

AGENDA: COUNCIL: 25 APRIL 2017

143. **MONTHLY BUDGET STATEMENT IN TERMS OF SECTION 71 OF THE MUNICIPAL FINANCE MANGEMENT ACT, ACT 56 OF 2003 AND QUARTERLY FINANCIAL INFORMATION IN TERMS OF SECTION 52(D) OF THE MUNICIPAL FINANCE MANGEMENT ACT, ACT 56 OF 2003**

(Directorate: Budget and Treasury)

1. **STRATEGIC THRUST**

This report is submitted to enhance sound financial management and inform the Accounting Officer, Senior Managers and Council of the financial result for period ending **31th of March 2017** in order to enable the directorates to manage and use resources efficiently and keep track of the implementation of the budget in compliance with Section 71 of the MFMA.

2. **PURPOSE OF THE REPORT**

Apart from the legislative requirement to report, it is of utmost importance that directorates have sufficient and correct management information available to take informed decisions when policies, the IDP and SDBIP are implemented.

3. **EXECUTIVE SUMMARY**

3.1 **BACKGROUND**

The reporting of financial results is enhancing sound financial management and is promoting transparency and accountability of officials and councillors.

3.2 **LEGISLATIVE REQUIREMENT**

Section 71 of the MFMA stipulate that the Accounting Officer must by no later than **10 working days** after the end of each month submit to the Mayor of a municipality, the relevant National and Provincial Treasury a statement in the prescribed format on the state of the municipality's budget reflecting the details of that month and year to date figures.

For the reporting period ending **28th of February 2017**, the ten working day reporting limit expires on the **18th of April 2017**. **For our municipality month-end was concluded on the 10th of April 2017**. The monthly budget statement of a municipality is in the format specified in the **C Schedule** and include all the required tables, charts and explanatory information for the following:

Actual Revenue per source
Actual Borrowings
Actual Expenditure per vote
Amount of any allocation received
Amounts spent on the grants received
Any Material Variances
Variance on SDBIP
Any remedial or corrective steps
Projections and revision of projections

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4. OPERATING RESULTS

As mentioned above the following aspects must be reported on, in terms of Section 71:

- Actual Revenue per source
- Actual Expenditure per vote
- Amount of any allocation received
- Amounts spent on the grants received
- Any Material Variances
- Variance on SDBIP
- Any remedial or corrective steps
- Projections and revision of projections

4.1 FINANCIAL PERFORMANCE

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NW373 Rustenburg - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

