805	-	-	10,675	6,585	4,090	0	15,805
Vote 3 - Budget & Treasury	238,934	70,368	-	3,199	27,803	23,541	4,261	18%	70,368
Vote 4 - Corporate Services	12	33,797	-	0	19,490	14,079	5,411	38%	33,797
Vote 5 - Community Services	74,839	89,322	-	2,021	18,220	29,883	(11,663)	-39%	89,322
Vote 6 - Technical Services	141,606	200,885	-	25,589	51,145	45,985	5,160	11%	200,885
Vote 7 - Developmental Planning	1,635	8,435	-	119	551	3,101	(2,550)	-82%	8,435
Vote 8 - Executive Support	-	12,731	-	-	12,731	5,305	7,427	140%	12,731
Total Revenue by Vote	457,027	462,883	-	30,928	161,700	141,621	20,079	14%	462,883
Expenditure by Vote									
Vote 1 - Executive & Council	29,665	31,940	-	2,935	8,775	7,898	877	11%	31,940
Vote 2 - Municipal Manager	23,365	15,826	-	1,514	4,564	4,190	375	9%	15,826
Vote 3 - Budget & Treasury	109,200	39,702	-	3,769	21,518	11,864	9,653	81%	39,702
Vote 4 - Corporate Services	38,771	39,326	-	2,255	7,149	9,097	(1,948)	-21%	39,326
Vote 5 - Community Services	50,474	71,741	-	416	8,753	12,819	(4,067)	-32%	71,741
Vote 6 - Technical Services	164,382	165,483	-	9,259	24,697	36,507	(11,811)	-32%	165,483
Vote 7 - Developmental Planning	7,574	9,604	-	631	1,892	2,365	(473)	-20%	9,604
Vote 8 - Executive Support	16,881	12,767	-	130	2,492	3,337	(845)	-25%	12,767
Total Expenditure by Vote	440,313	386,388	-	20,909	79,840	88,078	(8,238)	-9%	386,388
Surplus/ (Deficit) for the year	16,714	76,495	-	10,020	81,859	53,542	28,317	53%	76,495

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

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

Table C4: Financial Performance by Revenue Source and Expenditure Type

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue By Source									
Property rates	27,963	26,472		2,404	11,106	6,618	4,488	68%	26,472
Service charges - electricity revenue	70,745	81,206		5,592	18,873	13,917	4,956	36%	81,206
Service charges - water revenue	-	-		-	-	-	-		-
Service charges - sanitation revenue	-	-		-	-	-	-		-
Service charges - refuse revenue	6,506	8,616		631	3,563	2,154	1,409	65%	8,616
Service charges - other	-	-		-	-	-	-		-
Rental of facilities and equipment	1,319	1,935		24	147	484	(337)	-70%	1,935
Interest earned - external investments	2,703	3,701		261	689	930	(241)	-26%	3,701
Interest earned - outstanding debtors	6,469	6,260		505	4,566	2,092	2,474	118%	6,260
Dividends received	-	-		-	-	-	-		-
Fines, penalties and forfeits	50,877	30,000		999	2,410	7,500	(5,090)	-68%	30,000
Licences and permits	4,743	5,171		385	1,187	1,293	(106)	-8%	5,171
Agency services	-	-		-	-	-	-		-
Transfers and subsidies	214,632	226,163		160	94,908	93,639	1,270	1%	226,163
Other revenue	2,175	2,499		22	345	638	(293)	-46%	2,499
Gains on disposal of PPE	-	-		-	-	-	-		-
Total Revenue (excluding capital transfers)	388,132	392,023	-	10,982	137,794	129,264	8,530	7%	392,023
Expenditure By Type									
Employee related costs	116,681	123,460		441	19,563	29,019	(9,456)	-33%	123,460
Remuneration of councillors	20,404	22,113		1,694	5,083	5,528	(445)	-8%	22,113
Debt impairment	53,215	26,372		-	-	-	-		26,372
Depreciation & asset impairment	46,416	51,200		-	-	11,853	(11,853)	-100%	51,200
Finance charges	1,426	3,124		123	196	603	(407)	-67%	3,124
Bulk purchases	60,384	69,165		7,159	14,269	13,540	729	5%	69,165
Other materials	12,873	13,497		470	2,800	4,151	(1,351)	-33%	13,497
Contracted services	43,080	25,350		6,234	18,426	6,826	11,600	170%	25,350
Transfers and subsidies	521	3,724		725	3,194	931	2,263	243%	3,724
Other expenditure	81,945	48,384		4,063	16,310	15,629	681	4%	48,384
Loss on disposal of PPE	3,367	-		-	-	-	-		-
Total Expenditure	440,313	386,388	-	20,909	79,840	88,079	(8,239)	-9%	386,388
Surplus/(Deficit)	(52,181)	5,635	-	(9,926)	57,954	41,184	16,769	41%	5,635
Transfers and subsidies - capital (monetary allocations)	68,895	70,860		19,946	23,906	12,358	11,548	93%	70,860
Transfers and subsidies - capital (monetary allocations)	-	-		-	-	-	-		-
Transfers and subsidies - capital (in-kind - all)	-	-		-	-	-	-		-
Surplus/(Deficit) after capital transfers	16,714	76,495	-	10,020	81,859	53,542			76,495
Taxation	-	-		-	-	-	-		-
Surplus/(Deficit) after taxation	16,714	76,495	-	10,020	81,859	53,542			76,495
Attributable to minorities	-	-		-	-	-	-		-
Surplus/(Deficit) attributable to municipality	16,714	76,495	-	10,020	81,859	53,542			76,495
Share of surplus/ (deficit) of associate	-	-		-	-	-	-		-
Surplus/ (Deficit) for the year	16,714	76,495	-	10,020	81,859	53,542		-	76,495

Table C4 provides budget performance details for revenue by source and expenditure by type. For revenue, the main deviations from budget projections are on 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.

