

Metsimaholo Local Municipality



MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT FOR THE 2016/2017 FINANCIAL YEAR

1. Table of Contents

No.	Section Description	Page No.
1	Table of Contents	2
	Part 1 In - Year Report	
2	Mayor's Report	3
3	Resolutions	4
4	Executive Summary	6
5	In-Year budget statement tables	23
	Supporting Documentation	
6	Debtors' Analysis	35
7	Creditors' Analysis	36
8	Investment Portfolio analysis	37
9	Allocation and grant receipts and expenditure	38
10	Councillor allowances and employee benefits	40
11	Material variances to the service delivery and budget implementation plan	41
12	Capital programme performance	52
13	Mid-year Performance Assessment	57
14	Progress regarding the 2016/16 Annual Draft Report	58
13	Quality Certificate	59

2. Mayor's Report

- Council approved the 2016/2017 MTREF on 15 June 2016.
- The Executive Mayor approved the Service Delivery and Budget Implementation Plan on 26 July 2016.
- The Mid Term Report is an assessment of actual performance against pre-determined objectives for the six months ended 31 December 2016
- The key performance indicators and analysis is contained in this report and is presented to Council to note the actual performance for the first six months against the approved Service Delivery and Budget Implementation Plans (SDBIP's).
- I hereby also confirm that I have received the monthly report timeously from the Accounting Officer.

3. Resolutions

FOR

ATTENTION

1. Council notes the contents of the report dealing with the mid-year budget and performance assessment for the 2016/17 financial year (six months ended 31 December 2016)
2. Council notes that the mid-year budget and performance assessment was done in terms of Section 72 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).
3. Council notes the actual performance of the municipality for the first six months of the financial year, against the service delivery targets contained in the approved 2016/17 Service Delivery and Budget Implementation Plan (SDBIP) as contained in Annexure A.
4. That the amended 2016/17 Key Performance Indicators and targets (SDBIP) be noted as contained in Annexure B
5. That the revised 2016/17 Service Delivery and Budget Implementation Plan (SDBIP) be noted.as contained in Annexure C
6. The Municipal Manager must ensure that appropriate measures are implemented by Directorates to fast-track actual performance in areas where the mid-year review reflects under-performance.

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7. An adjustments Budget be submitted to Council for approval to accommodate the changes resulting from the mid-year performance assessment, in terms of Section 28 (6) of the MFMA

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4. Executive Summary

BACKGROUND

The 2016/17 MTREF was approved by Council on 15 June 2016 in accordance with Section 24(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and applicable National Treasury guidelines.

In terms of **Section 72 of the MFMA**:-

‘the accounting officer of a municipality must assess the performance of the municipality during the first half of the financial year’, taking into account the monthly budgeted statements, the municipality’s service delivery performance in terms of the Service Delivery and Budget Implementation Plan (SDBIP), the past year’s annual report and progress on resolving problems identified in the Annual Report.

It is further stated in **Section 72 of the MFMA** that:-

“the accounting officer must as part of the review make recommendations as to whether an adjustments budget is necessary and recommend revised projections for revenue and expenditure to the extent that this may be necessary”.

Section 69(2) of the MFMA further stipulates that:-

“when necessary, the accounting officer must prepare an adjustment budget and submit it to the mayor for consideration and tabling in the municipal council”.

Section 54(1)(f) of the MFMA further stipulates that:-

“(1) On receipt of a statement or report submitted by the accounting officer of the municipality in terms of Section 71 or 72, the mayor must- (f) in the case of a Section 72 report, submit the report to the council by 31 January of each year”

The assessment of the performance and budget of the municipality for the first six months of the 2016/17 financial year was undertaken in line with the above legislative requirements and as part of the municipality's internal performance management processes.

The assessment included a detailed review of:

- the actual performance of each Directorate and Cluster for the period 1 July to 31 December 2016 against the performance targets approved for the 2016/17 Service Delivery and Budget Implementation Plan (SDBIP)
- Challenges identified and progress achieved in dealing with issues raised in the prior year Annual Report.

A detailed analysis of the assessment and results is presented in the following sections of the report and appendices.

Mid – Year Budget Assessment

Council adopted, on the 15 June 2016, the 2016/17 MTREF, which reflected allocations for the 2016/17 financial year to the amount of and R1 047 399 240 and R998 836 960 in respect of revenue and expenditure respectively.

The 2016/2017 mid-term budget assessment was prepared in accordance with guidelines of the Municipal Budget and Reporting Regulations.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low to high-priority programmes so as to maintain sound financial stewardship, and prioritizing key areas of service delivery. A critical review was also undertaken of expenditure on non-core and 'nice to have' items. (Refer also to Circular 82).

The main challenges experienced during the compilation of the 2016/17 MTREF can be summarised as follows:

- Ageing and poorly maintained water, electricity and roads infrastructure
- Increased prices of goods and service above the inflation rate
- Some private developments and industries receive services direct from Eskom and Rand water with no direct benefit to the municipality
- Limitation of capital projects from own funds
- Wage increases above the inflation target (Bargaining Council Agreement)
- Critical vacancies can only be phased in over 3-5 years based on the affordability
- Plant hire on a regular basis is costly and alternatives need to be explored
- Expired tenders need to be regularised to avoid recurring irregular expenditure
- Distribution losses - water and electricity require a minimisation strategy
- Illegal connections to be addressed and eliminated altogether
- Fleet management (Cost of repairs and fuel)- needs to be addressed
- Government garage costs to be evaluated against the Council owning its vehicles and reducing costs
- Overtime cost to be analysed and minimized
- Declining profit margins on water and electricity
- Tariffs are not cost reflective – studies in progress and strategy developed for alignment
- The need to reprioritize projects and expenditure within the existing limited resources envelope given the cash flow realities
- The increased cost of bulk water and electricity(due to tariff increases from Rand Water and Eskom),which places constant upward pressure on service tariffs to the community,
- A lack of proper maintenance master plans,
- Unfunded Mandates (Libraries, EMS) to be underpinned with appropriate service level agreements or the functions transferred back to Province
- Organisational review – process has commenced and needs to be speeded up.

Benefits extended to registered indigents

The threshold to qualify as indigent was approved by Council as household income of two times state old age pension plus R1 000. (This only applies to residential households)

The benefit received on a monthly basis is as follows:-

- 50kWh free electricity per household
- 6 kilolitres of free basic water
- Subsidy of R50.00 per month for assessment rates and other services
- Free sanitation
- Free refuse removal

The in-year reporting is prepared in accordance with the guidelines as set out in the Government Gazette, 17 April 2009 (Schedule C: in-year reports and mid-year budget and performance assessment of Municipalities) and National Treasury Guidelines, Schedule C. Section 71 Reporting Guideline, July 2013 issued by National Treasury.

High Level Financial Analysis

	2016/2017 Budget For the year R'000	Actual for the 6 months to 31/12/2017 R'000	Actual Versus Budget
Operating revenue	1 047 398	481 220	46%
Operating expenditure	998 836	410 312	41%
Capital expenditure	113 245	45 623	40%

Key Indicators for the period under review

- A. Operating Revenue: represents 46% of budgeted revenue.
- B. Operating Expenditure: represents 41% of budgeted expenditure.
- C. Capital Expenditure: represents 40% of budgeted CAPEX

A. Operating Revenue for the period under review

- Total operating revenue for the 6 months represents 46% of the budgeted revenue for the year.
- Included in the revenue of R481 million is R104.9 million from Government Grants, of which R94.4 million was the Equitable Share
- Revenue for the period is on average 4 % below budget
- The final tranche of the equitable share is due in March 2017
- Revenue billing on property rates has exceeded the budget
- There is a below budget performance on the service charges, particularly on water and electricity. This will also result in a lower cost for such bulk purchases on the expenditure side.

B. Operating expenditure for the period under review

- Total operating expenditure for the 6 months represents 41% of the total budget.
- Accruals were made for bulk purchases of water and electricity, so that costs and revenues are matched in the same reporting period.
- Operating expenditure is a challenge and subject to cash flow constraints.

- The approval and implementation of the bank overdraft is assisting to pay outstanding creditors and to bridge temporary cash shortfalls

C. Capital Expenditure

- Capital spending is 40% of the budget.
 - Grants spending 51.3%
 - Loans 384.4%
Budget R1m in 2016/17 plus roll over of R2.8m from 2015/16 (R2.2 m adjustment from audit)
 - Own funding 9.96%
- The spending on borrowing will further increase when the two fire engines will be delivered

- **Capital expenditure is to be funded from the following sources:**

		Six months spending
➤ Borrowings	R 1.0m	R 3.8m
➤ Own funds	R 45.1m	R 2.2m
➤ Grant funds (see below)	R 67.1m	R39.5m
<u>Total Capex budget</u>	<u>R 113.2m</u>	

- **Grant funding** comprises of:

➤ Department of Energy	R18.0m
➤ Municipal Infrastructure Grant	R40.6m
➤ Financial Management Grant	R 1.0m
➤ Sasol Mining	R 7.5m
<u>Total Grants (Capital expenditure)</u>	<u>R67.1m</u>

- Included in the CAPEX budget of R113.2m is grant funding from DoE and MIG already received

DoE Grant	R13.2million	Spent R12.5m (incl. vat)	94 % Spent
MIG Grant	R 25.9million	Spent R27.2m (incl. vat)	105 % Spent

D. Personnel expenses

- Employee cost for the 6 months totalled R120.594 m and is **48.4% of the budget for the financial year.**
- Of the R5 million budgeted for vacancies, R3.8million is already utilised.
- Employee related cost constitute **29.4% of total expenditure** for the 6 months.
- Remuneration of councillors totalled R7.613m and is 46.6% of the budget for the financial year.
- A chairperson for the Ethics Committee has been appointed from 1 October 2016. It was not budget for and results in additional cost of R26 142.17 per month (R313k pa). A budget adjustment is required for this.

- **Salaries and overtime (excluding Councillors)**

Normal salary	R75 451 047
Overtime	R 7 075 441
Total	<u>R82 526 488</u>
Overtime % of normal salary	9.38% (prev. quarter 9.27%)

Overtime is to be monitored on an on-going basis by the Technical and Social Services directorates so as to reduce overtime to between 5% and 7% of normal salaries. This has not been achieved.

E. Distribution losses

The norms are set by National Treasury as per MFMA Circular 71-Uniform Ratios and Norms (January 2014) paragraph B –Distribution losses

- The **electricity loss of 12.99%**, and has breached the acceptable norm which is between 7% and 10%
(The loss for the 2015/2016 financial year was 3.35%)
- The **water loss is 13.93%** is below the acceptable norm which is between 15% and 30%. (The loss for the 2015/2016 financial year was 16.19%)

	Purchased	Sold	(Loss)/ Gain	(Loss)/Gain at cost
	kl/kWh	kl/kWh	%	Rand value
Year to date				
Water (Kilolitre)	9 503 115	8 179 546	(13.93)	(R10 010 806)
Electricity (kWh)	107 096 701	93 188 832	(12.99)	(R9 542 703)

The high electricity losses are indicative of electricity theft and bridging of meters that needs to be investigated by the technical department

F: Current Assets - Debtors

- The debtor's age analysis has increased to R1.001b (September R963.5m)
- The age analysis will continue to grow to the extent of non-payment below 100% and by interest charged every month on the arrears.
- Credit control measures must be applied strictly throughout the municipality, regardless of the customer type, whether it be businesses, schools, hospitals, or private residents.

Payment Rates

Average	Excluding prepaid	Including prepaid
Year to date	71.4%	79.6%
July to November levies and August to December payments		

- **Calculation of payment ratio**
- The average payment rate is calculated by expressing as a percentage: Payments received in the month following the month in which levies were raised, **and** the levies raised for the month
- This calculation **does not include prepaid electricity** – as the payment rate on this is 100%, by virtue of it being prepaid.
- The average payment rate can exceed 100% which indicates that arrears have also been collected.

Average payment rates: (excluding prepaid electricity)**Year to date**

	Levies	Payments	Payment
	R000	R000	Rate (%)
Sasolburg	230,699	220,183	95.4
Zamdela	64,244	8,315	12.9
Deneysville	9,851	6,819	69.2
Refengkgotso	18,779	181	1.0
Oranjeville	3,449	2,474	71.7
Metsimaholo	6,606	62	0.9
Sundry Debtors	978	984	100.6
Municipality Total	334,606	239,018	71.4

- The levies represent all the amounts billed, including indigent accounts, but excluding prepaid electricity sales
- The levied amount is net of the free basic amount.
- The payment amount does not include the indigent subsidy, as the free basic services are deducted from the levies.
- If the free basic services amounts are included in the levies and in the payments, the payment level will be slightly higher
- If prepaid electricity sales are included in the levies and in the payments, the payment level will be slightly higher.