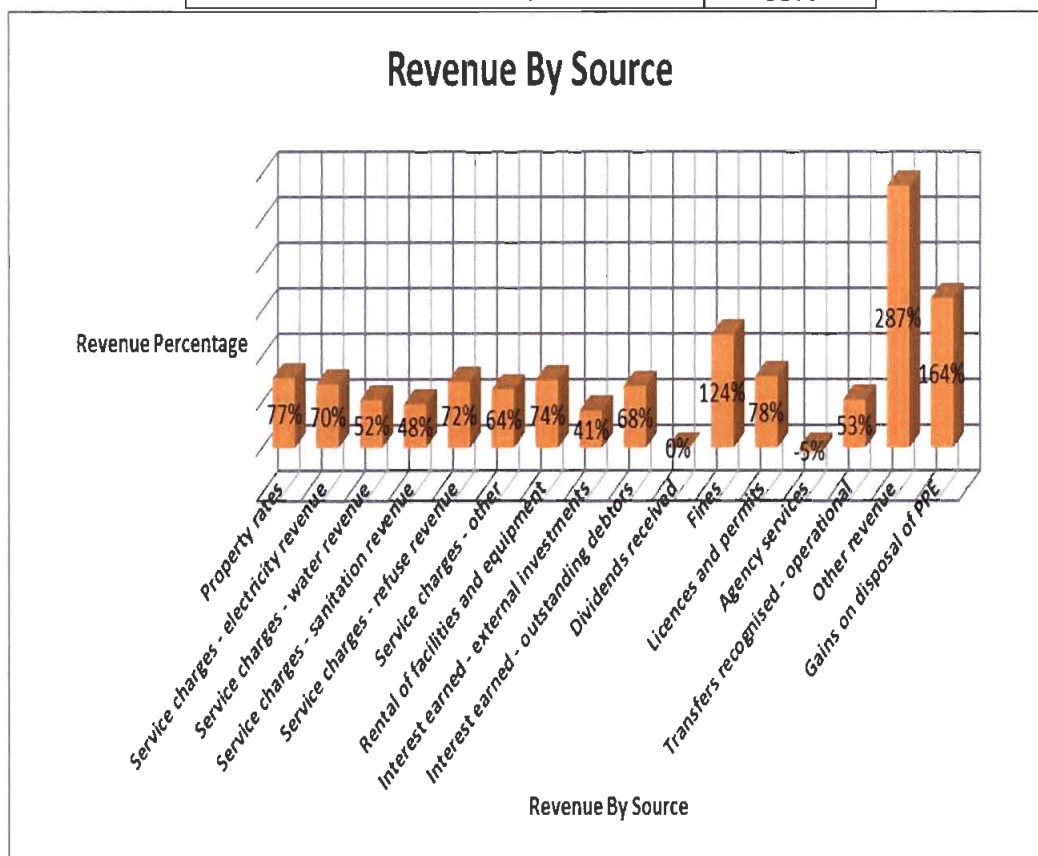
Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		281 992	300 115	300 115	24 775	229 758	225 087	4 671	2%	306 344
Property rates - penalties & collection charges				-	-	-		-		
Service charges - electricity revenue		1 894 036	2 072 510	2 264 868	175 608	1 582 654	1 698 651	(115 997)	-7%	2 110 205
Service charges - water revenue		408 125	484 254	484 054	30 031	253 091	363 040	(109 949)	-30%	337 455
Service charges - sanitation revenue		187 853	250 835	271 828	7 554	129 811	203 871	(74 060)	-36%	173 081
Service charges - refuse revenue		105 564	113 160	113 160	8 735	81 849	84 870	(3 022)	-4%	109 132
Service charges - other		273	295	225	3	144	169	(25)	-15%	192
Rental of facilities and equipment		10 050	8 884	10 082	849	7 464	7 562	(98)	-1%	9 951
Interest earned - external investments		31 764	35 241	15 193	326	6 201	11 395	(5 194)	-46%	8 268
Interest earned - outstanding debtors		139 620	139 244	196 047	(882)	132 350	147 035	(14 685)	-10%	176 467
Dividends received		-	-	-	-	-	-	-		-
Fines		10 817	9 062	1 614	533	2 000	1 211	790	65%	2 667
Licences and permits		9 892	10 856	8 591	643	6 723	6 443	280	4%	8 964
Agency services		18 186	19 277	19 277	(133)	(1 042)	14 458	(15 500)	-107%	(1 390)
Transfers recognised - operational		543 309	583 768	609 026	113 740	321 499	456 769	(135 270)	-30%	428 666
Other revenue		28 990	24 400	24 241	1 257	69 650	18 180	51 469	283%	92 867
Gains on disposal of PPE		12 000	5 000	1 358	46	2 226	1 018	1 208	119%	2 969
Total Revenue (excluding capital transfers and contributions)		3 682 471	4 056 902	4 319 679	363 083	2 824 377	3 239 760	(415 382)	-13%	3 765 836
Expenditure By Type										
Employee related costs		551 013	577 889	580 038	45 711	420 503	435 029	(14 526)	-3%	560 671
Remuneration of councillors		29 186	30 722	30 837	2 701	23 342	23 128	215	1%	31 123
Debt impairment		301 719	386 643	386 643	-	-	289 982	(289 982)	-100%	-
Depreciation & asset impairment		288 610	415 968	415 977	264 520	267 172	311 983	(44 811)	-14%	356 229
Finance charges		59 044	52 721	61 822	-	39 826	46 366	(6 541)	-14%	53 101
Bulk purchases		1 694 821	1 769 272	2 082 000	296 945	1 670 943	1 561 500	109 442	7%	2 227 924
Other materials		133 348	131 712	168 388	13 413	59 527	126 291	(66 764)	-53%	79 370
Contracted services		240 209	208 411	313 749	18 570	105 220	235 312	(130 092)	-55%	140 293
Transfers and grants		24 314	24 779	19 749	312	1 572	14 812	(13 240)	-89%	2 096
Other expenditure		200 208	287 919	237 143	34 853	155 264	177 857	(22 593)	-13%	207 018
Loss on disposal of PPE								-		
Total Expenditure		3 522 473	3 886 035	4 296 346	677 026	2 743 368	3 222 260	(478 892)	-15%	3 657 824
Surplus/(Deficit)										
Transfers recognised - capital		644 984	398 874	429 529	-	255 425	322 147	(66 721)	(0)	340 567
Contributions recognised - capital		90 440	69 000	69 000	-	49 438	51 750	(2 312)	(0)	65 918
Contributed assets								-		
Surplus/(Deficit) after capital transfers & contributions		895 423	638 741	521 862	(313 943)	385 873	391 397			514 497
Taxation								-		
Surplus/(Deficit) after taxation		895 423	638 741	521 862	(313 943)	385 873	391 397			514 497
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		895 423	638 741	521 862	(313 943)	385 873	391 397			514 497
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		895 423	638 741	521 862	(313 943)	385 873	391 397			514 497