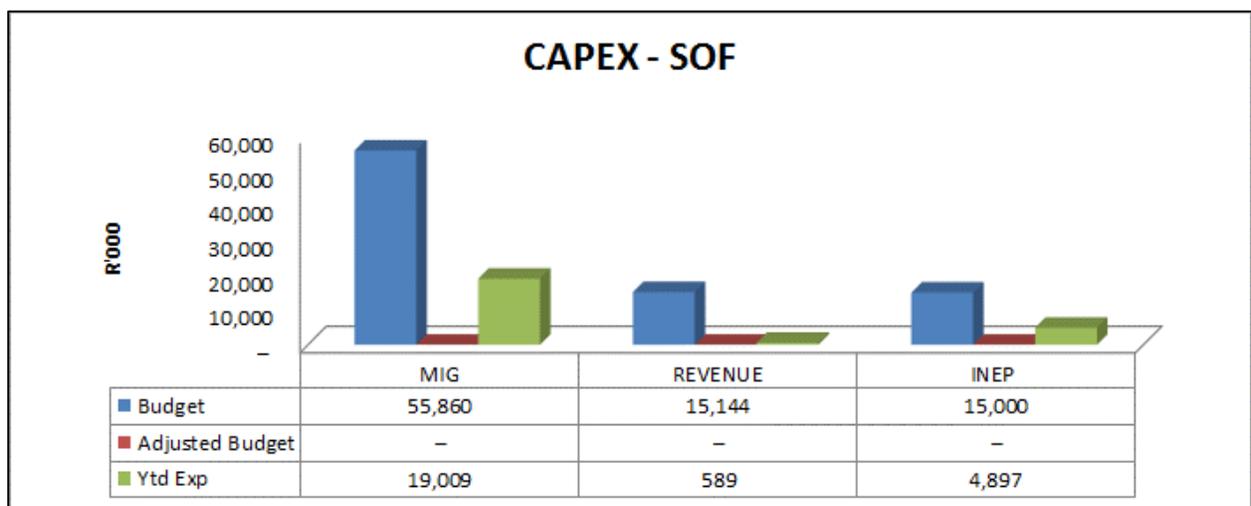
Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital Expenditure - Functional Classification									
Governance and administration	2,091	500	-	218	378	24	354	1451%	500
Executive and council	-	-					-		-
Finance and administration	2,091	500		218	378	24	354	1451%	500
Internal audit	-	-					-		-
Community and public safety	181	700	-	-	-	50	(50)	-100%	700
Community and social services	28	-					-		-
Sport and recreation	-	700				50	(50)	-100%	700
Public safety	153	-					-		-
Housing	-	-					-		-
Health	-	-					-		-
Economic and environmental services	67,376	62,944	-	10,364	15,509	5,294	10,215	193%	62,944
Planning and development	-	-					-		-
Road transport	67,376	62,944		10,364	15,509	5,294	10,215	193%	62,944
Environmental protection	-	-					-		-
Trading services	11,151	13,158	-	2,691	2,691	870	1,821	209%	13,158
Energy sources	11,151	13,158		2,691	2,691	870	1,821	209%	13,158
Water management	-	-					-		-
Waste water management	-	-					-		-
Waste management	-	-					-		-
Other	-	-					-		-
Total Capital Expenditure - Functional Classification	80,799	77,302	-	13,273	18,578	6,239	12,340	198%	77,302
Funded by:									
National Government	68,874	62,158		12,901	17,989	5,440	12,549	231%	62,158
Provincial Government							-		
District Municipality							-		
Other transfers and grants							-		
Transfers recognised - capital	68,874	62,158	-	12,901	17,989	5,440	12,549	231%	62,158
Public contributions & donations							-		
Borrowing							-		
Internally generated funds	11,925	15,144		371	589	799	(210)	-26%	15,144
Total Capital Funding	80,799	77,302	-	13,273	18,578	6,239	12,340	198%	77,302

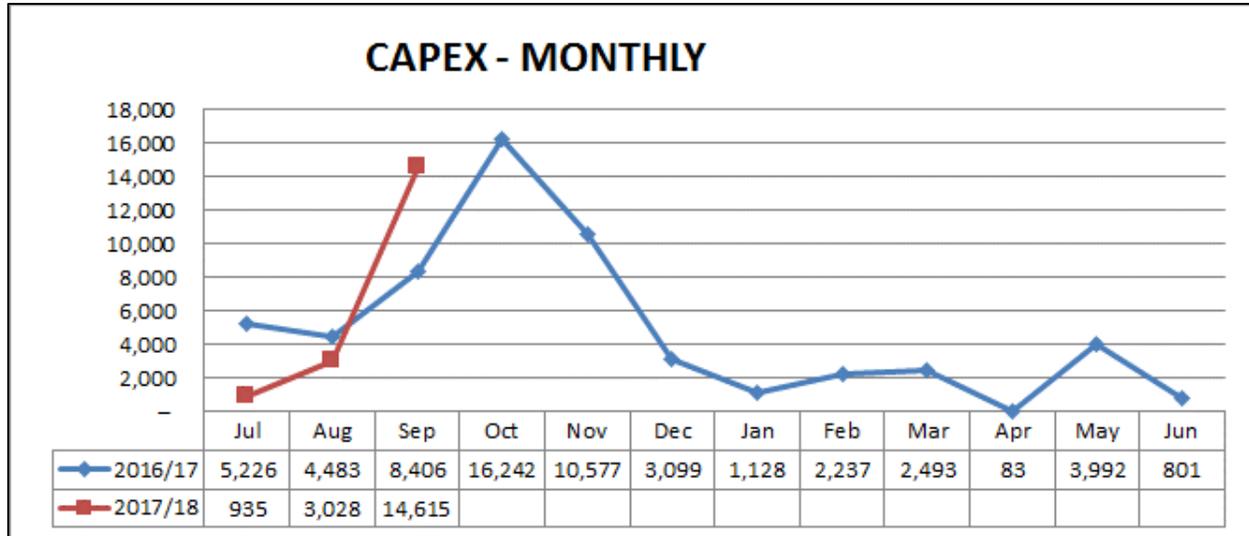
Table C5C: Monthly Capital Expenditure by Vote

Vote Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Multi-Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	1,508	500	-	218	378	24	354	1451%	500
Vote 5 - Community Services	-	500	-	-	-	-	-	-	500
Vote 6 - Technical Services	50,994	52,539	-	8,500	13,588	4,690	8,898	190%	52,539
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	52,502	53,539	-	8,718	13,967	4,714	9,252	196%	53,539
Single Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	181	700	-	-	-	50	(50)	-100%	700
Vote 6 - Technical Services	27,534	23,063	-	4,554	4,612	1,474	3,137	213%	23,063
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	583	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	28,297	23,763	-	4,554	4,612	1,524	3,087	203%	23,763
Total Capital Expenditure	80,799	77,302	-	13,273	18,578	6,239	12,340	198%	77,302

The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of September 2017, R13, 273 million spending was incurred and that increased the year to date expenditure to R18, 578 million whilst the year to date budget is R6, 239 million and this gave rise to under spending variance of R12, 340 Million that translates to 198%.



The above graph shows the components of sources of finance for capital budget. Of the total capital budget of R86, 004 million, R55, 860 million is funded from Municipal Infrastructure grant, R15, 000 million from INEP and R 15, 144 million from own revenue and the spending per source of finance is presented in the above graph.



The above graph compares the 2016/17 and 2017/18 monthly capital expenditure performance. The graph shows declined spending pattern for July and August, then a significant improvement in September when comparing the 2017/18 and 2016/17 results.

Table C6: Monthly Budget Statement Financial Position

Description	2016/17	Budget Year 2017/18			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	5,288	4,400		4,939	4,400
Call investment deposits	15,626	28,568		30,367	28,568
Consumer debtors	19,030	34,600		30,323	34,600
Other debtors	41,743	36,846		37,576	36,846
Current portion of long-term receivables	–	–		–	–
Inventory	3,193	3,200		3,826	3,200
Total current assets	84,878	107,614	–	107,031	107,614
Non current assets					
Long-term receivables	–	–		–	–
Investments	–	–		–	–
Investment property	96,285	96,146		96,703	96,146
Investments in Associate	–	–		–	–
Property, plant and equipment	913,874	957,866		933,976	957,866
Agricultural	–	–		–	–
Biological assets	–	–		–	–
Intangible assets	291	–		291	–
Other non-current assets	11,932	12,786		11,932	12,786
Total non current assets	1,022,382	1,066,797	–	1,042,902	1,066,797
TOTAL ASSETS	1,107,261	1,174,411	–	1,149,933	1,174,411
LIABILITIES					
Current liabilities					
Bank overdraft	–	–		–	–
Borrowing	6,900	8,608		7,120	8,608
Consumer deposits	5,141	5,089		5,234	5,089
Trade and other payables	72,468	45,253		48,933	45,253
Provisions	3,274	1,542		4,640	1,542
Total current liabilities	87,782	60,491	–	65,927	60,491
Non current liabilities					
Borrowing	–	16,500		4,400	16,500
Provisions	91,981	82,233		87,612	82,233
Total non current liabilities	91,981	98,733	–	92,012	98,733
TOTAL LIABILITIES	179,763	159,224	–	157,939	159,224
NET ASSETS	927,497	1,015,187	–	991,994	1,015,187
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	927,497	1,015,187		991,994	1,015,187
Reserves					
TOTAL COMMUNITY WEALTH/EQUITY	927,497	1,015,187	–	991,994	1,015,187

The above table shows that community wealth amounts to R991, 994 billion, total liabilities R157, 939 million and the total assets R1, 149 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 R21, 104 million relating to MIG, INEP, FMG and EPWP.