Payment rate per ward - Year to date**(taking into account free basic services to indigents)**

<u>Ward</u>	<u>MOVEMENT(Levies)</u>	<u>RECEIPTS</u>	<u>PERCENTAGE</u>
001	5,523,442.79	-1,119,608.46	20.27
002	2,833,855.91	-141,330.32	4.99
003	6,407,363.22	-110,963.63	1.73
004	4,735,202.76	-17,848.23	0.38
005	9,340,918.57	-3,401,547.51	36.42
006	7,244,437.56	-3,203,468.84	44.22
007	21,478,785.79	-13,466,424.35	62.70
008	6,630,808.08	-586,634.10	8.85
009	4,378,954.21	-518,864.33	11.85
010	6,451,977.42	-1,244,473.06	19.29
011	3,501,364.94	-743,018.58	21.22
012	2,028,690.16	-252,986.53	12.47
013	5,241,566.79	-303,157.82	5.78
014	35,951,213.79	-26,925,345.53	74.89
015	5,513,827.72	-4,869,781.61	88.32
016	14,152,441.65	-20,432,000.44	144.37
017 (Incl. Businesses)	112,104,018.42	-94,014,823.10	83.86
018	23,023,620.63	-16,195,757.99	70.34
019	5,195,705.40	-271,388.28	5.22
020	11,938,710.18	-5,630,775.68	47.16
021	3,055,367.73	-431,833.93	14.13

Budgeted Billing vs Actual Billing (Including prepaid electricity)

Comparison: (as per General Ledger)

Budget vs Levy November	Budget for Six Months (16/17)	Actual Levy (Mid- year 2016)	Actual Cash Collection (5 Months)
Cleansing	R13 903 594	R14 193 387	R6 012 931
Electricity	R142 026 550	R117 903 262	R85 111 431
Sewer	R10 772 340	R11 231 158	R4 975 916
Water	R174 773 540	R138 913 226	R36 673 397
Assessment Rates	R60 883 214	R70 385 865	R27 999 111
Housing/Hostel	R2 000 000	R2 072 411	R0
Interest	R9 470 084	R11 904 094	R1 061 260
Unallocated			R85 100 240
<i>Total</i>	<i>R413 829 322</i>	<i>R366 603 403</i>	<i>R246 934 286</i>

- The levies for December 2016 are payable at end of January 2017.
- Actual levies are **88.6%** of budgeted levies for the first 6 months.
- Actual revenue (August to December) is 67.4% of actual levies for the first 6 months and 59.7% of budget levies for the first 6 months.
- The levies are for 6 months but the actual cash collections are only for 5 months. (December levies are only received in January)

H: Current Liabilities

- The creditor's age analysis decreased from R177million (June 2016) to R106.6 million.
- The payment of creditors affects the cash flow situation.
- Efforts are made to reduce the creditors whilst having cash flow for operations.

I: Staff arrears

Staff (officials) balances outstanding totalled R697.8 k (September Q1– R584.3k)
 Staff has been reminded of the requirements of the Municipal Systems Act in that they are not to have arrears for a period longer than 3 months.

- Deductions were effected from the staff salaries as from the month of September 2014 in cases where no arrangements have been made.
- Where arrangements are in place this will be reviewed and the arrangements amounts may be increased. Affordability will be taken into consideration.
- All the officials owing may not be on the list as their residential details is not available. Information is not declared by officials.
- It is a priority to achieve a situation where no officials have arrears for a period longer than 3 months.

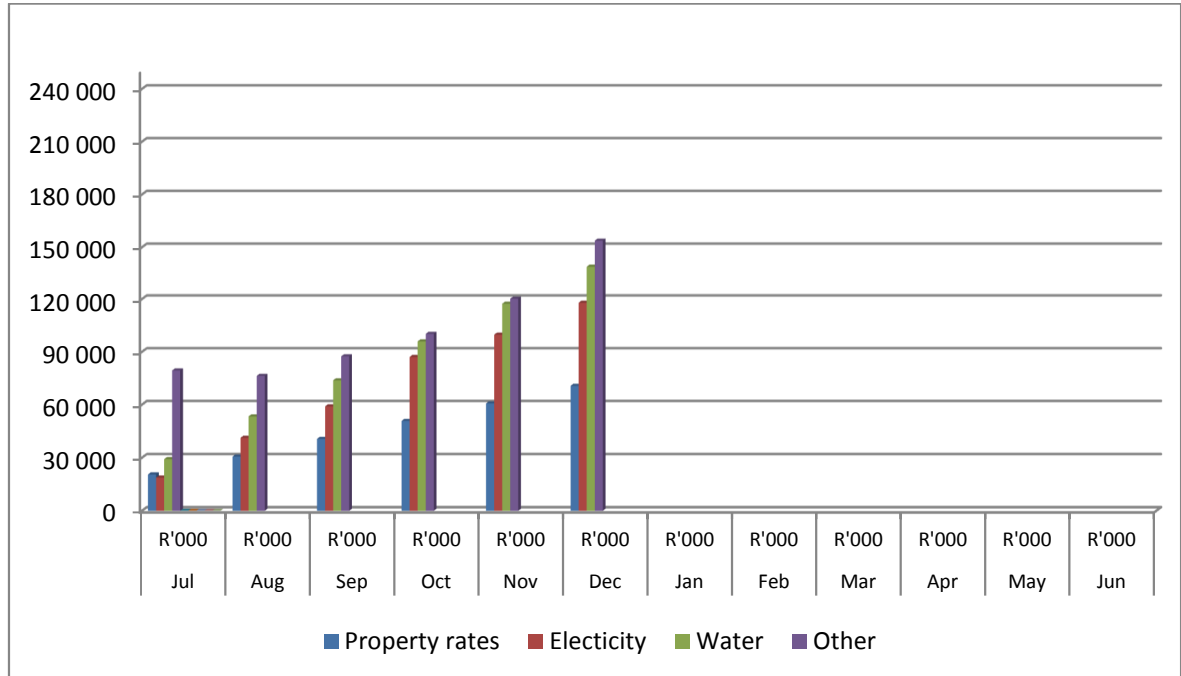
J: Councillor Arrears

Councillor balances outstanding	R794.9k	(September Q1– R782.7k)
Arrears longer than 3 months	R718.7k	(September Q1– R713.5k)

Municipal Systems Act
<ul style="list-style-type: none"> • A Councillor may not be in arrears to the municipality for rates and service charges for a period longer than 3 months • It is the duty of the chairperson of municipal Councils to take necessary action where the Code of Conduct for Councillors has been breached.

K: Budget Related Charts

Chart 1: Revenue by Major source

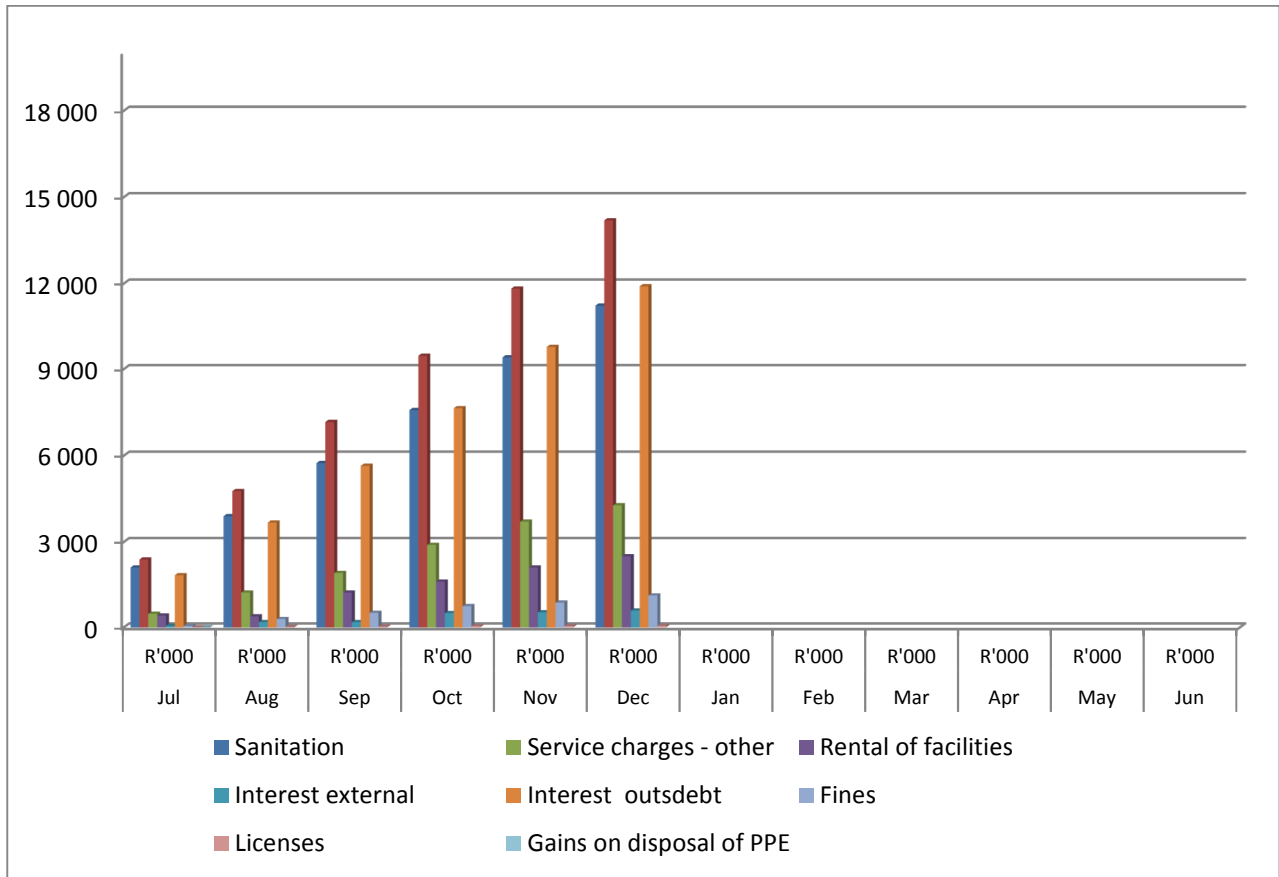


Revenue from own sources represents 78.2% of total revenue for six months ended December 2016.

The **four major sources of own revenue** for six months ended December 2016 is as follows:

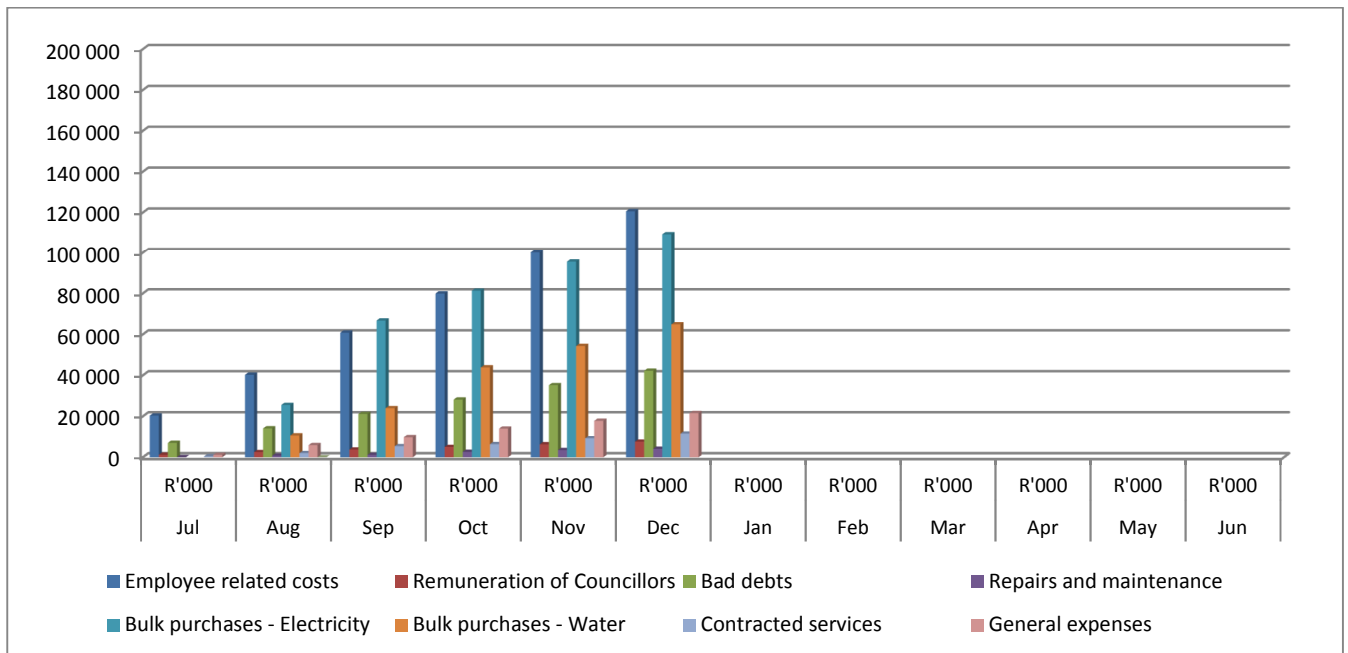
1.	Water	36.9%
2.	Electricity	31.1%
3.	Property Rates	18.8%
4.	Waste Management	3.8%
	Total	<u>90.6%</u>

The figures on the chart for December 2016 are cumulative (Year-to-date).

Chart 2: Revenue by Minor Source

The figures on the chart are cumulative (year to date)

- Interest earned on outstanding debtors amounts to R11 904 000 for the six months December 2016.
- Revenue from fines amounts to R1 119 000 for the six months ended December 2016.