The table attached above reflects the revenue earned and expenditure incurred for the reporting month of March 2017 in accordance with the accrual basis of accounting. The expected revenue for the nine months of the reporting period is an average of 75% and the municipality has performed as follows for this reporting month:

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4.1.1 Revenue By Source

Revenue By Source	
Property rates	77%
Service charges - electricity revenue	70%
Service charges - water revenue	52%
Service charges - sanitation revenue	48%
Service charges - refuse revenue	72%
Service charges - other	64%
Rental of facilities and equipment	74%
Interest earned - external investments	41%
Interest earned - outstanding debtors	68%
Dividends received	-
Fines	124%
Licences and permits	78%
Agency services	-5%
Transfers recognised - operational	53%
Other revenue	287%
Gains on disposal of PPE	164%
Total Revenue (excluding capital transfers and contributions)	65%



- The overall municipality performance on the revenue is at 65% (exclusive of Financials of Rustenburg Water Service Trust for March) when compared to the pro rata of 75% as at the end of March 2017.
- Performance of **Property Rates** is at 77% by the end of March 2017 above the anticipated collection rate of 75%.

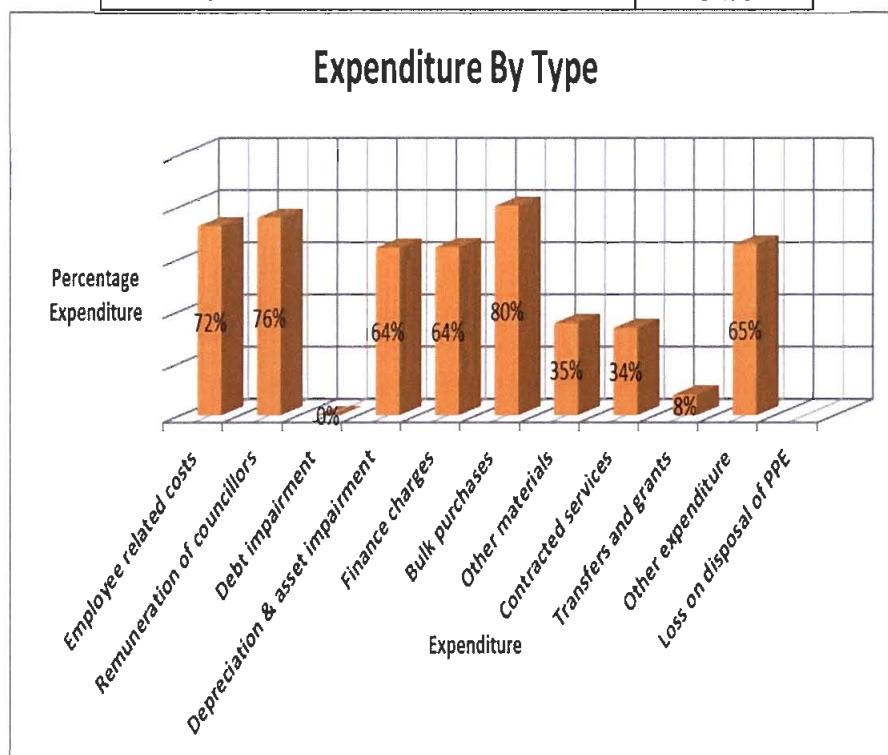
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- Revenue on **Service charges** – (Water, Sanitation and Other have performed below the expected collection rate with 52%, 48% and 64% respectively) while on Electricity and Waste Management is performing better with 70% and 72% respectively.
- The revenue earned on **Rental of facilities** and equipment is mainly on the following facilities: Rental of Sports Facilities, Kloof Holiday Resort, Community Halls and Housing Provision for Municipal Houses and Flats. The performance of these services is at 74% when compared to the expected collection rate of 75% by the end of March 2017.
- **Fines** service is at 124% by the end of March 2017 when compared to the anticipated collection rate of 75%, There is an improvement in collection subsequent to to budget adjustment.
- **Licences and Permits** refer to revenue earned on issuing of various licenses and permits by License Department and the testing fees for vehicles, flammable liquids for Emergency and Disaster Management and trading licenses for Community Development. Current performance by the end of March 2017 is at 78%.
- The **income for Agency Services** is for vehicle testing and licenses which is a function done by the municipal on behalf of the Provincial Government. It is important to note that a portion of this revenue is payable to Provincial Government under the 80/20 agreement and the municipality retains 20% before vat inclusive of the revenue on vehicle testing and licenses. The performance at the end of March 2017 is at -5% which is remains below the expected 75%.
- The revenue earned on **transfers recognised** refers to the recognition of operational grant spending in accordance with financial reporting standards. This is based on the National and Provincial Government's Division of Revenue Act allocation as approved by Parliament.
- **Other Revenue** is at 287% when compared to the pro rata of 75%. This includes services such as (tender fees, legal fees recovered, amendment schemes fees, reconnection fees, connections, advertising fees, etc.)