Table C7: Monthly Budget Statement Cash Flow

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	19,328	21,177		1,742	4,108	3,530	578	16%	21,177
Service charges	62,251	83,078		5,165	15,445	9,461	5,984	63%	83,078
Other revenue	18,040	13,516		1,358	4,415	2,248	2,167	96%	13,516
Government - operating	213,105	226,163		-	94,987	94,948	39	0%	226,163
Government - capital	85,419	70,860		-	28,330	23,444	4,886	21%	70,860
Interest	10,410	5,579		78	507	811	(303)	-37%	5,579
Dividends	-	-					-		-
Payments									
Suppliers and employees	(307,328)	(320,424)		(32,263)	(110,639)	(53,632)	57,007	-106%	(320,424)
Finance charges	(1,426)	(3,124)		(123)	(196)	(410)	(214)	52%	(3,124)
Transfers and Grants	(521)	(3,724)		(725)	(3,194)	(621)	2,573	-415%	(3,724)
NET CASH FROM/(USED) OPERATING ACTIVITIES	99,278	93,102	-	(24,767)	33,764	79,780	46,016	58%	93,102
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	440	-					-		-
Decrease (Increase) in non-current debtors		-					-		-
Decrease (increase) other non-current receivables		-					-		-
Decrease (increase) in non-current investments		-					-		-
Payments									
Capital assets	(80,799)	(77,302)		(13,433)	(17,396)	(6,239)	11,157	-179%	(77,302)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(80,359)	(77,302)	-	(13,433)	(17,396)	(6,239)	11,157	-179%	(77,302)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		-					-		-
Borrowing long term/refinancing		-					-		-
Increase (decrease) in consumer deposits	21	111		37	99	60	39	66%	111
Payments									
Repayment of borrowing	(9,596)	(8,608)		(678)	(2,075)	(981)	1,094	-112%	(8,608)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(9,575)	(8,497)	-	(641)	(1,976)	(921)	1,055	-115%	(8,497)
NET INCREASE/ (DECREASE) IN CASH HELD	9,343	7,304	-	(38,841)	14,393	72,620			7,304
Cash/cash equivalents at beginning:	11,570	25,664			20,913	25,664			20,913
Cash/cash equivalents at month/year end:	20,913	32,968			35,306	98,284			28,217

Table C7 presents details pertaining to cash flow performance. As at end of September 2017, the net cash inflow from operating activities is R33, 764 million whilst net cash outflow from investing activities is R17, 396 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R1, 976 million. The cash and cash equivalent held at end of September 2017 amounted to R35, 306 million and the net effect of the above cash flows is cash outflow movement of R14, 393 million. The cash and cash equivalent at end of the reporting period of R 35, 306 million is made up of cash amounting to R4, 939 million and short term investments of R30, 367 million as presented in Table A6 under current assets.

PART 2: SUPPORTING TABLES

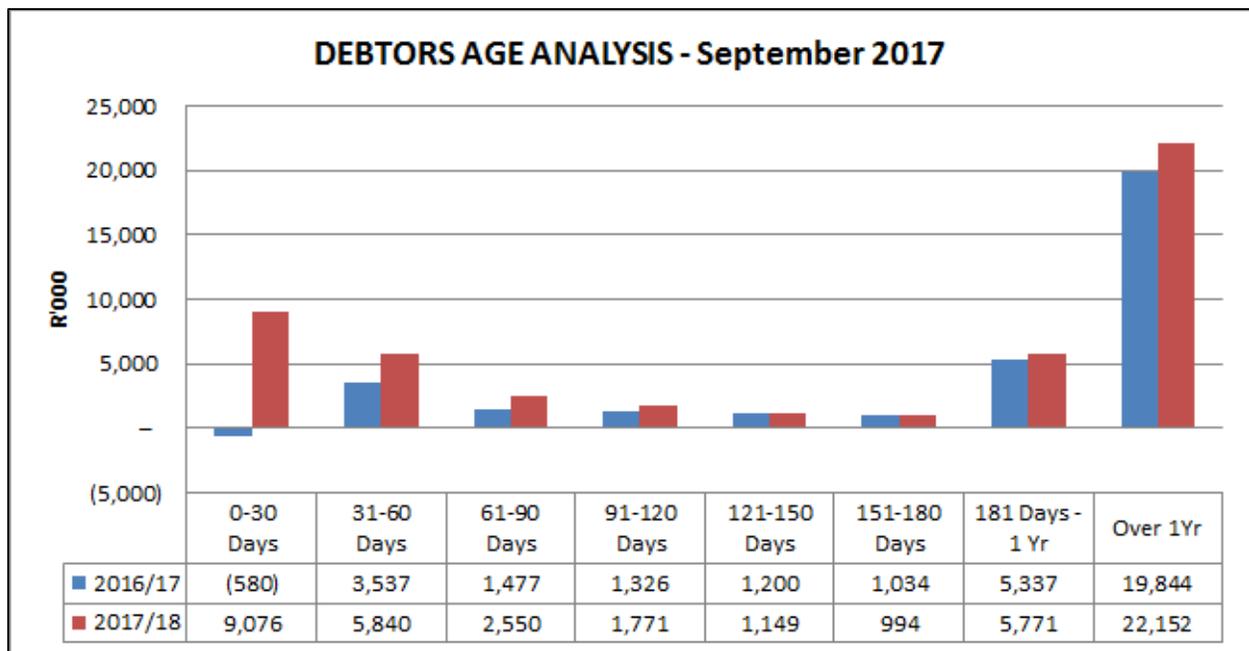
Supporting Table: SC 3 - Debtors Age Analysis