Chart 3: Operating Expenditure by Major Type

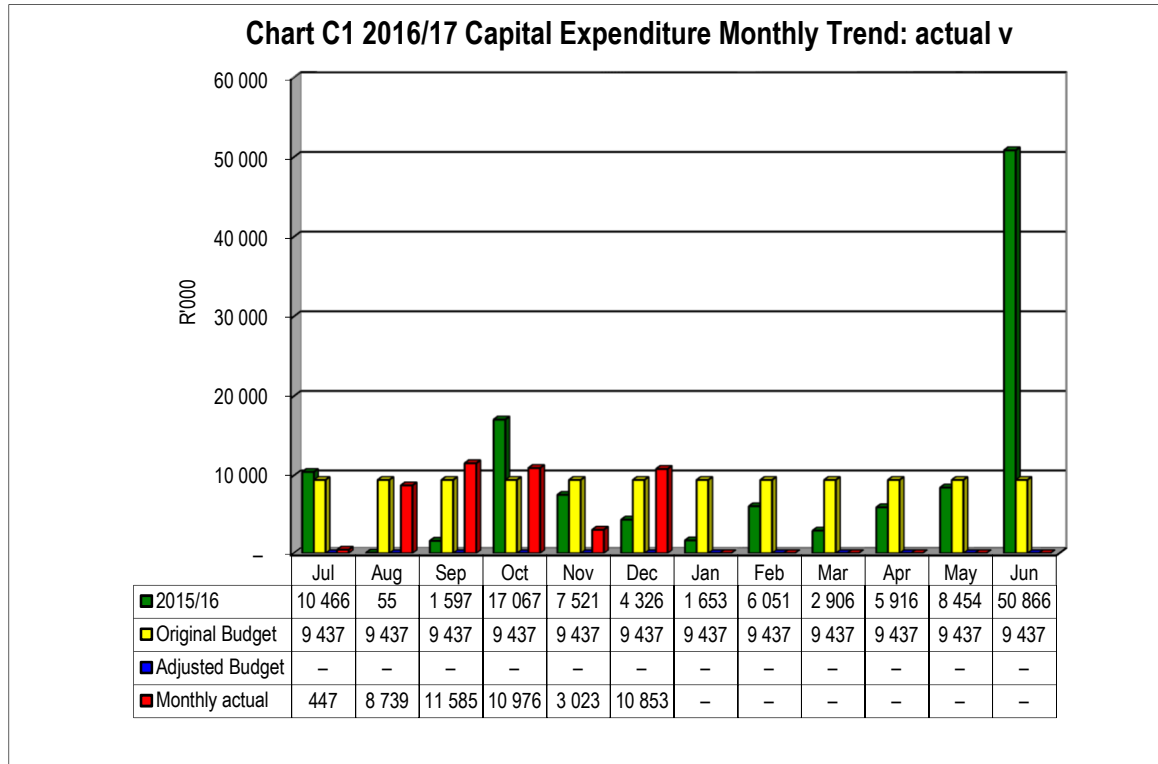
The figures on the chart are cumulative (year to date)

The **five major expenses** for the six months ended December 2016 are as follows:

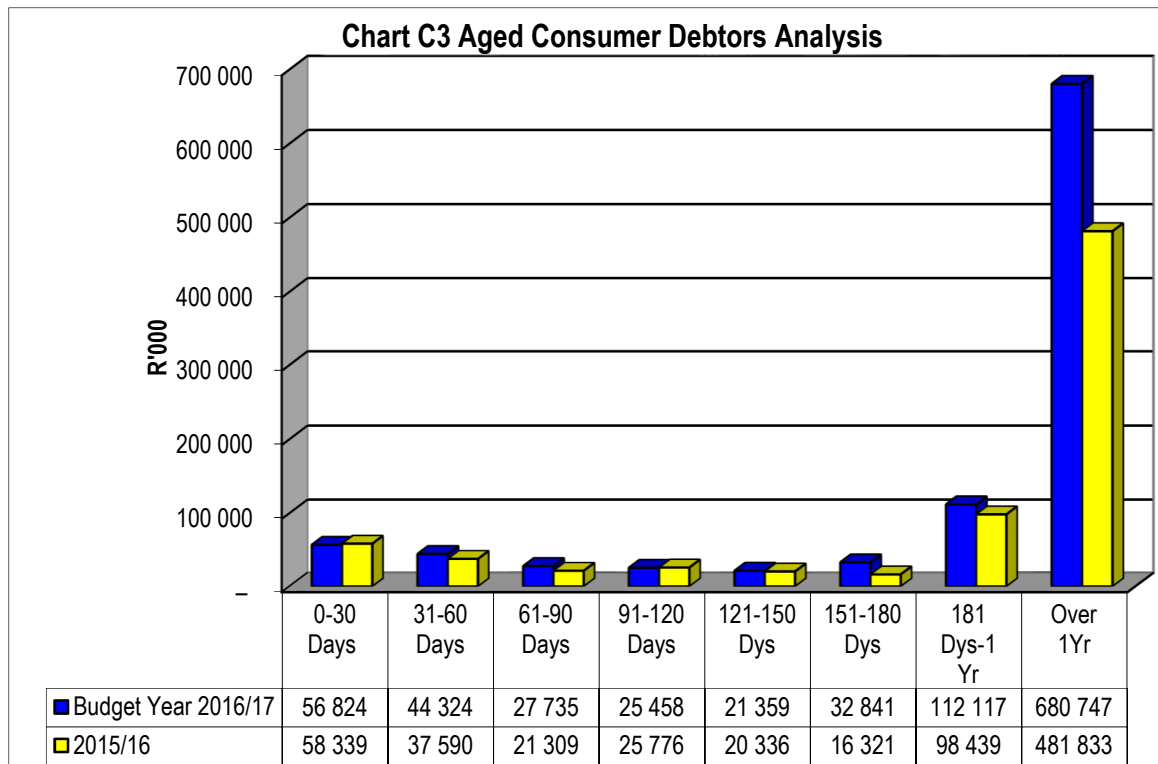
1. Salaries including councillors	31.3%
2. Electricity bulk purchase	26.6%
3. Water bulk purchase	15.8%
4. Debt Impairment	10.3%
5. Depreciation	6.8%

TOTAL **91.1%**

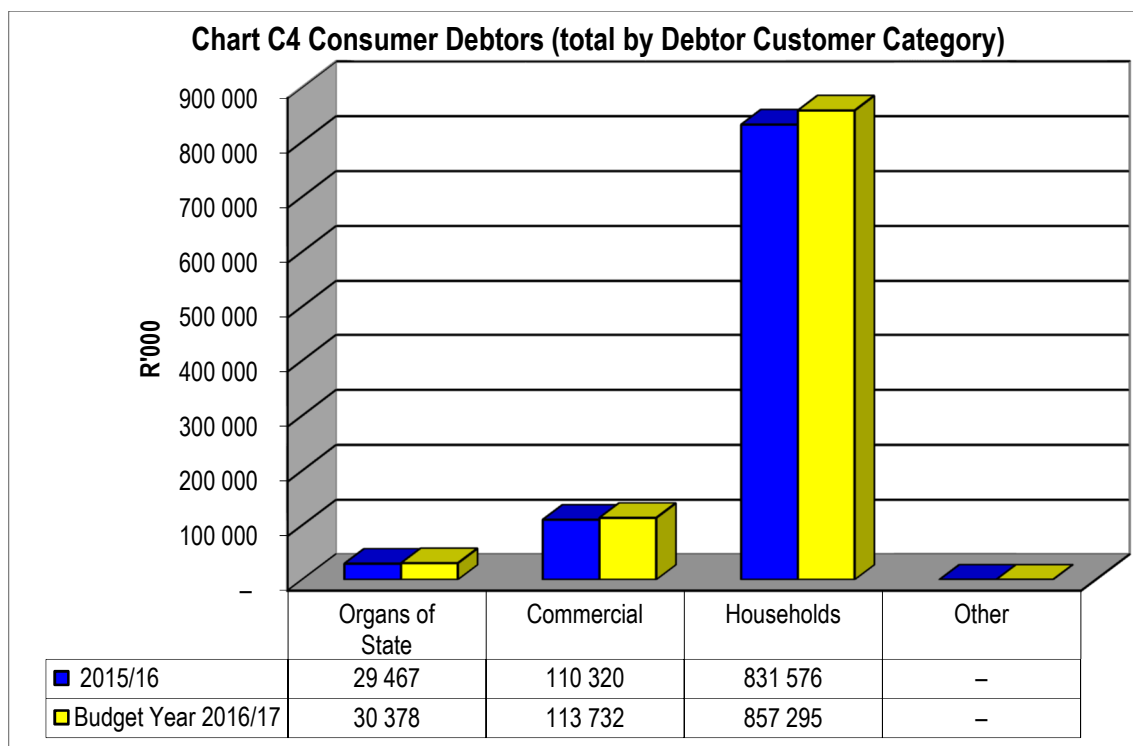
- ***Employee related cost constitute 29.4% of total expenditure for the six months ended December 2016.***
- ***Remuneration of Councillors amounts to R7 613 000 for the six months ended December 2016.***
- ***General expenditure amounts to R21 110 000 for the six months ended December 2016.***

Chart 4: Capital Expenditure Monthly Trend

**Chart 5: Consumer Debtors
Consumers per period**



Consumers per category



5. In -Year Budget Statement Tables

FS204 Metsimaholo - Table C1 Monthly Budget Statement Summary – Q02
December

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Q02 actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<u>Financial Performance</u>									
Property rates	114,445	113,366	–	30,047	70,676	56,683	13,993	25%	113,366
Service charges	521,503	696,381	–	138,887	286,519	348,190	(61,672)	-18%	696,381
Investment revenue	2,702	2,600	–	406	588	1,300	(712)	-55%	2,600
Transfers recognised - operational	219,623	131,694	–	50,160	104,925	104,925	0	0%	131,694
Other own revenue	48,798	36,265	–	840	18,512	18,132	379	2%	36,265
Total Revenue (excluding capital transfers and contributions)	907,072	980,306	–	220,339	481,220	529,231	(48,011)	-9%	980,306
Employee costs	230,382	249,435	–	59,792	120,594	124,718	(4,124)	-3%	249,435
Remuneration of Councillors	15,247	16,343	–	3,865	7,613	8,172	(558)	-7%	16,343
Depreciation & asset impairment	42,930	73,535	–	27,733	27,733	36,768	(9,035)	-25%	73,535
Finance charges	991	2,541	–	600	786	1,271	(485)	-38%	2,241
Materials and bulk purchases	336,678	409,853	–	86,452	178,288	204,927	(26,639)	-13%	409,853
Transfers and grants	–	–	–	391	433	–	433		–
Other expenditure	253,998	247,127	–	38,641	74,864	123,564	(48,699)	-39%	247,427
Total Expenditure	880,227	998,836	–	217,473	410,312	499,418	(89,106)	-18%	998,836
Surplus/(Deficit)	26,845	(18,529)	–	2,866	70,908	29,813	41,095	138%	(18,530)
Transfers recognised - capital	10,578	67,092	–	–	–	33,546	(33,546)	-100%	67,092
Contributions & Contributed assets	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	37,423	48,562	–	2,866	70,908	63,359	7,549	12%	48,562
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	37,423	48,562	–	2,866	70,908	63,359	7,549	12%	48,562
<u>Capital expenditure & funds sources</u>									
Capital expenditure	116,620	113,245	–	24,852	45,623	56,623	(11,000)	-19%	113,245
Capital transfers recognised	84,689	67,092	–	20,827	39,530	33,546	5,984	18%	67,092
Public contributions & donations	–	–	–	–	–	–	–		–
Borrowing	10,379	1,000	–	2,282	3,844	500	3,344	669%	1,000
Internally generated funds	21,551	45,154	–	1,743	2,249	22,577	(20,328)	-90%	45,154
Total sources of capital funds	116,620	113,245	–	24,852	45,623	56,623	(11,000)	-19%	113,245
<u>Financial position</u>									
Total current assets	246,740	319,941	18,546		49,620				319,941
Total non-current assets	1,234,726	1,288,577	(16,880)		17,890				1,288,577
Total current liabilities	248,976	177,041	(4,064)		(43,778)				177,041
Total non-current liabilities	101,144	119,184	–		–				119,184
Community wealth/Equity	1,131,347	1,312,294	5,730		111,288				1,312,294
<u>Cash flows</u>									
Net cash from (used) operating	75,488	125,402	–	22,789	41,418	62,701	21,283	34%	125,402
Net cash from (used) investing	(97,185)	(104,744)	–	(10,779)	(54,433)	(52,372)	2,060	-4%	(104,744)
Net cash from (used) financing	9,848	(2,389)	–	(723)	(461)	(1,195)	(733)	61%	(2,389)
Cash and cash equivalents at the end of the period	14,345	19,001	–	–	869	9,866	8,997	91%	32,614

Debtors & creditors analysis	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
<u>Debtors Age Analysis</u>									
Total By Income Source	56,824	44,324	27,735	25,458	21,359	32,841	112,117	680,747	1,001,405
<u>Creditors Age Analysis</u>									
Total Creditors	30,084	7,509	10,119	4,117	54,818	–	–	–	106,647

- The table above is a summary of all the activities for the quarter as well as the Year to date figures
- The debtors and creditors analysis reflects the balances as at the end of the reporting period.