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4.1.2 Expenditure by Source

Expenditure By Type	
Employee related costs	72%
Remuneration of councillors	76%
Debt impairment	0%
Depreciation & asset impairment	64%
Finance charges	64%
Bulk purchases	80%
Other materials	35%
Contracted services	34%
Transfers and grants	8%
Other expenditure	65%
Loss on disposal of PPE	
Total Expenditure	64%



The total expenditure for as at 31st March 2017 is at 64% when compared to the pro rata of 75%.

- **Employee-Related Costs** refers to salaries and benefits of all the municipal staff. The expenditure is below the expected rate of 75%. This is as a result of bonuses that will always vary month to month.
- **Remuneration of Councillors** refers to salaries and benefits of all the Councillors. The expenditure is stable as in line with the expected rate of 75%.

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- **Debt Impairment and Depreciation** performances are at 0% and 64% respectively. The debt impairment movement usually happens at the end of the financial year and also the depreciation figures are estimates and the final calculated figures are done at the end of the financial year when the assets verification and condition assessment is completed. For the month of march Depreciation was corrected to rectify previously under-estimated votes.
- **The depreciation will in future be run monthly once the asset module is interfaced into the mscoa compliant financial system.**
- The expenditure for **bulk purchases** reflects a provision made for month based on the prior month's actual expenditure. This provision is made because at the time billing the invoices of the bulk-purchase suppliers are not yet received. The actual expenditure is thus reported the following month. The use of estimates/provisions is line with the accrual basis of accounting.

DESCRIPTION	Original Budget	Expenditure to date
BULK PURCHASES:KLOOF WATER WORKS/BOSPOORT. WST	R 21 234 188.00	R 12 402 069.71
BULK PURCH: WATER - MAGALIES	R 24 401 224.00	R 17 020 441.31
BULK PURCH: WATER - RAND WATER	R 260 038 579.00	R 214 217 168.94
BULK PURCHASE. ELECTRICITY	R 750 171 910.00	R 592 706 434.84
BULK PURCHASE: ELECTRICITY - XTRATA	R 1 026 154 442.00	R 834 596 518.81
TOTAL	R 2 082 000 343.00	R 1 670 942 633.61

- The expenditure for **Contracted Services** for the month of March 2017 is at 34% based on the following services: Legal and Valuations, Financial Services, Security Services, Refuse Removal (all areas) and on Rustenburg Rapid Transport.
- **Other Materials** refers to the repairs and maintenance of various municipal assets and systems. By the end of March 2017, expenditure on this service is at 35% when compared to the 75% pro rata Directorates are urged to start spending on this item in order to increase the life span of municipal assets.
- **Finance Charges** refers to interest paid on external loans and excess facilities from financial institutions. This month the finance charges were incurred by the Rustenburg Water Services Trust on an Absa excess facility.
- **Other Expenditure** is at 65%. This services are mainly on (Advertising, Travelling, Stationery, Rentals, Copy Charges, Financial Management activities, Materials and Stock, Departmental Charges, Transport, etc.).