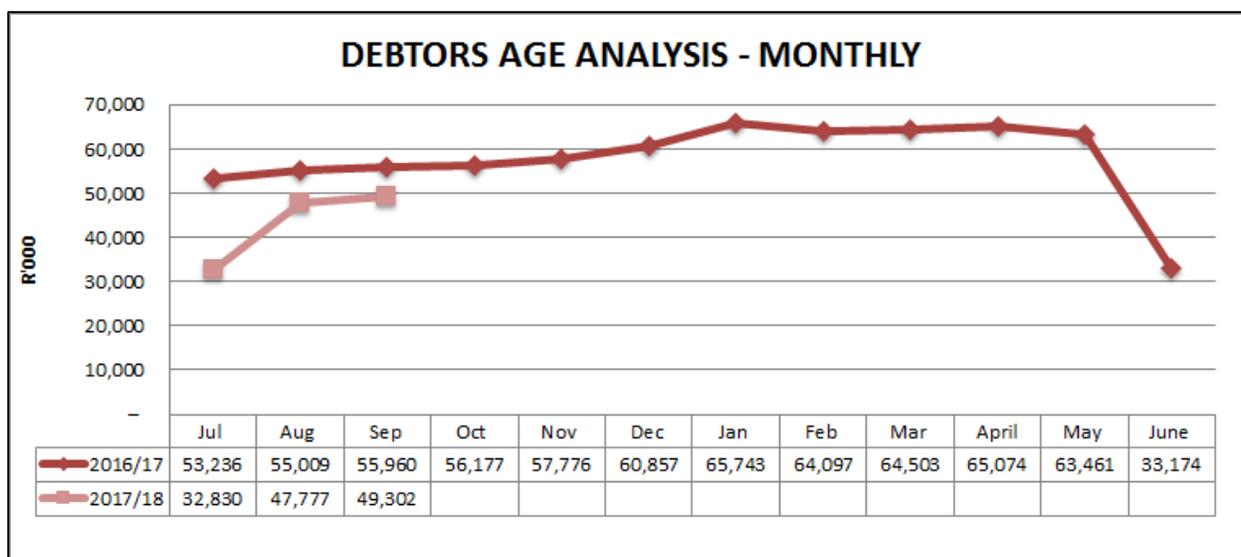
Description	Budget Year 2017/18										
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days 1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	4,717	1,645	875	717	169	106	1,273	2,000	11,502	4,265	-
Receivables from Non-exchange Transactions - Property Rates	2,429	1,764	734	607	489	406	1,558	11,922	19,908	14,981	-
Receivables from Exchange Transactions - Waste Water Management	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	630	874	264	222	65	61	379	1,409	3,904	2,136	-
Receivables from Exchange Transactions - Property Rental Debtors	16	11	56	2	18	22	201	815	1,140	1,057	-
Interest on Arrear Debtor Accounts	480	984	429	220	360	375	1,953	4,029	8,830	6,937	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	-
Other	804	562	192	4	46	25	408	1,977	4,018	2,461	-
Total By Income Source	9,076	5,840	2,550	1,771	1,149	994	5,771	22,152	49,302	31,837	-
2016/17 - totals only	(580)	3,537	1,477	1,326	1,200	1,034	5,337	19,844	33,174	28,740	-
Debtors Age Analysis By Customer Group											
Organs of State	871	767	604	190	49	43	622	1,522	4,668	2,426	-
Commercial	4,178	1,481	683	534	431	310	1,533	5,540	14,690	8,349	-
Households	3,264	3,072	848	555	299	250	1,371	6,469	16,128	8,944	-
Other	763	520	414	493	369	391	2,245	8,621	13,816	12,118	-
Total By Customer Group	9,076	5,840	2,550	1,771	1,149	994	5,771	22,152	49,302,161	31,837	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of August amount to R49, 302 million. The debtors' book is made up as follows:

- Rates 40%
- Electricity 23%
- Rental 2%
- Refuse removal 8%
- Interest on Debtors 18%
- Other 8%

The debtors' age analysis is graphically presented below.





The initial graph compares debtors' age analysis for 2016/17 financial year and 2017/18 (as at end of September 2017) whilst the latter shows monthly movement of debtors for both the current financial year and the 2016/17 financial year.

The debtors book is materially less than the 2016/17 monthly figures and this is attributed to debtors write off done at end of 2016/17 financial year. The debtors amount increased significantly from July to August 2017 and this was as a result of month end system closure and/or billing that was finalized very late.

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

TOP TWENTY DEBTORS

ACCOU	ACCOUNT HOLDER NAME	OUT BALAN	REMARKS
9900067	WATER PURIFICATION PLANT (SDM)	1,313,248.45	COMMUNICATION TO BE MADE TO SDM TO PAY IMMEDIATELY TO AVOID CUT-OFF
9012345	BREED J & OOSTHUIZEN J F	891,889.87	HANDED OVER
200106	ANABEL AND T INVESTMENTS (WALTLOO MEAT & CHICKEN)	522,496.04	PAYMENT ARRANGEMENT MADE
214913	MEAT SPOT	466,388.09	HANDED OVER
9000000	REPUBLIEK VAN SUID-AFRIKA	354,044.32	COMMITMENT MADE BY NATION PUBLIC WORKS TO SETTLE BY END OF OCTOBER 2017
506535	BUMAZI PROPERTIES C/O BFW METERING	326,574.23	CURRENT
9001077	ROYAL SQUARE INV 361 CC	312,072.28	HANDED OVER
211693	BOXER SUPERSTORE'ATT KERSHNEE	277,119.46	CURRENT
9000804	NATIONAL GOVERNMENT REPUBLIC OF SOUTH AFRICA	266,136.62	COMMITMENT MADE BY NATION PUBLIC WORKS TO SETTLE BY END OF OCTOBER 2017
1501364	JAN JOUBERT TR (JO JO TANKS)	245,081.89	CURRENT
201885	SHOPRITE CHECKERS (PTY) LTD	230,536.32	CURRENT
1200305	BUNGELA LAMOLA BOTTLE STORE	184,170.24	ARRANGEMENT MADE
5001708	UNITRADE 518 (PTY) LTD	164,952.65	HANDED OVER
9002958	PROVINCIAL GOVERNMENT OF LIMPO	161,819.85	COMMITMENT MADE BY PROVINCIAL PUBLIC WORKS TO SETTLE BY END OF OCTOBER 2017
2000270	PROVINSIALE HOSPITAAL	142,970.00	CURRENT
9001763	TSHEHLA TRUST MAMAILE GEORGE	137,006.53	HANDED OVER
9000276	DEPARTMENT OF PUBLIC WORKS-PROVINCIAL	135,587.23	COMMITMENT MADE BY NATION PUBLIC WORKS TO SETTLE BY END OF OCTOBER 2017
9002067	NATIONAL GOVERNMENT OF THE REP	134,759.78	COMMITMENT MADE BY NATION PUBLIC WORKS TO SETTLE BY END OF OCTOBER 2017
5002109	VAN AARD F J (MAPOCH HOTEL)	133,153.11	HANDED OVER
200758	DEPARTMENT OF PUBLIC WORKS-PROVINCIAL	127,312.20	CURRENT
TOTAL		6,527,319.16	

Supporting Table: SC 4 - Creditors Age Analysis

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

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

TOP TWENTY CREDITORS PAID

CODE	CREDITOR NAME	AMOUNT
41006	LEFHUMO LWA BAREMA TRADING	2,661,757
429	NJ NKOSANA BUSINESS ENTERPRISE	1,707,823
80593	TECHNICRETE ISG (PTY)LTD	1,659,840
464	MOLELEKI A TLALA TRANSPORT AND	1,583,426
80563	KF PHETLA PROJECTS	1,135,460
32103	BOSUN BRICKS MIDRAND	984,484
40082	CEBINTO PLANT HIRE CC	891,858
37678	SHATADI DEVELOPERS	810,909
41036	JMV ORTHOSMART CONSULTING	790,828
80591	MOTHAKGE PHADIMA CONSTRUCTION	773,319
40070	AES CONSULTING JV MATLALA ELEC	527,880
41047	ONBOARD CONSULTING ENGINEERS	505,453
41045	MASEKWAMENG TRADERS CC	502,121
41049	SKY HIGH CONSULTING ENGINEERS	489,186
1004	LERMAT CONSTRUCTION & PROJECTS	456,809
40069	TM KHOZA AND ASSOCIATES	350,808
37770	BAHLOTSE TRADING (PTY) LTD	255,815
41111	MOAGI TECHNOLOGIES	248,748
35403	BONGILEMASHUMI C C	180,715
40063	TLOU INTERGATED TECH	167,062
TOTAL		16,684,301

The above table presents the top twenty creditors paid during the month of September 2017 and an amount of R16, 884 million was paid to these creditors during the reporting period.