5.2 Monthly Budget Statement Financial Performance: Standard Classification

FS204 Metsimaholo - Table C2 Monthly Budget Statement - Financial Performance (standard classification) – Q02December

Description	Ref	2015/16	Budget Year 2016/17							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Q02 actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Standard										
Governance and administration		236,610	201,202	–	66,191	156,358	100,601	55,757	55%	201,202
Executive and council		7,324	2,981	–	814	1,288	1,491	(203)	-14%	2,981
Budget and treasury office		221,045	194,788	–	65,285	154,881	97,394	57,487	59%	194,788
Corporate services		8,241	3,433	–	92	189	1,717	(1,528)	-89%	3,433
Community and public safety		29,280	21,196	–	3,066	5,239	10,598	(5,359)	-51%	21,196
Community and social services		2,697	3,106	–	706	824	1,553	(729)	-47%	3,106
Sport and recreation		2,352	10,487	–	492	800	5,243	(4,444)	-85%	10,487
Public safety		19,179	3,602	–	756	1,415	1,801	(385)	-21%	3,602
Housing		5,052	4,001	–	1,112	2,199	2,001	198	10%	4,001
Economic and environmental services		14,804	42,263	–	207	418	21,131	(20,713)	-98%	42,263
Planning and development		727	1,945	–	207	418	972	(555)	-57%	1,945
Road transport		14,076	40,318	–	–	–	20,159	(20,159)	-100%	40,318
Trading services		638,979	782,737	–	160,077	319,206	391,369	(72,163)	-18%	782,737
Electricity		261,134	317,288	–	60,854	121,314	158,644	(37,330)	-24%	317,288
Water		285,812	380,813	–	81,164	163,091	190,406	(27,316)	-14%	380,813
Waste water management		54,209	34,776	–	7,721	15,009	17,388	(2,379)	-14%	34,776
Waste management		37,825	49,860	–	10,338	19,792	24,930	(5,138)	-21%	49,860
Total Revenue - Standard	2	919,673	1,047,398	–	229,541	481,220	523,699	(42,479)	-8%	1,047,398
Expenditure - Standard										
Governance and administration		229,063	181,878	–	51,472	92,869	90,939	1,930	2%	181,878
Executive and council		77,439	70,383	–	18,036	35,232	35,192	40	0%	70,383
Budget and treasury office		90,449	50,747	–	17,490	31,811	25,374	6,437	25%	50,747
Corporate services		61,175	60,748	–	15,946	25,827	30,374	(4,547)	-15%	60,748
Community and public safety		78,008	106,531	–	25,270	44,836	53,265	(8,429)	-16%	106,531
Community and social services		9,431	12,869	–	2,765	5,132	6,435	(1,303)	-20%	12,869
Sport and recreation		28,019	41,430	–	10,659	17,510	20,715	(3,205)	-15%	41,430
Public safety		37,448	47,760	–	10,949	20,530	23,880	(3,350)	-14%	47,760
Housing		3,110	4,471	–	897	1,664	2,236	(571)	-26%	4,471
Economic and environmental services		38,318	68,754	–	16,060	20,725	34,377	(13,652)	-40%	68,754
Planning and development		7,504	9,215	–	1,444	2,996	4,608	(1,611)	-35%	9,215
Road transport		30,814	59,539	–	14,616	17,728	29,769	(12,041)	-40%	59,539
Trading services		536,861	641,673	–	133,874	251,881	320,836	(68,955)	-21%	641,673
Electricity		243,981	274,969	–	52,725	120,808	137,484	(16,677)	-12%	274,969
Water		211,434	258,442	–	62,334	97,916	129,221	(31,305)	-24%	258,442
Waste water management		37,002	50,917	–	9,919	16,123	25,459	(9,336)	-37%	50,917
Waste management		44,443	57,345	–	8,895	17,035	28,673	(11,638)	-41%	57,345
Total Expenditure - Standard	3	882,250	998,836	–	226,675	410,312	499,418	(89,106)	-18%	998,836
Surplus/ (Deficit) for the year		37,423	48,562	–	2,866	70,908	24,281	46,627	192%	48,562

The statement reflects the operating revenue and expenditure per Directorate for the quarter as well as the year to date figures for the 2016/2017 financial year

5.3 Monthly Budget Statement Financial Performance: Municipal vote

FS204 Metsimaholo - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) Q02 December

Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Q02 actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Council/Mayor, Speaker and Councillors		–	–	–	–	0	–	0		–
Vote 2 - Municipal Manager		7,042	3,731	–	742	1,142	1,866	(724)	-38.8%	3,731
Vote 3 - Organisational Development & Corporate Services		1,269	1,678	–	163	334	839	(505)	-60.2%	1,678
Vote 4 - Social Services		62,716	67,882	–	12,471	23,190	33,941	(10,751)	-31.7%	67,882
Vote 5 - Infrastructure Services		648,420	812,442	–	161,104	319,802	406,221	(86,420)	-21.3%	812,442
Vote 6 - Financial Services		221,045	194,789	–	65,285	154,881	97,395	57,487	59.0%	194,789
Vote 7 - Local Economic Development		13,033	6,946	–	1,319	2,617	3,473	(856)	-24.7%	6,946
Total Revenue by Vote	2	953,525	1,087,469	–	241,084	501,965	543,734	(41,769)	-7.7%	1,087,469
Expenditure by Vote	1									
Vote 1 - Council/Mayor, Speaker and Councillors		37,861	38,464	–	6,798	14,994	19,232	(4,238)	-22.0%	38,464
Vote 2 - Municipal Manager		34,203	52,727	–	12,898	22,568	26,363	(3,796)	-14.4%	52,727
Vote 3 - Organisational Development & Corporate Services		21,762	29,489	–	9,805	16,472	14,744	1,728	11.7%	29,489
Vote 4 - Social Services		120,974	139,737	–	30,087	54,234	69,869	(15,634)	-22.4%	139,737
Vote 5 - Infrastructure Services		625,698	703,669	–	156,405	282,618	351,835	(69,216)	-19.7%	703,669
Vote 6 - Financial Services		57,424	50,749	–	17,490	31,811	25,374	6,436	25.4%	50,749
Vote 7 - Local Economic Development		18,180	24,072	–	4,735	8,360	12,036	(3,676)	-30.5%	24,072
Total Expenditure by Vote	2	916,102	1,038,906	–	238,218	431,057	519,453	(88,396)	-17.0%	1,038,906
Surplus/ (Deficit) for the year	2	37,423	48,562	–	2,866	70,908	24,281	46,627	192.0%	48,562

5.4 Monthly Budget Statement - Financial Performance: (revenue and expenditure)

FS204 Metsimaholo - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) – Q02 December

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Q02 actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		114,445	113,366		30,047	70,676	56,683	13,993	25%	113,366
Property rates - penalties & collection charges		–	–		–	–	–	–		–
Service charges - electricity revenue		208,626	284,053		58,891	117,903	142,027	(24,123)	-17%	284,053
Service charges - water revenue		258,842	349,547		65,108	138,913	174,774	(35,860)	-21%	349,547
Service charges - sanitation revenue		19,714	21,545		5,490	11,231	10,772	459	4%	21,545
Service charges - refuse revenue		25,955	27,807		7,028	14,193	13,904	290	2%	27,807
Service charges - other		8,367	13,429		2,369	4,278	6,714	(2,437)	-36%	13,429
Rental of facilities and equipment		4,642	5,780		1,272	2,493	2,890	(397)	-14%	5,780
Interest earned - external investments		2,702	2,600		406	588	1,300	(712)	-55%	2,600
Interest earned - outstanding debtors		16,449	18,940		6,258	11,904	9,470	2,434	26%	18,940
Dividends received		96	–		–	–	–	–		–
Fines		18,507	3,025		612	1,119	1,513	(393)	-26%	3,025
Licences and permits		159	191		26	54	95	(41)	-43%	191
Agency services		–	–		–	–	–	–		–
Transfers recognised - operational		219,623	131,694		50,160	104,925	104,925	0	0%	131,694
Other revenue		8,945	7,328		(7,328)	2,942	3,664	(722)	-20%	7,328
Gains on disposal of PPE			1,001		–	–	501	(501)	-100%	1,001
Total Revenue (excluding capital transfers and contributions)		907,072	980,306	–	220,339	481,220	529,231	(48,011)	-9%	980,306
Expenditure By Type										
Employee related costs		230,382	249,435		59,792	120,594	124,718	(4,124)	-3%	249,435
Remuneration of councillors		15,247	16,343		3,865	7,613	8,172	(558)	-7%	16,343
Debt impairment		127,716	84,441		21,110	42,221	42,221	0	0%	84,441
Depreciation & asset impairment		42,930	73,535		27,733	27,733	36,768	(9,035)	-25%	73,535
Finance charges		991	2,541		600	786	1,271	(485)	-38%	2,241
Bulk purchases		317,737	371,654		83,485	174,158	185,827	(11,669)	-6%	371,654
Other materials		18,942	38,199		2,967	4,130	19,100	(14,970)	-78%	38,199
Contracted services		30,976	36,532		6,135	11,534	18,266	(6,732)	-37%	36,532
Transfers and grants		–	–		391	433	–	433	#DIV/0!	–
Other expenditure		95,305	126,154		11,395	21,110	63,077	(41,967)	-67%	126,454
Loss on disposal of PPE			–		–	–	–	–		–
Total Expenditure		880,227	998,836	–	217,473	410,312	499,418	(89,106)	-18%	998,836
Surplus/(Deficit)										
Transfers recognised - capital		10,578	67,092		–	–	33,546	(33,546)	(0)	67,092
Contributions recognised - capital			–					–		
Contributed assets			–					–		
Surplus/(Deficit) after capital transfers & contributions		37,423	48,562	–	2,866	70,908	63,359			48,562
Taxation								–		
Surplus/(Deficit) after taxation		37,423	48,562	–	2,866	70,908	63,359			48,562
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		37,423	48,562	–	2,866	70,908	63,359			48,562
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		37,423	48,562	–	2,866	70,908	63,359			48,562

Actual Revenue and Billing

Revenue by source	2016/17				2017/18	2018/19
	Original Budget	Actual Revenue and Billing 6 months to 31 Dec. 2016			MTREF	MTREF
	1*	Billing 2*	Actual revenue 3*			
	R'000	R'000	R'000	%	R'000	R'000
Property rates	113,366	70,676		62.3	120,916	128,546
Electricity	284,053	117,903		41.5	312,458	343,704
Sanitation	21,545	11,231		52.1	22,880	24,230
Water	349,547	138,913		39.7	371,219	393,121
Refuse removal	27,807	14,193		51.0	29,531	31,274
Other service charges	13,429	2,218	2,060	31.9	13,899	14,483
Govt. grants - operating	131,694		104,925	79.7	152,642	162,217
Govt. grants – capital transfer	67,092		0	0	58,473	58,818
Fines/Penalties	3,025		1,119	37.0	3,188	3,360
Interest Debtors	18,940	11,904		62.9	19,745	19,963
Interest	2,600		588	22.6	2,600	2,600
Licences and permits	191		54	28.3	201	212
Rental of facilities	5,780	2,072	421	43.1	5,922	6,189
Other	7,328	2,404	539	40.2	7,821	8,154
Profit on sale of Land	1,001		0	0.0	200	2,584
	1,047,398	371,514	109,706	45.9	1,121,695	1,199,455

1* Original budget as approved by Council

2* The billing to consumers for the six months

3* Actual other revenue excluding billing, and including operational grants, for the six months

The services levied for electricity and water is less than what was originally budgeted for. The drought conditions and water restrictions also had an impact on the water revenue.

Other service charges in total are below budget.
The following items are below budget:

Levies: Refuse dump yard	3%
Re-connection fees	0%
Advertising duties: Public spaces	0%
Building Plan fees	39%
Cemetery fees	37%
Connection fees	18%
Entrance fees Abrahamsrust	35%
Entrance fees: Oranjeville	14%

Entrance fees: Swimming Pool	31%
Levy for loss of library books	17%
Membership fees	41%
Opening of sewer blockages	35%
Parking fees garage	37%
Sales: Copies	35%
Selling of Plans	19%
Sundry income	41%
Tender deposits	9%
Valuation appeal	0%
Business Lease Rental	0%

The actual collection on traffic fines for the six months is R1 107 294 as compared to the budget of R3 million. The collection must be increase.

The interest on outstanding debtors amounts to R11.9million. The annual budget of R18.9 million must be adjusted.

The actual training income received for the six months is R187 998 as compared to the budget of R1.4 million.

Actual Operating Expenditure

The table below provides a summary of the actual operating expenditure by main type for the first six months of the 2016/17 financial year compared to the annual budget.

Operating expenditure by main type	2016/17			2017/18	2018/19
	Original Budget	Actual Expenditure 31 Dec 2016 (6 Months)		MTREF	MTREF
	R'000	R'000	%	R'000	R'000
Employee related costs	249,435	120,594	48.3	267,675	287,111
Remuneration of councillors	16,343	7,613	46.6	17,453	18,711
Bad debts	84,441	42,221	50.0	85,147	77,079
Repairs and maintenance	38,199	4,130	10.8	39,978	45,591
Bulk purchases-electricity	216,662	109,303	50.4	245,911	270,503
Bulk purchases-water	154,993	64,855	41.8	170,232	186,976
Contracted services	36,532	11,534	31.6	38,200	34,864
Finance Charges	2,241	786	35.1	1,789	1,293
General expenses	126,455	21,543	17.0	138,645	140,668
Transfers and Grants	73,535	27,733	37.7	79,658	84,406
Depreciation	998,836	410,312	41.1	1,084,688	1,147,202
	249,435	120,594	48.3	267,675	287,111

The actual expenditure on Repairs and Maintenance is 10.8% compared to the budget.