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4.1.3 Capital Expenditure

NW373 Rustenburg - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding
- M09 March

Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital Expenditure - Standard Classification										
<i>Governance and administration</i>		400	18 465	11 040	39	2 785	8 280	(5 495)	-66%	3 714
Executive and council		-	7 465	-	-	-	-	-		-
Budget and treasury office		-	-	-	-	-	-	-		-
Corporate services		400	11 000	11 040	39	2 785	8 280	(5 495)	-66%	3 714
<i>Community and public safety</i>		6 158	9 391	12 863	16	9 313	9 647	(334)	-3%	12 417
Community and social services		1 158	1 532	4 997	16	308	3 748	(3 440)	-92%	411
Sport and recreation		5 000	7 859	7 866	-	9 005	5 899	3 106	53%	12 007
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
<i>Economic and environmental services</i>		539 361	305 002	335 242	33 315	200 359	251 431	(51 072)	-20%	267 146
Planning and development		-	-	-	-	-	-	-		-
Road transport		539 361	305 002	335 242	33 315	200 359	251 431	(51 072)	-20%	267 146
Environmental protection		-	-	-	-	-	-	-		-
<i>Trading services</i>		269 020	144 016	277 108	8 752	90 647	207 831	(117 184)	-56%	120 863
Electricity		162 550	21 800	76 944	8 571	37 156	57 708	(20 553)	-36%	49 541
Water		72 963	53 216	128 884	181	2 965	96 663	(93 698)	-97%	3 953
Waste water management		28 507	69 000	71 279	-	49 726	53 459	(3 733)	-7%	66 302
Waste management		5 000	-	-	-	800	-	800	#DIV/0!	1 067
Other		90 440	10 000	10 000	-	-	7 500	(7 500)	-100%	-
Total Capital Expenditure - Standard Classification	3	905 379	486 874	646 252	42 122	303 105	484 689	(181 585)	-37%	404 140
Funded by:										
National Government		643 827	397 342	426 947	34 753	231 499	320 210	(88 711)	-28%	308 666
Provincial Government		1 158	1 532	2 582	16	308	1 936	(1 628)	-84%	411
District Municipality		-	-	-	-	-	-	-		-
Other transfers and grants		-	-	-	-	-	-	-		-
Transfers recognised - capital		644 985	398 874	429 529	34 769	231 807	322 147	(90 339)	-28%	309 077
Public contributions & donations	5	90 440	69 000	69 000	-	49 438	51 750	(2 312)	-4%	65 918
Borrowing	6	169 954	-	128 603	7 353	21 859	96 452	(74 593)	-77%	29 145
Internally generated funds		-	19 000	19 120	-	-	14 340	(14 340)	-100%	-
Total Capital Funding		905 379	486 874	646 252	42 122	303 105	484 689	(181 585)	-37%	404 140

The capital budget for March spending is detailed below. Year to date spending is at R 303 million (47%) of the expected year to date spending of R 484 million (75% pro rata).