Supporting Table: SC 5 - Investment Portfolio

Investments Description	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
VBS	Months	Short term	20-Sep-17	80	7.65%	20,181	(20,261)	-
VBS	Months	Short term	30-Sep-17	-	7.85%	(83)	83	-
VBS	Months	Short term	20-Oct-17	132	7.95%	20,187	-	20,319
NEDBANK	Months	Short term	6-Nov-17	49	7.47%	-	10,000	10,049
TOTAL INVESTMENTS AND INTEREST				261		40,285	(10,178)	30,368

Supporting table SC5 presents all investments that indicate that the total amount of R30, 368 million had been invested as at end of September 2017. The opening balance was R40, 285 million, and an amount of R20, 261 million was withdrawn and R10 million of it was reinvested in the reporting period. Accrued interest for the month amounted to R261 thousand.

Supporting Table: SC 6 - Transfers and Grant Receipts

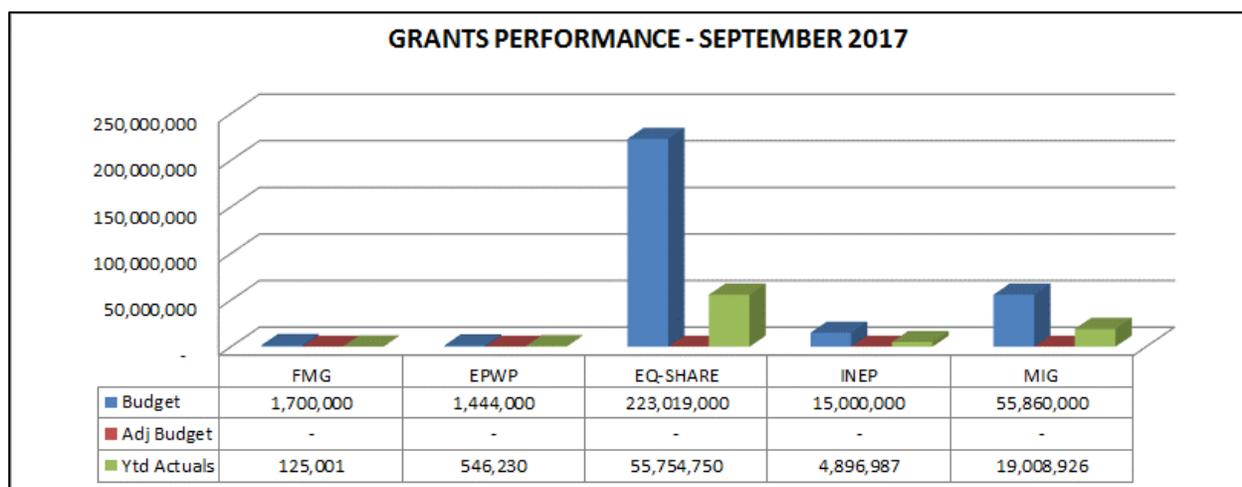
Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
RECEIPTS:									
Operating Transfers and Grants									
National Government:	213,105	226,163	-	-	94,987	94,987	-	-	226,163
Local Government Equitable Share	210,385	223,019	-	-	92,926	92,926	-	-	223,019
Finance Management	1,625	1,700	-	-	1,700	1,700	-	-	1,700
EPWP Incentive	1,095	1,444	-	-	361	361	-	-	1,444
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	213,105	226,163	-	-	94,987	94,987	-	-	226,163
Capital Transfers and Grants									
National Government:	85,419	70,860	-	-	28,330	28,330	-	-	70,860
Municipal Infrastructure Grant (MIG)	72,419	55,860	-	-	23,330	23,330	-	-	55,860
Integrated National Electrification Grant	13,000	15,000	-	-	5,000	5,000	-	-	15,000
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	85,419	70,860	-	-	28,330	28,330	-	-	70,860
TOTAL RECEIPTS OF TRANSFERS & GRANTS	298,524	297,023	-	-	123,317	123,317	-	-	297,023

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R123, 317 million of which the major portion is attributed to equitable share. All the grants allocated for the current financial year, so far have been received in line with National Treasury payment schedule.

Supporting Table: SC 7 Transfers and grants – Expenditure

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	214,632	226,163	-	18,745	56,426	37,589	18,837	50%	226,163
Local Government Equitable Share	211,912	223,019		18,585	55,755	37,170	18,585	50%	223,019
Finance Management	1,625	1,700		42	125	178	(53)	-30%	1,700
EPWP Incentive	1,095	1,444		118	546	241	306	127%	1,444
Provincial Government:	-	-	-	-	-	-	-		-
N/A	-	-		-	-	-	-		-
District Municipality:	-	-	-	-	-	-	-		-
N/A	-	-		-	-	-	-		-
Other grant providers:	-	-	-	-	-	-	-		-
N/A	-	-		-	-	-	-		-
Total operating expenditure of Transfers and Grants:	214,632	226,163	-	18,745	56,426	37,589	18,837	50%	226,163
Capital expenditure of Transfers and Grants									
National Government:	68,874	70,860	-	19,946	23,906	5,440	18,466	339%	70,860
Municipal Infrastructure Grant (MIG)	56,064	55,860		15,049	19,009	4,570	14,439	316%	55,860
Intergrated National Electrification Grant	12,811	15,000		4,897	4,897	870	4,027	463%	15,000
Provincial Government:	-	-	-	-	-	-	-		-
N/A	-	-		-	-	-	-		-
District Municipality:	-	-	-	-	-	-	-		-
N/A	-	-		-	-	-	-		-
Other grant providers:	-	-	-	-	-	-	-		-
N/A	-	-		-	-	-	-		-
Total capital expenditure of Transfers and Grants	68,874	70,860	-	19,946	23,906	5,440	18,466	339%	70,860
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	283,507	297,023	-	38,691	80,332	43,029	37,303	87%	297,023

An amount of R38, 691 million has been spent on grants during the month of September 2017 and the year to date actuals is R80, 332 million whilst the year to date budget amounts to R 43, 029 million and this results in overspending variance of R37, 303 that translates to 87%. Of the total spending amounting to R80, 332 million, R56, 426 million is spent on operational grants whilst R23, 906 million is spent of capital grants.