The cost associated with repairs and maintenance must also take into account the labour cost. If the labour cost is factored in the budget is R98.2 million and the actual expenditure is R32.8 million which equals to 27.2% of the budget.

5.5 Monthly Budget Statement - Capital Expenditure: (municipal vote, standard classification and funding)

FS204 Metsimaholo - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) –Q02 December

Vote Description	Ref	2015/16	Budget Year 2016/17							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Q02 actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 1 - Council/Mayor, Speaker and Councillors		–	–	–	–	–	–	–		–
Vote 2 - Municipal Manager		702	5,683	–	–	–	2,842	(2,842)	-100%	5,683
Vote 3 - Organisational Development & Corporate Services		4,040	1,250	–	191	306	625	(319)	-51%	1,250
Vote 4 - Social Services		14,080	12,053	–	(129)	84	6,026	(5,942)	-99%	12,053
Vote 5 - Infrastructure Services		97,798	91,345	–	24,789	45,232	45,672	(440)	-1%	91,345
Vote 6 - Financial Services		–	665	–	–	–	333	(333)	-100%	665
Vote 7 - Local Economic Development		–	2,250	–	–	–	1,125	(1,125)	-100%	2,250
Total Capital Multi-year expenditure	4,7	116,620	113,245	–	24,852	45,623	56,623	(11,000)	-19%	113,245
Single Year expenditure appropriation	2									
Vote 1 - Council/Mayor, Speaker and Councillors		–	–	–	–	–	–	–		–
Vote 2 - Municipal Manager		–	–	–	–	–	–	–		–
Vote 3 - Organisational Development & Corporate Services		–	–	–	–	–	–	–		–
Vote 4 - Social Services		–	–	–	–	–	–	–		–
Vote 5 - Infrastructure Services		–	–	–	–	–	–	–		–
Vote 6 - Financial Services		–	–	–	–	–	–	–		–
Vote 7 - Local Economic Development		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	–	–	–	–	–	–	–		–
Total Capital Expenditure		116,620	113,245	–	24,852	45,623	56,623	(11,000)	-19%	113,245
Capital Expenditure - Standard Classification										
Governance and administration		4,742	12,518	–	–	115	6,259	(6,144)	-98%	12,518
Executive and council		195	1,650	–	–	–	825	(825)	-100%	1,650
Budget and treasury office		507	665	–	–	–	333	(333)	-100%	665
Corporate services		4,040	10,203	–	–	115	5,101	(4,987)	-98%	10,203
Community and public safety		14,081	10,478	–	63	276	5,239	(4,963)	-95%	10,478
Community and social services		2,612	990	–	–	–	495	(495)	-100%	990
Sport and recreation		8,918	8,613	–	216	216	4,306	(4,091)	-95%	8,613
Public safety		2,551	875	–	(153)	60	438	(378)	-86%	875
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		22,797	53,713	–	12,437	18,473	26,856	(8,383)	-31%	53,713
Planning and development		–	–	–	–	–	–	–		–
Road transport		22,797	53,713	–	12,437	18,473	26,856	(8,383)	-31%	53,713
Environmental protection		–	–	–	–	–	–	–		–
Trading services		75,000	36,537	–	12,353	26,759	18,269	8,491	46%	36,537
Electricity		44,600	30,263	–	1,778	8,544	15,132	(6,588)	-44%	30,263
Water		3,380	2,503	–	8,461	16,102	1,251	14,851	1187%	2,503
Waste water management		24,548	2,196	–	–	–	1,098	(1,098)	-100%	2,196
Waste management		2,473	1,575	–	2,113	2,113	788	1,326	168%	1,575
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Standard Classification	3	116,620	113,245	–	24,852	45,623	56,623	(11,000)	-19%	113,245

Funded by:										
National Government		84,689	67,092	–	20,827	39,530	33,546	5,984	18%	67,092
Provincial Government								–		
District Municipality								–		
Other transfers and grants								–		
Transfers recognised - capital		84,689	67,092	–	20,827	39,530	33,546	5,984	18%	67,092
Public contributions & donations	5				–			–		
Borrowing	6	10,379	1,000	–	2,282	3,844	500	3,344	669%	1,000
Internally generated funds		21,551	45,154	–	1,743	2,249	22,577	(20,328)	-90%	45,154
Total Capital Funding		116,620	113,245	–	24,852	45,623	56,623	(11,000)	-19%	113,245

5.6 Monthly Budget Statement – Financial Position

FS204 Metsimaholo - Table C6 Monthly Budget Statement - Financial Position Q02 December

Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>ASSETS</u>						
Current assets						
Cash		1,229	9,001	12,298	14,065	9,001
Call investment deposits		13,116	10,000	10,000	3,626	10,000
Consumer debtors		147,954	252,940	(5,115)	53,707	252,940
Other debtors		64,171	40,000	1,212	4,548	40,000
Current portion of long-term receivables		4,951			(26,321)	
Inventory		15,318	8,000	151	(5)	8,000
Total current assets		246,740	319,941	18,546	49,620	319,941
Non current assets						
Long-term receivables						
Investments						
Investment property		86,389	86,415	–		86,415
Investments in Associate						
Property, plant and equipment		1,148,019	1,201,717	(16,880)	17,890	1,201,717
Agricultural						
Biological assets						
Intangible assets		318	445	–		445
Other non-current assets						
Total non current assets		1,234,726	1,288,577	(16,880)	17,890	1,288,577
TOTAL ASSETS		1,481,466	1,608,518	1,666	67,510	1,608,518
<u>LIABILITIES</u>						
Current liabilities	-					
Bank overdraft						
Borrowing		4,526	4,941	(918)	645	4,941
Consumer deposits		18,027	18,100	78	674	18,100
Trade and other payables		226,423	154,000	(3,224)	(45,097)	154,000
Provisions						
Total current liabilities		248,976	177,041	(4,064)	(43,778)	177,041
Non current liabilities						
Borrowing		12,371	13,718	–		13,718
Provisions		88,773	105,466	–		105,466
Total non current liabilities		101,144	119,184	–	–	119,184
TOTAL LIABILITIES		350,120	296,225	(4,064)	(43,778)	296,225
NET ASSETS	2	1,131,347	1,312,294	5,730	111,288	1,312,294
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated Surplus/(Deficit)		1,131,347	1,312,294	5,730	111,288	1,312,294
Reserves			–			
TOTAL COMMUNITY WEALTH/EQUITY	2	1,131,347	1,312,294	5,730	111,288	1,312,294

The year to date does not take into account the opening balances, but only reflects the net movement for the month/period.

5.7 Monthly Budget Statement – Cash Flow

FS204 Metsimaholo - Table C6 Monthly Budget Statement - Financial Position – Q02 December

Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>ASSETS</u>						
Current assets						
Cash		1,229	9,001	12,298	14,065	9,001
Call investment deposits		13,116	10,000	10,000	3,626	10,000
Consumer debtors		147,954	252,940	(5,115)	53,707	252,940
Other debtors		64,171	40,000	1,212	4,548	40,000
Current portion of long-term receivables		4,951			(26,321)	
Inventory		15,318	8,000	151	(5)	8,000
Total current assets		246,740	319,941	18,546	49,620	319,941
Non-current assets						
Long-term receivables						
Investments						
Investment property		86,389	86,415	–		86,415
Investments in Associate						
Property, plant and equipment		1,148,019	1,201,717	(16,880)	17,890	1,201,717
Agricultural						
Biological assets						
Intangible assets		318	445	–		445
Other non-current assets						
Total non-current assets		1,234,726	1,288,577	(16,880)	17,890	1,288,577
TOTAL ASSETS		1,481,466	1,608,518	1,666	67,510	1,608,518
<u>LIABILITIES</u>						
Current liabilities	-					
Bank overdraft						
Borrowing		4,526	4,941	(918)	645	4,941
Consumer deposits		18,027	18,100	78	674	18,100
Trade and other payables		226,423	154,000	(3,224)	(45,097)	154,000
Provisions						
Total current liabilities		248,976	177,041	(4,064)	(43,778)	177,041
Non-current liabilities						
Borrowing		12,371	13,718	–		13,718
Provisions		88,773	105,466	–		105,466
Total non-current liabilities		101,144	119,184	–	–	119,184
TOTAL LIABILITIES		350,120	296,225	(4,064)	(43,778)	296,225
NET ASSETS	2	1,131,347	1,312,294	5,730	111,288	1,312,294
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated Surplus/(Deficit)		1,131,347	1,312,294	5,730	111,288	1,312,294
Reserves			–			
TOTAL COMMUNITY WEALTH/EQUITY	2	1,131,347	1,312,294	5,730	111,288	1,312,294

Supporting Documentation

6. Debtors' analysis

Description	NT Code									
		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
R thousands										
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	1200	28,693	25,526	14,902	13,398	12,338	22,281	73,776	381,327	572,242
Trade and Other Receivables from Exchange Transactions - Electricity	1300	11,627	6,033	3,169	4,043	1,522	2,114	7,449	29,322	65,280
Receivables from Non-exchange Transactions - Property Rates	1400	8,487	6,467	3,947	3,062	2,918	4,441	8,555	53,103	90,980
Receivables from Exchange Transactions - Waste Water Management	1500	1,931	1,391	915	757	699	678	3,155	24,193	33,718
Receivables from Exchange Transactions - Waste Management	1600	2,521	1,881	1,359	1,238	1,171	1,132	5,375	32,959	47,637
Receivables from Exchange Transactions - Property Rental Debtors	1700									-
Interest on Arrear Debtor Accounts Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1810	2,172	2,103	2,013	1,944	1,759	1,671	8,574	97,908	118,146
	1820									-
Other	1900	1,392	923	1,428	1,015	952	524	5,233	61,935	73,403
Total By Income Source	2000	56,824	44,324	27,735	25,458	21,359	32,841	112,117	680,747	1,001,405
2015/16 - totals only		58338793	37589601	21309228	25776054	20336282	16320557	98439381	481832900	759,943

Consumer debts to the amount of R47 191 were written off in terms of the Credit Control and Debt Collection Policy during for the six months ended December 2016

7. Creditors' analysis

Description R thousands	NT Code	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - >days	Total
Creditors Age Analysis By Customer Type							
Bulk Electricity	0100	15,264	–	–	–	–	15,264
Bulk Water	0200	11,419	–	5,000	–	–	16,419
PAYE deductions	0300	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–
Trade Creditors	0700	3,227	4,441	3,723	4,117	54,818	70,326
Auditor General	0800	173	3,069	1,396	–	–	4,637
Other	0900	–	–	–	–	–	–
Total By Customer Type	1000	30,084	7,509	10,119	4,117	54,818	106,647

Trade creditors include outstanding orders, as a commitment is already made. The amount becomes payable when the work is completed or when the service is delivered.

8 Investment portfolio analyses

FS204 Metsimaholo - Supporting Table SC5 Monthly Budget Statement - investment portfolio - Q02 December

Investments by maturity Name of institution & investment ID	Ref	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
R thousands		Yrs/Months							
Municipality									
ABSA BANK		CALL			27	6.4%	4,015	100	4,115
STANDARD BANK		CALL				6.5%	-	-	
NEDBANK		CALL			1	6.8%	73	-	73
RMB		CALL			1	6.7%	28	-	28
INVESTEC		CALL			1	6.5%	2,030	(2,000)	30
STANDARD BFN		CALL			7	6.8%	216	9,000	9,216
FIXED		32D					-	-	-
TOTAL INVESTMENTS AND INTEREST	2				37		6,362	7,100	13,462

8. Allocation and grant receipts and expenditure

FS204 Metsimaholo - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q02 December

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Q02 actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
-										
Operating Transfers and Grants										
National Government:		118,924	127,663	-	41,411	95,791	95,791	-		127,663
Local Government Equitable Share		115,423	125,978	-	41,934	94,424	94,424	-		125,978
Finance Management		1,600	625	-	(1,000)	625	625			625
EPWP Incentive		971	1,060	-	477	742	742			1,060
MSIG		930						-		
Provincial Government:	4	3,000	2,000	-	7,048	7,048	7,048	0	0.0%	2,000
DWA Funds					6,465	6,465	6,465	-		
Sport and Recreation			2,000	-	583	583	583	0	0.0%	2,000
Energy efficient and demand side management grant		3,000	-					-		-
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		987	3,459	-	792	1,274	1,274	-		3,459
MIG(National Government)			2,031	-	701	1,086	1,086	-		2,031
Sector Education Training Authority Grant(LGSETA)		987	1,428	-	91	188	188			1,428
								-		
Total Operating Transfers and Grants	5	122,911	133,122	-	49,251	104,113	104,113	0	0.0%	133,122
Capital Transfers and Grants										
National Government:		50,643	41,592	-	9,713	25,813	25,813	-		41,592
Municipal Management										
Infrastructure Grant		43,213	40,592	-	8,713	24,813	24,813	-		40,592
Financial Management Grant			1,000	-	1,000	1,000	1,000			1,000
								-		
Department of Water Affairs		7,430	-					-		-
Provincial Government:		340	-	-	-	-	-	-		-
Housing Development Agency		340						-		
								-		
District Municipality:		-	-	-	-	-	-	-		-
[insert description]		-						-		
Other grant providers:		29,000	25,500	-	9,938	13,248	13,248	-		25,500
DoE		29,000	18,000	-	9,938	13,248	13,248	-		18,000
SASOL			7,500	-						7,500
								-		
Total Capital Transfers and Grants	5	79,983	67,092	-	19,651	39,061	39,061	-		67,092
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	202,893	200,214	-	68,902	143,174	143,174	0	0.0%	200,214