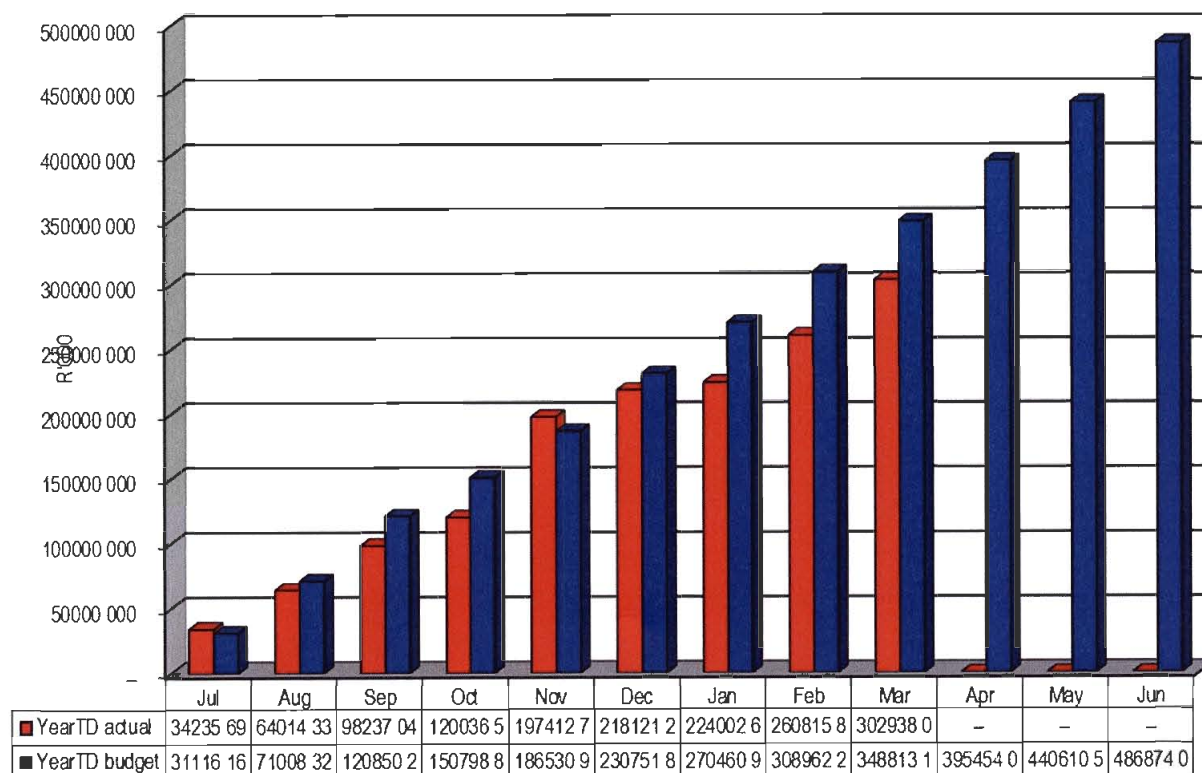
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The actual expenditure on capital projects for March 2017 was on the following projects:

<i>lte-desc</i>	<i>Pos-desc</i>	<i>Mar-17</i>
ELECTRICITY RETICULATION - LOAN	UPGRADING/REFURBISHMENT OF 33KV SUBSTATIONS	7 352 736.60
INTEGRATED RAPID TRANSPORT NETWORK	LAPTOPS	26 277.82
INTEGRATED RAPID TRANSPORT NETWORK	CONSTRUCTION OF RRT CBD NORTH - CONTRACTOR B	610 612.73
INTEGRATED RAPID TRANSPORT NETWORK	CONSTRUCTION OF RRT CBD NORTH - CONTRACTOR A	10 757 430.10
INTEGRATED RAPID TRANSPORT NETWORK	CONSTRUCTION OF RRT CBD NORTH - CONTRACTOR C	21 920 596.91
OFFICE EQUIPMENT - CRR	COMPUTERS(LAPTOPS AND DESKTOPS)	39 314.14
OFFICE EQUIPMENT - DSAC	VISITORS CHAIRS/COUCHES: MAIN LIBRARY	16 354.00
STREET LIGHTING - MIG	THABANENG HIGH MAST LIGHTS	181 184.58
STREET LIGHTING - MIG	MAUMONG HIGH MAST LIGHTS	181 184.58
STREET LIGHTING - MIG	ROBEGA HIGH MAST LIGHTS	350 175.69
STREET LIGHTING - MIG	KANANA HIGH MUST LIGHTS	505 573.12
WATER RESERVIORS & RETICULATION - WIG	MATHOPESTAD - RURAL WATER SUPPLY SCHEME:PHASE 2	180 700.25
		42 122 140.52

The chart below illustrates the capital expenditure trends against the budget per month and the year to date actual against the year to date target.

Chart C2 2016/17 Capital Expenditure: YTD actual v YTD target



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4.1.4 Statement of Financial Position as at 31 March 2017

NW373 Rustenburg - Table C6 Consolidated Monthly Budget Statement - Financial Position - M09 March

Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		188 367	194 248	194 248	186 176	194 248
Call investment deposits		405 325	908 963	358 310	26 316	908 963
Consumer debtors		318 716	319 301	319 301	737 996	319 301
Other debtors		64 648	88 207	88 207	96 893	88 207
Current portion of long-term receivables		804	844	844	132	844
Inventory		16 674	16 674	16 674	141 048	16 674
Total current assets		994 535	1 528 238	977 585	1 188 561	1 528 238
Non current assets						
Long-term receivables		—	—	—	2 216	2 216
Investments		880	880	880	802	880
Investment property		314 509	314 509	314 509	206 325	314 509
Investments in Associate		—	—	—	—	—
Property, plant and equipment		8 793 279	9 206 086	9 206 086	7 698 277	9 206 086
Agricultural		—	—	—	—	—
Biological assets		—	—	—	—	—
Intangible assets		706	706	706	608	706
Other non-current assets		119	119	119	119	119
Total non current assets		9 109 493	9 522 300	9 522 300	7 908 348	9 524 517
TOTAL ASSETS		10 104 028	11 050 538	10 499 885	9 096 909	11 052 754
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	31 049	31 049
Borrowing		49 030	49 051	49 051	—	49 051
Consumer deposits		30 120	42 198	42 198	46 380	42 198
Trade and other payables		802 035	800 664	599 048	866 184	800 664
Provisions		19 362	20 523	20 523	17 430	20 523
Total current liabilities		900 548	912 436	710 820	961 043	943 485
Non current liabilities						
Borrowing		608 928	556 207	556 207	457 833	556 207
Provisions		215 789	219 118	219 118	265 970	219 118
Total non current liabilities		824 717	775 325	775 325	723 803	775 325
TOTAL LIABILITIES		1 725 265	1 687 762	1 486 145	1 684 846	1 718 811
NET ASSETS	2	8 378 763	9 362 777	9 013 739	7 412 063	9 333 944
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		8 170 399	9 150 990	8 801 952	7 412 063	9 122 157
Reserves		208 364	211 787	211 787	—	211 787
TOTAL COMMUNITY WEALTH/EQUITY	2	8 378 763	9 362 777	9 013 739	7 412 063	9 333 944

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4.1.5 Statement of Cash flows for the month ended 31 March 2017

NW373 Rustenburg - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M09 March

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		2 166 000	3 019 576	3 280 816	242 364	2 343 977	2 460 612	(116 634)	-5%	3 125 303
Government - operating		298 670	583 768	609 026	113 740	350 998	456 769	(105 771)	-23%	467 998
Government - capital		521 265	398 874	429 529	244 215	499 640	322 147	177 494	55%	666 187
Interest		59 096	35 241	15 193	-	139 108	11 395	127 713	1121%	185 477
Dividends							-	-		
Payments										
Suppliers and employees		(2 282 261)	(3 005 924)	(3 412 155)	(412 193)	(2 408 481)	(2 559 116)	(150 636)	6%	(3 211 308)
Finance charges		(42 848)	(52 721)	(61 822)	-	(26 518)	(46 366)	(19 849)	43%	(35 357)
Transfers and Grants		(1 102)	(24 779)	(19 749)	(312)	(8 115)	(14 812)	(6 697)	45%	(10 819)
NET CASH FROM/(USED) OPERATING ACTIVITIES		718 820	954 035	840 838	187 813	890 611	630 629	259 983	41%	1 187 482
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		794	93 000	1 358	46	2 226	1 018	1 208	119%	2 969
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(911 183)	(486 873)	(646 252)	(42 122)	(300 096)	(484 689)	(184 594)	38%	(400 128)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(910 389)	(393 873)	(644 895)	(42 077)	(297 869)	(483 671)	(185 802)	38%	(397 159)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		15	2 078	2 078	137	594	1 558	(964)	-62%	793
Payments										
Repayment of borrowing		(17 384)	(52 721)	(52 721)	-	(41 595)	(39 541)	2 054	-5%	(55 459)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(17 369)	(50 643)	(50 643)	137	(41 000)	(37 983)	3 018	-8%	(54 667)
NET INCREASE/ (DECREASE) IN CASH HELD		(208 938)	509 518	145 300	145 873	551 742	108 975			735 656
Cash/cash equivalents at beginning:		982 498	593 693	407 258		407 258	593 693			407 258
Cash/cash equivalents at month/year end:		773 560	1 103 211	552 558		959 000	702 668			1 142 914

4.1.6 Material Variance Explanations for the month ended 31 March 2017

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73 Rustenburg - Supporting Table SC1 Material variance explanations - M09 March