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

- Financial Management Grant 7, 35%
- Expanded Public Work Programme 37,83%
- Equitable Share 25 ,00%
- Municipal Infrastructure Grant 34, 03%
- Integrated National Electrification Grant 32, 65%

Supporting Table: SC8 - Councilor Allowances and Employee Related Costs

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	12,363	14,748	-	1,001	3,009	2,458	551	22%	14,748
Pension and UIF Contributions	1,691	1,670	-	144	433	278	154	55%	1,670
Medical Aid Contributions	250	285	-	24	66	48	18	39%	285
Motor Vehicle Allowance	4,672	4,788	-	390	1,169	798	371	47%	4,788
Cellphone Allowance	1,146	612	-	135	406	102	304	298%	612
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	9	-	-	-	2	(2)	-100%	9
Sub Total - Councillors	20,122	22,113	-	1,694	5,083	3,685	1,397	38%	22,113
% increase		10%							10%
Senior Managers of the Municipality									
Basic Salaries and Wages	5,416	4,745	-	352	1,134	791	343	43%	4,745
Pension and UIF Contributions	317	1,021	-	26	80	170	(90)	-53%	1,021
Medical Aid Contributions	6	228	-	7	24	38	(14)	-36%	228
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	457	840	-	62	199	160	39	24%	840
Cellphone Allowance	5	14	-	3	10	2	7	300%	14
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	130	75	-	0	0	4	(4)	-96%	75
Payments in lieu of leave	-	-	-	-	-	85	(85)	-100%	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	6,331	6,923	-	451	1,447	1,251	196	16%	6,923
% increase		9%							9%
Other Municipal Staff									
Basic Salaries and Wages	68,064	78,939	-	-	12,212	13,157	(945)	-7%	78,939
Pension and UIF Contributions	13,958	14,523	-	-	2,499	2,421	79	3%	14,523
Medical Aid Contributions	4,235	4,340	-	-	710	723	(14)	-2%	4,340
Overtime	2,835	1,595	-	-	414	156	257	165%	1,595
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	7,995	8,062	-	-	1,459	1,344	115	9%	8,062
Cellphone Allowance	113	636	-	-	72	106	(34)	-32%	636
Housing Allowances	152	145	-	-	26	24	2	9%	145
Other benefits and allowances	7,284	7,333	-	-	141	101	40	39%	7,333
Payments in lieu of leave	-	802	-	-	216	36	181	507%	802
Long service awards	3,741	162	-	-	212	30	182	607%	162
Post-retirement benefit obligations	594	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff	108,969	116,537	-	-	17,960	18,097	(137)	-1%	116,537
% increase		7%							7%
Total Parent Municipality	135,422	145,573	-	2,145	24,490	23,033	1,456	6%	145,573
		7%							7%
TOTAL SALARY, ALLOWANCES & BENEFITS	135,422	145,573	-	2,145	24,490	23,033	1,456	6%	145,573
% increase		7%							7%
TOTAL MANAGERS AND STAFF	115,301	123,460	-	451	19,407	19,348	59	0%	123,460

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of September 2017 amounts to R24, 490 million and the year to date budget is R23, 033 million and the expenditure for remuneration of councilors amounts to R5, 083 million while the year to date budget is R3, 685 million. The year to date actuals for senior managers is R1, 447 million and the year to date budget thereof is R1, 251 million and the year to date actuals for other municipal staff is R17, 960 million and the year to date budget is R18, 097 million. The remuneration of councilors and senior managers categories have over spending variance while other municipal staff category has under spending variance.

Description	Budget Year 2017/18												2017/18 Medium Term Revenue &		
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Year	Year +1	Year +2
	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	2017/18	2018/19	2019/20
Cash Receipts By Source															
Property rates	1,611	755	1,742	1,765	1,765	1,765	1,765	1,765	1,765	1,765	1,765	2,951	21,177	22,384	23,638
Service charges - electricity revenue	5,992	3,719	4,876	5,914	5,816	6,301	6,884	7,513	8,144	8,271	8,284	7,056	78,770	81,133	83,729
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse	354	216	288	350	410	410	410	410	410	410	410	230	4,308	4,553	4,808
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	28	15	31	153	153	153	153	153	153	153	153	635	1,935	2,046	2,160
Interest earned - external investments	154	135	-	270	398	184	178	240	440	300	308	1,094	3,701	3,912	4,132
Interest earned - outstanding debtors	114	26	78	134	131	159	143	144	106	128	156	558	1,878	1,985	2,096
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	25	2	4	315	330	435	345	353	405	390	413	1,484	4,500	4,757	5,023
Licences and permits	-	805	-	431	431	431	431	431	431	431	431	848	5,100	5,391	5,693
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operating	94,626	361	-	-	649	74,339	-	434	55,756	-	-	(2)	226,163	238,214	247,841
Other revenue	1,369	812	1,324	165	165	165	165	165	165	165	165	(2,845)	1,981	2,094	2,211
Cash Receipts by Source	104,272	6,847	8,343	9,497	10,247	84,343	10,474	11,607	67,775	12,013	12,085	12,010	349,514	366,469	381,331
Other Cash Flows by Source															
Transfer receipts - capital	28,330	-	-	6,000	30,599	-	4,615	-	6,201	-	-	(4,886)	70,860	69,013	86,340
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits	58	5	37	2	12	6	4	20	10	14	12	(68)	111	142	168
Receipt of non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	132,660	6,852	8,380	15,499	40,859	84,349	15,093	11,627	73,986	12,027	12,097	7,056	420,485	435,624	467,839
Cash Payments by Type															
Employee related costs	9,543	9,580	9,600	9,725	9,719	16,328	10,029	9,808	9,775	9,705	9,717	9,932	123,460	130,069	137,325
Remuneration of councillors	1,694	1,694	1,694	1,843	1,843	1,843	1,843	1,843	1,843	1,843	1,843	1,969	21,794	23,036	24,326
Interest paid	-	74	123	196	194	190	188	186	400	398	395	781	3,124	790	645
Bulk purchases - Electricity	7,038	71	7,159	5,200	5,300	5,513	5,700	5,950	6,012	7,250	7,300	6,671	69,165	69,937	73,853
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	688	1,642	470	522	3,105	215	1,225	545	1,122	807	1,330	1,826	13,497	14,795	15,623
Contracted services	6,156	6,036	6,234	1,733	3,316	1,783	1,693	1,838	2,328	2,003	1,858	(9,630)	25,350	23,279	23,118
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other	1,727	742	725	310	310	310	310	310	310	310	310	(1,952)	3,724	3,936	4,156
General expenses	24,438	4,706	4,063	2,850	3,545	4,120	3,352	3,077	6,480	3,261	2,762	(13,950)	48,703	46,114	47,108
Cash Payments by Type	51,284	24,544	30,067	22,379	27,333	30,303	24,340	23,557	28,270	25,577	25,515	(4,353)	308,817	311,956	326,154
Other Cash Flows/Payments by Type															
Capital assets	935	5,145	13,433	8,227	9,672	10,917	6,450	8,552	6,630	4,221	4,180	(1,061)	77,302	84,306	91,111
Repayment of borrowing	490	490	678	706	706	706	706	706	706	750	750	1,213	8,608	6,000	6,000
Other Cash Flows/Payments	-	3,389	3,043	1,400	1,600	4,000	1,500	1,000	1,150	1,400	1,000	(1,027)	18,455	18,576	26,322
Total Cash Payments by Type	52,710	33,569	47,221	32,712	39,311	45,925	32,996	33,815	36,756	31,948	31,445	(5,228)	413,181	420,837	449,586
NET INCREASE/(DECREASE) IN CASH HELD	79,950	(26,717)	(38,841)	(17,213)	1,548	38,423	(17,903)	(22,188)	37,230	(19,921)	(19,348)	12,284	7,304	14,787	18,253
Cash/cash equivalents at the month/year beginning:	20,913	100,863	74,147	35,306	18,092	19,640	58,063	40,160	17,973	55,202	35,281	15,933	20,913	28,217	43,004
Cash/cash equivalents at the month/year end:	100,863	74,147	35,306	18,092	19,640	58,063	40,160	17,973	55,202	35,281	15,933	28,217	28,217	43,004	61,256

Supporting table SC9 provides detailed monthly cash flow statement that spells out the receipts by source and payments by type. The monthly cash receipts reflect an amount of R8, 380 million and the total cash payment for the month were R47, 221 million and this resulted in net decrease in cash held amounting to R38, 841 million and with cash and cash equivalent of R74, 147 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting to R35, 306 million. This is a supporting table for table C7 – Cash Flow Statement.