FS204 Metsimaholo - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q02 December

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Q02 actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		118,924	127,663	–	15,646	31,826	31,826	–		127,663
Local Government Equitable Share		115,423	125,978	–	15,229	31,004	31,004	–		125,978
Finance Management		1,600	625	–	125	300	300	–		625
EPWP Incentive		971	1,060	–	292	522	522	–		1,060
MSIG		930						–		
Provincial Government:		3,000	2,000	–	–	–	–	–		2,000
DWA Funds								–		
Sport and Recreation			2,000	–	–			–		2,000
Energy efficient and demand side management grant		3,000	–				–	–		–
District Municipality:		–	2,031	–	1,086	1,086	1,086	–		2,031
<i>[insert description]</i>			2,031		1,086	1,086	1,086	–		2,031
Other grant providers:		987	1,428	–	362	787	787	–		–
<i>MIG(National Government)</i>		987	1,428		748 (386)	787	787	–		
Total operating expenditure of Transfers and Grants:		122,911	133,122	–	17,094	33,700	33,700	–		131,694
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		50,643	41,592	–	22,391	26,140	26,140	(0)	0.0%	41,592
Municipal Management Infrastructure Grant		43,213	40,592	–	22,391	26,140	26,140	(0)	0.0%	40,592
Financial Management Grant			1,000	–	–	–	–	–		1,000
Department of Water Affairs]		7,430	–					–		
Provincial Government:		340	–	–	–	–	–	–		–
Housing Development Agency		340						–		
District Municipality:		–	–	–	–	–	–	–		–
		–						–		
Other grant providers:		29,000	25,500	–	4,950	12,459	12,459	–		25,500
DoE		29,000	18,000	–	4,950	12,459	12,459	–		18,000
SASOL			7,500	–	–	–	–	–		7,500
Total capital expenditure of Transfers and Grants		79,983	67,092	–	27,341	38,599	38,599	(0)	0.0%	67,092
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		202,893	200,214	–	44,435	72,299	72,299	(0)	0.0%	198,786

10. Councillor allowance and employee benefit

FS204 Metsimaholo - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits Q02 December

Summary of Employee and Councillor remuneration	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Q02 actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
-	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		10,572	11,092	-	2,657	5,345	5,546	(201)	-4%	11,092
Pension and UIF Contributions		10	11	-	-	1	5	(5)	-84%	11
Medical Aid Contributions		-	-	-	-	-	-	-		-
Motor Vehicle Allowance		3,582	3,946	-	918	1,790	1,973	(183)	-9%	3,946
Cell phone Allowance		876	938	-	290	443	469	(26)	-6%	938
Housing Allowances		207	357	-	-	34	178	(144)	-81%	357
Sub Total - Councillors		15,247	16,343	-	3,865	7,613	8,172	(558)	-7%	16,343
% increase	4		7.2%							7.2%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		7,678	8,215	-	2,060	4,133	4,108	26	1%	8,215
Pension and UIF Contributions			11	-	-	-	5	(5)	-100%	11
Medical Aid Contributions			-	-	-	-	-	-		-
Overtime			-	-	-	-	-	-		-
Performance Bonus		341	704	-	-	-	352	(352)	-100%	704
Motor Vehicle Allowance		1,253	1,253	-	313	627	627	0	0%	1,253
Cell phone Allowance		186	186	-	62	93	93	-		186
Housing Allowances		340	340	-	85	170	170	(0)	0%	340
Other benefits and allowances		61	-	-	-	-	-	-		-
Sub Total - Senior Managers of Municipality		9,860	10,710	-	2,520	5,023	5,355	(332)	-6%	10,710
% increase	4		8.6%							8.6%
Other Municipal Staff										
Basic Salaries and Wages		146,158	140,565	-	36,558	72,766	70,282	2,484	4%	140,565
Pension and UIF Contributions		23,916	26,177	-	6,204	12,432	13,089	(657)	-5%	26,177
Medical Aid Contributions		13,856	14,539	-	3,788	7,605	7,270	336	5%	14,539
Overtime		13,038	16,590	-	3,595	7,076	8,295	(1,219)	-15%	16,590
Performance Bonus		-	-	-	-	-	-	-		-
Motor Vehicle Allowance		16,021	17,381	-	3,693	7,502	8,691	(1,188)	-14%	17,381
Cell phone Allowance		-	857	-	216	465	428	37	9%	857
Housing Allowances		974	1,162	-	262	526	581	(55)	-10%	1,162
Other benefits and allowances		3,249	17,668	-	2,602	5,521	8,834	(3,313)	-38%	17,668
Payments in lieu of leave		1,498	3,785	-	355	1,677	1,893	(215)	-11%	3,785
Long service awards		443		-	-	-	-	-		-
Post-retirement benefit obligations	2	1,369		-	-	-	-	-		-
Sub Total - Other Municipal Staff		220,522	238,725	-	57,272	115,571	119,362	(3,791)	-3%	238,725
% increase	4		8.3%							8.3%
Total Parent Municipality		245,629	265,778	-	63,657	128,207	132,889	(4,682)	-4%	265,778
			8.2%							8.2%
Unpaid salary, allowances & benefits in arrears:										
TOTAL SALARY, ALLOWANCES & BENEFITS		245,629	265,778	-	63,657	128,207	132,889	(4,682)	-4%	265,778
% increase	4		8.2%							8.2%
TOTAL MANAGERS AND STAFF		230,382	249,435	-	59,792	120,594	124,717	(4,123)	-3%	249,435

11. Material variances to the Service Delivery and Budget Implementation Plan

	Revenue until December 2016, less than 50%						
Votenummer	Description	Budget	Curr Mth Exp	YTD Movement	Balance	Perc	Reasons for variances
	MUNICIPAL MANAGER						
2000/00/2/23/5702	TENDER DEPOSITS	-600,000.00	-3,750.00	-55,660.00	-544,340.00	9.27	
2000/00/2/31/3601	MIG	-100,000.00	0.00	0.00	-100,000.00	0.00	
2000/00/2/31/3902	NATIONAL FMG	-1,000,000.00	0.00	0.00	-1,000,000.00	0.00	mSCOA financed by FMG. Project starts December 2016
	CORPORATE SERVICES						
3000/00/2/23/4501	PARKING FEES : GARAGE	-50,000.00	-3,157.90	-18,508.78	-31,491.22	37.01	
3000/00/2/30/5409	TRAINING INCOME	-1,428,170.00	0.00	-187,998.26	-1,240,171.74	13.16	
	SOCIAL SERVICES						
4000/00/2/21/5101	REFUSE REMOVAL : RESIDENTIAL & BUSINESS	-46,448,340.00	-3,171,969.25	18,210,139.22	-28,238,200.78	39.20	
4000/00/2/22/3301	LEVIES : REFUSE DUMPYARD	-1,110,920.00	-318.00	-31,300.20	-1,079,619.80	2.81	
4000/00/2/23/0001	ADVERTISING DUTIES : PUBLIC SPACES	-20,700.00	0.00	0.00	-20,700.00	0.00	
4000/00/2/23/0601	CEMETERY FEES	-497,560.00	-30,617.99	-184,199.81	-313,360.19	37.02	
4000/00/2/23/1202	ENTRANCE FEES : ABRAHAMSRUST	-1,080,900.00	-209,666.78	-383,651.00	-697,249.00	35.49	
4000/00/2/23/1204	ENTRANCE FEES : ORANJEVILLE	-99,220.00	-1,219.29	-13,662.99	-85,557.01	13.77	
4000/00/2/23/1205	ENTRANCE FEES : SWIMMING POOLS	-66,150.00	-11,117.52	-20,816.58	-45,333.42	31.46	
4000/00/2/23/3301	LEVY FOR LOST LIBRARY BOOKS	-5,420.00	-380.17	-936.97	-4,483.03	17.28	
4000/00/2/23/3601	MEMBERSHIP FEES	-1,700.00	-100.00	-700.00	-1,000.00	41.17	
4000/00/2/23/5402	SALES : REFUSE BAGS	0.00	0.00	-1,215.74	1,215.74	0.00	

4000/00/2/23/5407	SUNDRY INCOME	-8,820.00	0.00	0.00	-8,820.00	0.00	
4000/00/2/24/1201	EQUITABLE SHARE	-18,641,150.00	-803,239.44	-4,016,752.00	-14,624,398.00	21.54	
4000/00/2/24/5102	REFUND DEPARTMENT OF SPORT	-2,000,000.00	0.00	-583,250.00	-1,416,750.00	29.16	
4000/00/2/25/1501	FINES / PENALTIES	-3,025,020.00	-251,555.05	-1,119,309.43	-1,905,710.57	37.00	
4000/00/2/27/5102	RENTAL : COUNCIL FACILITIES	-739,800.00	-10,276.22	-56,620.71	-683,179.29	7.65	
4000/00/2/27/5103	RENTAL : COUNCIL PROPERTIES	-1,040,230.00	-31,573.69	-237,046.73	-803,183.27	22.78	
4000/00/2/28/5401	STREET TRADING LICENSES	-190,600.00	-5,510.00	-53,979.00	-136,621.00	28.32	
4000/00/2/30/5401	SALES : COFFEE BAR	-3,310.00	0.00	0.00	-3,310.00	0.00	
4000/00/2/30/5405	SALES : PROGRAMS	-810.00	0.00	0.00	-810.00	0.00	
4000/00/2/30/5406	SALES : PHOTO COPIES	-169,400.00	0.00	-63.16	-169,336.84	0.03	
4000/00/2/31/3601	MIG	-7,674,070.00	0.00	0.00	-7,674,070.00	0.00	
4000/00/2/36/0904	DEPARTMENTAL : REFUSE	-826,930.00	-59,252.64	-358,289.84	-468,640.16	43.32	
4000/00/2/38/0005	REFUSE	18,641,150.00	803,239.44	4,016,752.00	14,624,398.00	21.54	
	TECHNICAL SERVICES						
5000/00/2/21/0301	BASIC CHARGES : ELECTRICITY	-11,708,280.00	-474,963.59	-2,715,726.89	-8,992,553.11	23.19	
5000/00/2/21/0302	BASIC CHARGES : SEWER	-4,164,970.00	-334,200.97	-2,001,883.72	-2,163,086.28	48.06	
5000/00/2/21/0303	BASIC CHARGES : WATER	-9,755,210.00	-413,279.05	-2,346,652.44	-7,408,557.56	24.05	
5000/00/2/21/5401	SEWERAGE : ADDITIONAL	-26,623,400.00	-1,878,271.37	10,863,837.21	-15,759,562.79	40.80	
5000/00/2/21/6001	USAGE : ELECT BUSINESSES	-37,946,810.00	-3,863,965.86	16,241,797.41	-21,705,012.59	42.80	
5000/00/2/21/6004	USAGE : ELECT RESIDENTIAL	-47,579,070.00	-2,910,186.43	18,444,719.49	-29,134,350.51	38.76	
5000/00/2/21/6006	USAGE : WATER HEAVY INDUSTRIES	-	-	-	-	-	
		137,262,620.00	-9,492,370.69	51,250,485.08	-86,012,134.92	37.33	
5000/00/2/21/6007	USAGE : WATER LIGHT INDUSTRIES	-51,523,530.00	-1,231,382.08	18,500,035.60	-33,023,494.40	35.90	

5000/00/2/21/6008	USAGE : WATER RESIDENTIAL	- 172,356,550.00	- 12,548,292.78	- 78,064,889.24	-94,291,660.76	45.29	
5000/00/2/21/6010	PRE PAID ELECTRICITY	- 167,822,470.00	-9,709,129.20	- 67,373,961.19	- 100,448,508.80	40.14	
5000/00/2/23/0603	CONNECTION FEES	-3,268,200.00	-40,692.15	-593,754.13	-2,674,445.87	18.16	
5000/00/2/23/4201	OPENING OF SEWER STOPPAGE	-10,000.00	-596.50	-3,535.12	-6,464.88	35.35	
5000/00/2/23/5405	SELLING OF PLANS	-5,000.00	0.00	-960.00	-4,040.00	19.20	
5000/00/2/24/1201	EQUITABLE SHARE	-44,478,020.00	-3,137,919.55	- 16,447,371.21	-28,030,648.79	36.97	
5000/00/2/24/1203	DWAF FUNDS	0.00	0.00	-6,464,869.32	6,464,869.32	0.00	
5000/00/2/31/0904	DME	-18,000,000.00	0.00	0.00	-18,000,000.00	0.00	
5000/00/2/31/0905	DWAF	-10,000,000.00	0.00	0.00	-10,000,000.00	0.00	
5000/00/2/31/3601	MIG	-32,817,780.00	0.00	0.00	-32,817,780.00	0.00	
5000/00/2/31/5101	REJUVENATION	-7,500,000.00	0.00	0.00	-7,500,000.00	0.00	
5000/00/2/36/0905	DEPARTMENTAL : SEWERAGE	-181,510.00	-12,108.18	-72,649.08	-108,860.92	40.02	
5000/00/2/36/0906	DEPARTMENTAL : WATER	-9,470,860.00	-686,747.82	-4,152,639.09	-5,318,220.91	43.84	
5000/00/2/38/0003	ELECTRICITY	10,808,150.00	529,175.96	2,752,234.99	8,055,915.01	25.46	
5000/00/2/38/0004	BASIC SEWER	8,787,700.00	397,755.87	1,987,736.79	6,799,963.21	22.61	
5000/00/2/39/0002	WATER	17,990,830.00	1,385,814.46	7,260,826.10	10,730,003.90	40.35	
5000/00/2/39/0004	BASIC SEWER	3,531,340.00	267,637.98	1,337,893.46	2,193,446.54	37.88	
	FINANCIAL SERVICES						
6000/00/2/22/5101	RE - CONNECTION FEES : AFTER HOURS	-1,000.00	0.00	0.00	-1,000.00	0.00	Amount not material
6000/00/2/23/0601	VALUATION CERTIFICATES	-2,000.00	-200.00	-850.35	-1,149.65	42.51	Amount not material
6000/00/2/23/5403	SALES : COPIES	-40,000.00	-741.00	-13,819.70	-26,180.30	34.54	Amount not material
6000/00/2/23/6301	VALUATION APPEAL	-1,110.00	0.00	0.00	-1,110.00	0.00	Amount not material

6000/00/2/26/2407	INTEREST ON INVESTMENTS	-2,600,000.00	-61,204.32	-588,086.75	-2,011,913.25	22.61	Due to cash flow constraints, investments will vary
6000/00/2/30/0901	DISCOUNT ON PURCHASING OF STOCK	0.00	333.90	334.37	-334.37	0.00	
6000/00/2/30/5404	SURPLUS CASH	0.00	-569.64	-6,148.53	6,148.53	0.00	
6000/00/2/30/5408	INCOME LEGAL COST	-5,266,360.00	-933,855.72	-2,404,488.30	-2,861,871.70	45.65	
6000/00/2/38/0001	RATES	8,400,000.00	0.00	0.00	8,400,000.00	0.00	
	LED						
7000/00/2/23/0301	BUILDING INSPECTIONS	0.00	0.00	-64.00	64.00	0.00	
7000/00/2/23/0302	BUILDING PLAN FEES	-361,630.00	-21,530.90	-142,618.04	-219,011.96	39.43	
7000/00/2/23/6302	BUSINESS LEASE RENTAL	-1,200,000.00	0.00	0.00	-1,200,000.00	0.00	
7000/00/2/29/4501	PROFIT ON THE SALE OF ASSETS	-1,001,000.00	0.00	0.00	-1,001,000.00	0.00	

	Expenditure until December 2016, more than 50%							
Votenummer	Description	Budget	Curr Mth Exp	Commitment	YTD Movement	Balance	Perc	Reasons for variances
	COUNCIL							
1000/00/1/01/0301	BASIC SALARIES	6,877,370.00	925,014.62	0.00	3,645,577.09	3,231,792.91	53.00	
1000/00/1/01/3301	LEAVE BONUS	576,210.00	24,434.06	0.00	482,254.81	93,955.19	83.69	
1000/00/1/01/5101	REDEMPTION OF LEAVE	173,930.00	0.00	0.00	973,335.60	-799,405.60	559.61	
1000/00/1/02/6001	U I F	35,960.00	3,420.56	0.00	18,535.55	17,424.45	51.54	

1000/00/1/05/1206	SPEAKER ENTERTAINMENT: COUNCIL	45,780.00	0.00	17,150.00	24,595.00	21,185.00	53.72	
1000/00/1/05/5102	RENTAL : EXTERNAL EQUIPMENT	110,540.00	38,157.89	0.00	76,970.29	33,569.71	69.63	
	MUNICIPAL MANAGER							
2000/00/1/01/4201	OVERTIME	167,180.00	41,424.30	0.00	231,809.81	-64,629.81	138.65	
2000/00/1/01/5101	REDEMPTION OF LEAVE	201,830.00	0.00	0.00	108,415.78	93,414.22	53.71	
2000/00/1/01/5401	STANDBY ALLOWANCES	79,680.00	12,121.32	0.00	47,156.99	32,523.01	59.18	
2000/00/1/02/3601	MEDICAL FUND	935,510.00	87,128.12	0.00	500,330.56	435,179.44	53.48	
2000/00/1/08/4501	PRINTING SERVICES	417,090.00	25,618.58	0.00	279,332.38	137,757.62	66.97	
	CORPORATE SERVICES							
3000/00/1/01/0301	BASIC SALARIES	10,785,530.00	999,748.68	0.00	5,665,861.78	5,119,668.22	52.53	
3000/00/1/01/2102	HOUSING SUBSIDY	256,330.00	21,880.00	0.00	134,990.00	121,340.00	52.66	
3000/00/1/01/2401	INDUSTRIAL COUNCIL LEVY	2,760.00	276.48	0.00	1,582.08	1,177.92	57.32	
3000/00/1/02/3601	MEDICAL FUND	809,440.00	76,355.45	0.00	435,003.73	374,436.27	53.74	
3000/00/1/02/6001	U I F	60,920.00	5,906.32	0.00	33,068.49	27,851.51	54.28	
3000/00/1/05/3307	LICENSE FEES : VEHICLES	2,230.00	0.00	0.00	1,704.00	526.00	76.41	
3000/00/1/05/3602	MEMBERSHIP FEES	2,655,560.00	0.00	0.00	2,337,400.00	318,160.00	88.01	
3000/00/1/05/5703	TRAINING	1,423,750.00	0.00	38,024.00	786,942.76	636,807.24	55.27	
3000/00/1/05/5705	TRANSPORT CLAIMS	135,000.00	5,153.90	0.00	75,447.22	59,552.78	55.88	
	SOCIAL SERVICES							
4000/00/1/01/0301	BASIC SALARIES	48,658,960.00	4,342,918.25	0.00	26,084,477.96	22,574,482.04	53.60	
4000/00/1/01/2102	HOUSING SUBSIDY	398,420.00	33,800.00	0.00	200,574.00	197,846.00	50.34	
4000/00/1/01/2401	INDUSTRIAL COUNCIL LEVY	28,960.00	2,772.48	0.00	16,849.92	12,110.08	58.18	
4000/00/1/01/3301	LEAVE BONUS	3,932,160.00	108,794.65	0.00	1,982,759.81	1,949,400.19	50.42	
4000/00/1/01/4201	OVERTIME	6,699,810.00	576,826.34	0.00	3,531,298.13	3,168,511.87	52.70	

4000/00/1/01/5401	STANDBY ALLOWANCES	230,130.00	79,000.23	0.00	483,613.23	-253,483.23	210.14	
4000/00/1/01/5702	TRANSPORT ALLOWANCES	2,794,740.00	249,736.43	0.00	1,450,176.96	1,344,563.04	51.88	
4000/00/1/02/3601	MEDICAL FUND	5,817,410.00	505,684.15	0.00	3,071,992.78	2,745,417.22	52.80	
4000/00/1/02/4501	PENSION FUND	8,592,990.00	719,183.10	0.00	4,356,022.29	4,236,967.71	50.69	
4000/00/1/02/6001	U I F	464,770.00	44,139.43	0.00	270,764.53	194,005.47	58.25	
4000/00/1/05/0301	BOOK BINDING	7,640.00	0.00	0.00	3,903.08	3,736.92	51.08	
4000/00/1/05/0606	CONFERENCES AND DELEGATIONS	218,000.00	30,034.00	0.00	144,871.08	73,128.92	66.45	
4000/00/1/05/3307	LICENSE FEES : VEHICLES	319,360.00	18,459.00	0.00	190,721.00	128,639.00	59.71	
4000/00/1/08/4501	PRINTING SERVICES	227,610.00	60,732.00	0.00	146,691.32	80,918.68	64.44	
4000/00/1/11/0904	DEPARTMENTAL REFUSE REMOVAL	24,610.00	17,862.52	0.00	17,862.52	6,747.48	72.58	
	TECHNICAL SERVICES							
5000/00/1/01/0301	BASIC SALARIES	37,543,800.00	3,269,814.62	0.00	19,457,417.21	18,086,382.79	51.82	
5000/00/1/01/2401	INDUSTRIAL COUNCIL LEVY	16,890.00	1,751.04	0.00	10,513.92	6,376.08	62.24	
5000/00/1/01/5701	TELEPHONE ALLOWANCES	285,070.00	29,525.26	0.00	156,300.80	128,769.20	54.82	
5000/00/1/02/3601	MEDICAL FUND	3,693,970.00	363,668.60	0.00	2,156,445.01	1,537,524.99	58.37	
5000/00/1/02/6001	U I F	323,700.00	31,149.69	0.00	183,551.83	140,148.17	56.70	
5000/00/1/05/0606	CONFERENCES AND DELEGATIONS	40,000.00	7,500.00	0.00	39,676.07	323.93	99.19	
5000/00/1/07/1201	ELECTRICITY BULK PURCHASE:SSG	136,936,770.00	8,706,026.70	0.00	73,911,800.29	63,024,969.71	53.97	
5000/00/1/07/1204	ELECTRICITY BULK PURCHASE: O/VILLE	3,939,200.00	341,545.82	0.00	2,203,000.05	1,736,199.95	55.92	
5000/00/1/10/3615	MAINTENANCE ELECT NETWORK	2,777,290.00	83,518.79	967,852.06	1,790,210.51	987,079.49	64.45	
	FINANCIAL SERVICES							
6000/00/1/01/2401	INDUSTRIAL COUNCIL LEVY	7,900.00	706.56	0.00	4,247.04	3,652.96	53.76	

6000/00/1/01/4201	OVERTIME	512,890.00	78,813.73	0.00	441,233.93	71,656.07	86.02	
6000/00/1/01/5401	STANDBY ALLOWANCES	67,320.00	7,156.61	0.00	42,662.13	24,657.87	63.37	
6000/00/1/02/1801	GROUP INSURANCE	46,760.00	4,654.07	0.00	26,148.22	20,611.78	55.92	
6000/00/1/02/3601	MEDICAL FUND	1,943,150.00	168,664.58	0.00	1,000,193.71	942,956.29	51.47	
6000/00/1/02/6001	U I F	161,510.00	13,869.15	0.00	83,213.96	78,296.04	51.52	
6000/00/1/05/0606	CONFERENCES AND DELEGATIONS	100,000.00	15,000.00	0.00	93,855.46	6,144.54	93.85	CFO did attend the training during July to September 2016
6000/00/1/05/4503	POSTAGE	1,627,200.00	196,295.99	0.00	911,030.93	716,169.07	55.98	
6000/00/1/06/0301	BANK CHARGES	390,000.00	-1,258.61	0.00	215,878.47	174,121.53	55.35	
6000/00/1/06/0302	INTEREST PAID	300,000.00	49,997.26	0.00	357,252.51	-57,252.51	119.08	Use of overdraft facility
6000/00/1/08/0604	COMMISSION ON EASYPAY COLLECTIONS	910,740.00	354,917.87	0.00	1,014,077.26	-103,337.26	111.34	
	LED							
7000/00/1/01/2401	INDUSTRIAL COUNCIL LEVY	2,000.00	184.32	0.00	1,105.92	894.08	55.29	
7000/00/1/02/3601	MEDICAL FUND	674,200.00	58,022.66	0.00	338,962.12	335,237.88	50.27	
7000/00/1/05/3307	LICENSE FEES : VEHICLES	2,490.00	0.00	0.00	1,392.00	1,098.00	55.90	