Supporting Table: SC 12 Capital Expenditure Trend

Month	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
Monthly expenditure									
July	5,226	1,624		935	935	1,624	689	42%	1%
August	4,483	4,590		3,028	3,963	6,214	2,251	36%	5%
September	8,406	7,000		14,615	18,578	13,214	(4,021)	-30%	22%
October	16,242	8,227				21,442	-		
November	10,577	9,672				31,114	-		
December	3,099	10,917				42,030	-		
January	1,128	6,450				48,480	-		
February	2,237	8,552				57,032	-		
March	2,493	6,630				63,662	-		
April	83	4,221				67,883	-		
May	3,992	4,180				72,063	-		
June	22,833	5,239				77,302	-		
Total Capital expenditure	80,799	77,302	-	18,578					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of September amounts to R14, 615 million. The year to date capital budget is R13, 214 million that give rise to over spending variance of R4, 021 million or 30%.

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

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on new assets									
Roads Infrastructure	21,733	19,123	-	3,876	3,876	2,384	(1,492)	-63%	19,123
Roads	21,733	19,123		3,876	3,876	2,384	(1,492)	-63%	19,123
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Drainage Collection		-					-		
Storm water Conveyance		-					-		
Electrical Infrastructure	11,151	13,158	-	2,691	2,691	870	(1,821)	-209%	13,158
HV Substations		-					-		-
HV Switching Station		-					-		-
HV Transmission Conductors	11,151	13,158		2,691	2,691	870	(1,821)	-209%	13,158
MV Substations		-					-		-
MV Switching Stations		-					-		-
MV Networks		-					-		-
LV Networks		-					-		-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-
Landfill Sites		-					-		
Waste Transfer Stations		-					-		
Waste Processing Facilities		-					-		
Waste Drop-off Points		-					-		
Community Assets	-	300	-	-	-	-	-	-	300
Community Facilities	-	300	-	-	-	-	-	-	300
Halls		-					-		-
Testing Stations		-					-		-
Libraries		-					-		-
Cemeteries/Crematoria		-					-		-
Police		-					-		-
Purfs		-					-		-
Public Open Space	-	300				-	-		300
Nature Reserves		-					-		-
Other assets	1,298	-	-	-	-	-	-	-	-
Operational Buildings	1,298	-	-	-	-	-	-	-	-
Municipal Offices	583	-					-		
Pay/Enquiry Points		-					-		
Building Plan Offices		-					-		
Workshops	715	-					-		
Training Centres		-					-		
Computer Equipment	1,168	300	-	218	218	384	166	43%	300
Computer Equipment	1,168	300		218	218	384	166	43%	300
Furniture and Office Equipment	340	200	-	-	160	200	40	20%	200
Furniture and Office Equipment	340	200		-	160	200	40	20%	200
Machinery and Equipment	2,100	600	-	59	116	300	184	61%	600
Machinery and Equipment	2,100	600		59	116	300	184	61%	600
Transport Assets	2,253	700	-	-	-	-	-	-	700
Transport Assets	2,253	700				-	-		700
Total Capital Expenditure on new assets	40,043	34,381	-	6,844	7,062	4,139	(2,923)	-71%	34,381

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

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on renewal of existing assets									
Infrastructure	38,131	38,474	-	6,334	11,422	1,820	(9,602)	-528%	38,474
Roads Infrastructure	38,131	38,474	-	6,334	11,422	1,820	(9,602)	-528%	38,474
Roads	38,131	38,474		6,334	11,422	1,820	(9,602)	-528%	38,474
Road Structures		-					-		-
Storm water Infrastructure	-	-	-	-	-	-	-		-
Electrical Infrastructure	-	-	-	-	-	-	-		-
HV Substations		-		-	-		-		
HV Switching Station		-					-		
MV Substations		-		-	-		-		
MV Switching Stations		-					-		
MV Networks		-					-		
LV Networks		-					-		
Solid Waste Infrastructure	-	-	-	-	-	-	-		-
Landfill Sites		-					-		
Waste Transfer Stations		-					-		
Waste Processing Facilities		-					-		
Waste Drop-off Points		-					-		
Community Assets	1,694	-	-	-	-	-	-		-
Community Facilities	-	-	-	-	-	-	-		-
Halls		-					-		
Centres		-					-		
Libraries		-					-		
Cemeteries/Crematoria		-					-		
Police		-					-		
Parks		-					-		
Public Open Space		-					-		
Sport and Recreation Facilities	1,694	-	-	-	-	-	-		-
Indoor Facilities		-					-		
Outdoor Facilities	1,694	-					-		
Other assets	932	500	-	-	-	-	-		500
Operational Buildings	932	500	-	-	-	-	-		500
Municipal Offices	-	500					-		500
Pay/Enquiry Points		-					-		-
Building Plan Offices		-					-		-
Workshops		-					-		-
Training Centres	932	-					-		-
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment	-	-					-		-
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment	-	-					-		-
Machinery and Equipment	-	-	-	-	-	-	-		-
Machinery and Equipment	-	-					-		-
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets	-	-					-		-
Total Capital Expenditure on renewal of existing assets	40,757	38,974	-	6,334	11,422	1,820	(9,602)	-528%	38,974