Variance to monthly target of Cash flow for December 2016 as per SDBIP

MONTHLY CASH FLOWS	Budget Year 2016/17															
R thousand	July Actual	August Actual	Sept Actual	Oct Actual	Nov Actual	December	Dec Actual	Variance	Var%	January	February	March	April	May	June	
Cash Receipts By Source																
Revenue By Source																
Property rates	8,047	8,693	10,915	8,221	8,653	7,948	7,686	(262)	-3.30	7,948	7,948	7,948	7,948	7,948	7,919	
Property rates - penalties & collection charges				–												
Service charges - electricity revenue	17,815	21,469	16,112	21,211	16,542	18,000	15,882	(2,118)	-11.77	18,000	19,000	20,000	21,000	22,000	25,943	
Service charges - water revenue	20,508	17,596	22,617	16,891	16,945	29,000	16,237	(12,763)	-44.01	30,000	29,000	25,000	22,000	20,000	19,989	
Service charges - sanitation revenue	1,424	1,533	1,672	1,420	1,530	1,562	1,375	(187)	-11.96	1,562	1,562	1,562	1,562	1,562	1,562	
Service charges - refuse revenue	2,084	2,132	2,281	1,951	2,030	1,969	1,873	(96)	-4.88	1,969	1,969	1,969	1,969	1,969	1,977	
Service charges - other	476	744	679	460	816	1,076	566	(510)	-47.41	1,076	1,076	1,076	1,076	1,076	1,084	
Rental of facilities and equipment	86	51	61	56	493	431	63	(368)	-85.43	451	441	441	441	431	449	
Interest earned - external investments	54	128	–	314	30	216	61	(155)	-71.66	216	216	216	216	216	224	
Interest earned - outstanding debtors	163	126	233	200	226	1,341	277	(1,064)	-79.38	1,441	1,341	1,341	1,341	1,341	1,527	
Dividends received			–	–	–		–	–	0.00						–	
Fines	49	242	217	237	123	252	252	(0)	-0.18	252	252	252	252	252	253	
Licences and permits	15	15	13	12	8	15	6	(9)	-63.27	15	15	15	15	15	16	
Transfer receipts - operational	69,180	(14,414)	583	–	6,624		42,601	42,601	0.00			43,898			0	
Other revenue	462	4,008	7,466	–	1,667	532	5,719	5,187	974.94	532	532	532	532	532	1,111	
Cash Receipts by Source	120,364	42,323	62,848	50,973	55,687	62,342	92,596	30,254	48.53	63,462	63,352	104,250	58,352	57,342	62,053	
								–								
Other Cash Flows by Source	–							–								
Transfer receipts - capital	560	19,054	4,022	9,037	2,672	–	10,086	10,086	0.00	9,273		16,773			(0)	

Contributions recognised - capital & Contributed assets			-	-	-		-	-							-
Proceeds on disposal of PPE			-	-	-		-	-							501
Short term loans			-	-	-		-	-							-
Borrowing long term/refinancing	-		-	-	-		-	-							-
Increase (decrease) in consumer deposits	210	143	125	74	42	91	78	(13)	-14.27	91	91	91	91	91	99
Decrease (Increase) in non-current debtors			-		-		-	-							-
Decrease (increase) other non-current receivables			-		-		-	-							-
Decrease (increase) in non-current investments			-		-		-	-							-
Total Cash Receipts by Source	121,134	61,521	66,996	60,084	58,402	62,433	102,760	40,327	64.59	72,826	63,443	121,114	58,443	57,433	62,653
								-							
Cash Payments by Type	-							-							
Employee related costs	20,329	19,904	20,568	19,127	20,189	20,786	20,476	(310)	-1.49	20,786	20,786	20,786	20,786	20,786	20,789
Remuneration of councillors	1,200	1,302	1,247	1,257	1,330	1,361	1,277	(84)	-6.14	1,361	1,361	1,361	1,361	1,361	1,372
Finance charges	43	138	453	115	114	211	371	160	75.84	211	211	211	211	211	220
Bulk purchases - Electricity	26,162	28,802	28,979	16,172	15,967	14,000	15,509	1,509	10.78	14,000	14,000	15,000	15,000	15,000	20,662
Bulk purchases - Water & Sewer	10,721	12,104	2,000	14,634	14,928	16,000	11,958	(4,042)	-25.26	16,000	16,000	14,000	14,000	14,000	13,535
Other materials	73	699	391	1,460	871	3,087	636	(2,451)	-79.39	3,087	3,087	3,087	3,087	3,087	3,096
Contracted services	494	1,523	3,382	1,000	2,851	2,983	2,285	(698)	-23.41	2,983	2,983	2,983	2,983	2,983	2,989
Transfers and grants - other municipalities				-				-							-
Transfers and grants - other				-				-							-
Other expenditure	11,818	16,472	21,740	15,306	4,662	7,823	15,766	7,943	101.53	7,823	7,823	7,823	7,823	7,823	7,827
Cash Payments by Type	70,839	80,944	78,760	69,070	60,913	66,251	68,279	2,028	3.06	66,251	66,251	65,251	65,251	65,251	70,490
								-							
Other Cash Flows/Payments by Type	-							-							
Capital assets	447	8,739	10,023	10,976	3,023	6,000	10,953	4,953	82.55	6,000	6,000	6,000	6,000	6,000	39,745
Repayment of borrowing	-	7	211	-	-	36	918	882	2,449.67	36	36	36	36	36	4,093

Other Cash Flows/Payments	36,547	5,366	(17,468)	(8,400)	(5,318)		(455)	(455)	0.00						–
Total Cash Payments by Type	94,220	95,055	71,525	71,647	58,618	72,287	79,694	7,407	10.25	72,287	72,287	71,287	71,287	71,287	114,328
NET INCREASE/(DECREASE) IN CASH HELD	26,914	(33,535)	(4,530)	(11,562)	(216)	(9,854)	23,066	32,920	-334.07	539	(8,844)	49,827	(12,844)	(13,854)	(51,675)
Cash/cash equivalents at the month/year begin:	14,345	27,646	(5,888)	(10,418)	(21,980)	65,706	(22,196)			55,852	56,391	47,547	97,374	84,530	70,676
Cash/cash equivalents at the month/year end:	27,646	(5,888)	(10,418)	(21,980)	(22,196)	55,852	870			56,391	47,547	97,374	84,530	70,676	19,001

12. Capital programme performance

FS204 Metsimaholo - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class – Q02 December

[illegible]

Other assets		14,229	16,213	—	191	519	8,106	7,587	93.6%	16,213
General vehicles		8,808	1,395	—			698	698	100.0%	1,395
Specialised vehicles		—	—	—	—	—	—	—		—
Plant & equipment		1,682	10,376	—			5,188	5,188	100.0%	10,376
Computers - hardware/equipment							—	—		
Furniture and other office equipment		298	2,372	—			1,186	1,186	100.0%	2,372
Civic Land and Buildings			2,020	—			1,010	1,010	100.0%	2,020
Other Buildings							—	—		
Other Land			—	—			—	—		—
Surplus Assets - (Investment or Inventory)							—	—		
Other		3,440	50	—	191	519	25	(494)	1979.0%	50
		—	—	—	—	—	—	—		—
Intangibles										
Computers - software & programming								—		
Other								—		
Total Capital Expenditure on new assets	1	115,546	95,770	—	24,852	45,623	47,885	2,262	4.7%	95,770

Specialised vehicles	-	-	-	-	-	-	-	-	-
Refuse									
Fire									
Conservancy									
Ambulances									

FS204 Metsimaholo - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class – Q02 December

[illegible]

Community		–	630	–	–	–	315	315	100.0%	630
Parks & gardens								–		
Sports fields & stadia								–		
Swimming pools								–		
Community halls			200	–			100	100	100.0%	200
Libraries							–	–		
Recreational facilities			430	–			215	215	100.0%	430
Fire, safety & emergency								–		
Security and policing								–		
Museums & Art Galleries								–		
Cemeteries								–		
Social rental housing								–		
Other								–		
Heritage assets		–	–	–	–	–	–	–		–
Buildings								–		
Other								–		
Investment properties		–	–	–	–	–	–	–		–
Housing development								–		
Other								–		
Other assets		1,074	4,846	–	–	–	2,423	2,423	100.0%	4,846
General vehicles		1,074	160	–			80	80	100.0%	160
Specialised vehicles		–	–	–	–	–	–	–		–
Plant & equipment			1,042	–			521	521	100.0%	1,042
Computers - hardware/equipment							–	–		
Furniture and other office equipment			14	–			7	7	100.0%	14
Civic Land and Buildings							–	–		
Other Buildings							–	–		
Other Land			3,630	–			1,815	1,815	100.0%	3,630
Surplus Assets - (Investment or Inventory)							–	–		
Other							–	–		
Intangibles		–	–	–	–	–	–	–		–
Computers - software & programming								–		
Other								–		
Total Capital Expenditure on renewal of existing assets	1	1,074	17,476	–	–	–	8,738	8,738	100.0%	17,476
Specialised vehicles		–	–	–	–	–	–	–		–
Refuse								–		
Fire								–		
Conservancy								–		
Ambulances								–		

Capital expenditure for the six months ended December 2016 totalled R45 622 892

FS204 Metsimaholo - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class – Q02 December

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Q02 actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>										
-										
<u>Infrastructure</u>		14,919	82,973	-	2,540	3,284	41,486	38,202	92.1%	82,973
Infrastructure - Road transport		6,396	29,970	-	707	555	14,985	14,429	96.3%	29,970
Roads, Pavements & Bridges		6,396	27,193	-	707	555	13,596	13,041	95.9%	27,193
Storm water			2,777	-			1,389	1,389	100.0%	2,777
Infrastructure - Electricity		2,960	17,620	-	1,110	1,843	8,810	6,967	79.1%	17,620
Generation							-	-		
Transmission & Reticulation		2,791	17,320	-	1,057	1,790	8,660	6,870	79.3%	17,320
Street Lighting		169	300	-	53	53	150	97	64.5%	300
Infrastructure - Water		2,643	16,070	-	86	86	8,035	7,949	98.9%	16,070
Dams & Reservoirs		-						-		
Water purification								-		
Reticulation		2,643	16,070	-	86	86	8,035	7,949	98.9%	16,070
Infrastructure - Sanitation		2,921	13,250	-	637	799	6,625	5,826	87.9%	13,250
Reticulation								-		
Sewerage purification		2,921	13,250	-	637	799	6,625	5,826	87.9%	13,250
Infrastructure - Other		-	6,062	-	-	-	3,031	3,031	100.0%	6,062
Waste Management			-					-		
Transportation								-		
Gas								-		
Other		-	6,062	-			3,031	3,031	100.0%	6,062
<u>Community</u>		733	782	-	-	-	391	391	100.0%	782
Parks & gardens		13	252	-			126	126	100.0%	252
Sports fields & stadia		3	121	-			61	61	100.0%	121
Swimming pools							-	-		
Community halls		1	131	-			65	65	100.0%	131
Libraries		12	38	-			19	19	100.0%	38
Recreational facilities		579	174	-			87	87	100.0%	174
Fire, safety & emergency		124					-	-		
Security and policing							-	-		
Cemeteries			21	-			11	11	100.0%	21
Social rental housing							-	-		
Other		2	45	-			23	23	100.0%	45
<u>Heritage assets</u>		-	-	-	-	-	-	-		-
Buildings								-		
Other								-		
<u>Investment properties</u>		-	-	-	-	-	-	-		-
Housing development								-		
Other								-		
<u>Other assets</u>		3,289	14,459	-	427	846	7,230	6,384	88.3%	14,459
General vehicles		582	7,512	-	353	624	3,756	3,132	83.4%	7,512
Specialised vehicles		-	-	-	-	-	-	-		-
Plant & equipment		95	1,109	-			554	554	100.0%	1,109
Computers - hardware/equipment							-	-		
Furniture and other office equipment		699	2,387	-	64	125	1,194	1,069	89.5%	2,387

13. Mid-Year Performance Assessment

- 13.1 The actual Mid- Year Performance of each Directorate/Cluster against the Service Delivery targets contained in the approved 2016/17 SDBIP is attached as **Annexure A** to this report. Annexure A reflects that there is some progress made in terms of achieving quarterly targets set by Directorates and Clusters in the 2016/17 SDBIP.
- 13.2 During the previous Financial Years, the Auditor General raised findings on the misalignment of the IDP and the SDBIP.
- 13.3 The Auditor General also raised findings that some of the Key Performance Indicators were not SMART.
- 13.4 Due to the above mentioned, and to address the AG's findings, with the assistance of the Office of the Auditor General, Management revised some of the Key Performance Indicators in the SDBIP and the Performance Plans.
- 13.5 Attached as **Annexure B** is the comparative table reflecting the original KPI's and Revised KPI's as well as the revised targets
- 13.6 As mentioned in paragraph 13.2 and 13.3, and after extensive discussions, with the assistance of the office of the Auditor General, Management reviewed some of the Key Performance Indicators in the SDBIP and the Performance Plans.
- 13.7 This process affected the approved Key Performance Indicators in the 2016/17 IDP as this led to non-alignment.
- 13.8 The PMS unit, with the cooperation and assistance of Senior Managers, revised and aligned the IDP, SDBIP and Performance Plans of the 2016/17 Financial Year.
- 13.9 The revised Service Delivery and Budget Implementation Plan (SDBIP) for the 2016/17 Financial Year is attached as **Annexure C**

14. PROGRESS REGARDING THE 2015/16 ANNUAL DRAFT REPORT

The 2015/16 Draft Annual Report has been compiled and submitted to the Auditor General in compliance with the new guidelines issued by the National Treasury as per MFMA Circular No. 63 of September 2012.

The 2015/16 Draft Annual Report will be tabled by the Executive Mayor in Council on 25 January 2017 to ensure compliance with section 127(2) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

Subsequent to the tabling of the 2015/16 Draft Annual Report in Council by the Executive Mayor, the report will then be referred to the Municipal Public Accounts Committee (MPAC) to do Oversight and further processing in accordance with section 129 of the MFMA.

15. Quality Report

Quality Certificate

I, S M Molala, Municipal Manager of Metsimaholo Municipality, hereby certify that the mid-year budget and performance assessment for the financial year 2016/2017 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

S M Molala
Municipal Manager of Metsimaholo Municipality, FS 204

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2017/01/17

(SIGNED COPY IS SENT TO NATIONAL TREASURY)