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

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Repairs and maintenance expenditure									
Infrastructure	4,633	6,700	–	339	1,146	1,500	354	24%	6,700
Roads Infrastructure	946	2,500	–	239	239	400	161	40%	2,500
Roads	946	2,500		239	239	400	161	40%	2,500
Road Structures		–		–	–	–	–		–
Storm water Infrastructure	–	–	–	–	–	–	–		–
Storm water Conveyance		–		–	–	–	–		–
Electrical Infrastructure	1,802	1,900	–	100	471	550	79	14%	1,900
HV Substations		–		–	–	–	–		–
HV Switching Station		–		–	–	–	–		–
HV Transmission Conductors		–		–	–	–	–		–
MV Substations		–		–	–	–	–		–
MV Switching Stations		–		–	–	–	–		–
MV Networks	1,802	1,800		100	471	500	29	6%	1,800
LV Networks		–		–	–	–	–		–
Capital Spares		100		–	–	50	50	100%	100
Solid Waste Infrastructure	1,885	2,300	–	–	436	550	114	21%	2,300
Landfill Sites	1,885	2,150		–	436	500	64	13%	2,150
Waste Transfer Stations		–		–	–	–	–		–
Waste Drop-off Points		–		–	–	–	–		–
Waste Separation Facilities		–		–	–	–	–		–
Capital Spares		150		–	–	50	50	100%	150
Community Assets	–	–	–	–	–	–	–		–
Community Facilities	–	–	–	–	–	–	–		–
Testing Stations		–		–	–	–	–		–
Libraries		–		–	–	–	–		–
Cemeteries/Crematoria		–		–	–	–	–		–
Taxi Ranks/Bus Terminals		–		–	–	–	–		–
Other assets	1,432	1,300	–	–	48	400	352	88%	1,300
Operational Buildings	1,432	1,300	–	–	48	400	352	88%	1,300
Municipal Offices	1,432	1,300		–	48	400	352	88%	1,300
Building Plan Offices		–		–	–	–	–		–
Workshops		–		–	–	–	–		–
Training Centres		–		–	–	–	–		–
Manufacturing Plant		–		–	–	–	–		–
Intangible Assets	82	100	–	–	–	20	20	100%	100
Licences and Rights	82	100	–	–	–	20	20	100%	100
Water Rights		–		–	–	–	–		–
Effluent Licenses		–		–	–	–	–		–
Solid Waste Licenses		–		–	–	–	–		–
Computer Software and Applications	82	100		–	–	20	20	100%	100
Load Settlement Software Applications		–		–	–	–	–		–
Computer Equipment	–	–	–	5	5	–	(5)	0%	–
Computer Equipment	–	–		5	5	–	(5)	0%	–
Furniture and Office Equipment	–	–	–	–	–	–	–		–
Furniture and Office Equipment	–	–		–	–	–	–		–
Machinery and Equipment	2,405	1,711	–	–	–	466	466	100%	1,711
Machinery and Equipment	2,405	1,711		–	–	466	466	100%	1,711
Transport Assets	1,800	1,500	–	23	193	700	507	72%	1,500
Transport Assets	1,800	1,500		23	193	700	507	72%	1,500
Total Repairs and Maintenance Expenditure	10,353	11,311	–	368	1,391	3,086	1,694	55%	11,311

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

Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Depreciation by Asset Class/Sub-class									
Infrastructure	41,257	45,835	-	-	-	7,639	7,639	100%	45,835
Roads Infrastructure	23,126	25,298	-	-	-	4,216	4,216	100%	25,298
Roads	23,126	25,298				4,216	4,216	100%	25,298
Road Structures		-				-	-		-
Storm water Conveyance	4,525	5,746				958	958	100%	5,746
Electrical Infrastructure	11,306	12,398	-	-	-	2,066	2,066	100%	12,398
HV Substations		-				-	-		-
HV Switching Station		-				-	-		-
HV Transmission Conductors	11,306	12,398				2,066	2,066	100%	12,398
MV Switching Stations		-				-	-		-
MV Networks		-				-	-		-
LV Networks		-				-	-		-
Solid Waste Infrastructure	2,300	2,392	-	-	-	399	399	100%	2,392
Landfill Sites	2,300	2,392				399	399	100%	2,392
Waste Transfer Stations		-				-	-		-
Waste Drop-off Points		-				-	-		-
Community Assets	2,145	2,231	-	-	-	372	372	100%	2,231
Community Facilities	2,145	2,231				372	372	100%	2,231
Halls		-				-	-		-
Centres		-				-	-		-
Testing Stations		-				-	-		-
Libraries		-				-	-		-
Cemeteries/Crematoria	2,145	2,231				372	372	100%	2,231
Police		-				-	-		-
Taxi Ranks/Bus Terminals		-				-	-		-
Other assets	115	120	-	-	-	20	20	100%	120
Operational Buildings	115	120	-	-	-	20	20	100%	120
Municipal Offices	115	120				20	20	100%	120
Pay/Enquiry Points		-				-	-		-
Building Plan Offices		-				-	-		-
Workshops		-				-	-		-
Training Centres		-				-	-		-
Computer Equipment	20	21	-	-	-	3	3	100%	21
Computer Equipment	20	21				3	3	100%	21
Furniture and Office Equipment	25	26	-	-	-	4	4	100%	26
Furniture and Office Equipment	25	26				4	4	100%	26
Machinery and Equipment	2,000	2,080	-	-	-	347	347	100%	2,080
Machinery and Equipment	2,000	2,080				347	347	100%	2,080
Transport Assets	854	888	-	-	-	148	148	100%	888
Transport Assets	854	888				148	148	100%	888
Total Depreciation	46,416	51,200	-	-	-	8,533	8,533	100%	51,200

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

Description	Budget Year 2017/18							
	Original Budget	Adjusted Budget	Monthly actuals	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on upgrading of existing assets								
Infrastructure	-	-	-	-	-	-	-	-
Roads Infrastructure	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-
Road Structures	-	-	-	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-	-	-	-
Drainage Collection	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-
HV Switching Station	-					-		-
HV Transmission Conductors	-					-		-
MV Switching Stations	-					-		-
MV Networks	-					-		-
LV Networks	-					-		-
Solid Waste Infrastructure	-	-	-	-	-	-	-	-
Landfill Sites	-					-		
Waste Transfer Stations	-					-		
Waste Drop-off Points	-					-		
Waste Separation Facilities	-					-		
Community Assets	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-
Halls	-					-		
Testing Stations	-					-		
Museums	-					-		
Galleries	-					-		
Theatres	-					-		
Libraries	-					-		
Cemeteries/Crematoria	-					-		
Police	-					-		
Abattoirs	-					-		
Airports	-					-		
Taxi Ranks/Bus Terminals	-					-		
Other assets	3,947	-	94	94	280	186	66%	3,947
Operational Buildings	3,947	-	94	94	280	186	66%	3,947
Municipal Offices	-					-		-
Pay/Enquiry Points	-					-		-
Building Plan Offices	-					-		-
Workshops	3,947		94	94	280	186	66%	3,947
Training Centres	-					-		-
Computer Equipment	-	-	-	-	-	-	-	-
Computer Equipment	-					-		-
Furniture and Office Equipment	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-					-		-
Machinery and Equipment	-	-	-	-	-	-	-	-
Machinery and Equipment	-					-		-
Transport Assets	-	-	-	-	-	-	-	-
Transport Assets	-					-		-
Total Capital Expenditure on upgrading of existing assets	3,947	-	94	94	280	186	66%	3,947

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

The total expenditure for new capital projects amounts to R7, 062 million and the year to date budget is R4, 139 million which reflects over spending variance of R2, 923 million that translates to 71% variance. The year to date actuals on renewal of existing assets amounts R11, 422 million and with the year to date budget of R1, 820 million and this reflects over spending variance of R9, 602 million that translates to 528% variance.

The year to date actual expenditure on repairs and maintenance is R1, 391 million and the year to date budget is R3, 086 million, reflecting under spending variance of R1, 694 million that translates to 55%.

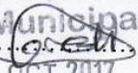
The year to date actual expenditure on upgrading of existing assets is R94 thousand and the year to date budget is R280 thousand, reflecting under spending variance of R186 thousand that translates to 66%.

The depreciation and asset impairment will only have actuals once the integration between Asset management system and core financial system is done and this is one of the requirements for implementation of mSCOA. This is basically mean that the municipality is not complying with some of mSCOA requirements.

Quality certificate

I, **RAMAKGAHLELA MINAH MAREDI**, the Municipal Manager of **ELIAS MOTSOALEDI LOCAL MUNICIPALITY**, hereby certify that the monthly budget statement report and supporting documentation for the month of September 2017 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Municipal Manager of Elias Motsoaledi Local Municipality (LIM 472)

Signature 

Date 13 OCT 2017


Municipal Manager