Description	Variance	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
R thousands				
Revenue By Source				
Property rates	4 671	2%	Increase in billing is not material and is positive	No remedial actions is needed as the variance is positive
Service charges - electricity revenue	(115 997)	-7%	The major decrease in billing is due to the short billing cycle in February.	No remedial actions is needed as the variance is positive
Service charges - water revenue	(109 949)	-30%	Water leaks, pipe bursts and faulty meters	Revenue Enhancement Strategies and Activities in place
Service charges - sanitation revenue	(74 060)	-36%	Slight increase is as a result of data cleansing	Revenue Enhancement Strategies and Activities in place
Service charges - refuse revenue	(3 022)	-4%	Variance is not Material	No remedial actions is needed
Service charges - other	(25)	-15%	Slide increase is on basic charges due to data cleansing	Data cleansing is slowly yielding results. Meter reading is done internally to directly manage unread meters
Rental of facilities and equipment	(98)	-1%	Variance of 1% is immaterial	No remedial actions is needed as the variance is positive
Interest earned - external investments	(5 194)	-46%	Cash resources at minimum to invest hence the end result	Municipality must start building up their reserves
Interest earned - outstanding debtors	(14 685)	-10%	The variance is due to poor collection on old outstanding debts	Debtors and Credit control measures need to be tightened to ensure that defaulter settle their accounts
Fines	790	65%	The variance is positive	Remedial action not required
Licences and permits	280	4%	The variance is positive	Remedial action not required
Agency services	(15 500)	-107%	The variance is due to the 80/20 profit-share between the municipality and the province	Attention must be given to this line item since the municipality is not generating sufficient revenue from it
Transfers recognised - operational	(135 270)	-30%	Allocation of Operational Grants. The variance is due to timing differences of receipt and recognition of grants.	Remedial action not required
Other revenue	51 469	283%	Variance is positive	No remedial actions is needed as the variance is positive
Gains on disposal of PPE	1 208	119%	Variance is positive	No remedial actions is needed as the variance is positive
Expenditure By Type				
Employee related costs	(14 526)	-3%	Variance is not Material	No remedial actions is needed
Remuneration of councillors	215	1%	Variance is positive	No remedial actions is needed as the variance is positive
Debt impairment	(289 982)	-100%	Debt Impairment is provision for unpaid debts and is calculated at year-end	Develop a system or ways to calculate estimates on a monthly bases in order to give a true reflection of monthly expenses
Depreciation & asset impairment	(44 811)	-14%	Depreciation and Impairment is provision for the future replacement of assets and is calculated at year-end	Municipality procured an mscoa compliant system with the asset module. Depreciation will be run monthly from 2017/18 financial year.
Finance charges	(6 541)	-14%	the negative variance is due to unavailability of trust financial statements as the majority of the finance charge amount is incurred by the trust	the variance will decrease upon consolidated of the Rustenburg Water Services Trust's Management report
Bulk purchases	109 442	7%	Variance is positive	No remedial actions is needed as the variance is positive
Other materials	(66 764)	-53%	The material variance is too high and the under expenditure will result in the reduction of municipal assets lifespan	Rate of spending needs to increase as this will assist the municipal assets life span
Contracted services	(130 092)	-55%	Activities related to Rustenburg Rapid Transport must be monitored as that is the main contributor to this service. Financial System that is mscoa compliant has been procured and the expenditure on that will also start moving	The huge budget on this service is on Rustenburg rapid Transport activities and this will have to be monitored as it's funded by grant allocation and it will help to avoid unspent grants. The procurement of the financial system has been done
Transfers and grants	(13 240)	-89%	Expenditure recorded in wrong votes	Rate of spending needs to increase
Other expenditure	(22 593)	-13%	The unspending on this services is mainly periodic and we will start seeing the movement towards the end of the financial year	No remedial actions is needed at the moment, this services will have to be monitored and evaluated properly
Loss on disposal of PPE	-	-	-	-
Capital Expenditure				
Vote 1 - EXECUTIVE MAYOR	-	-	-	-
Vote 2 - MUNICIPAL MANAGER	(20 554)	-11%	Variance is Immaterial	No remedial actions is needed as the variance is positive
Vote 3 - CORPORATE SUPPORT SERVICES	(5 465)	-66%	-	-
Vote 4 - BUDGET AND TREASURY	-	-	-	-
Vote 5 - PUBLIC SAFETY	-	-	-	-
Vote 6 - PLANNING AND HUMAN SETTLEMENT	-	-	-	-
Vote 7 - LOCAL ECONOMIC DEVELOPMENT	-	-	-	-
Vote 8 - COMMUNITY DEVELOPMENT	466	5%	Variance is positive	No remedial actions is needed as the variance is positive
Vote 9 - TECHNICAL AND INFRASTRUCTURE	(153 720)	-65%	-	-
Vote 10 - RUSTENBURG WATER SERVICES TRUST	(2 312)	-4%	Variance is Immaterial	No remedial actions is needed as the variance is positive

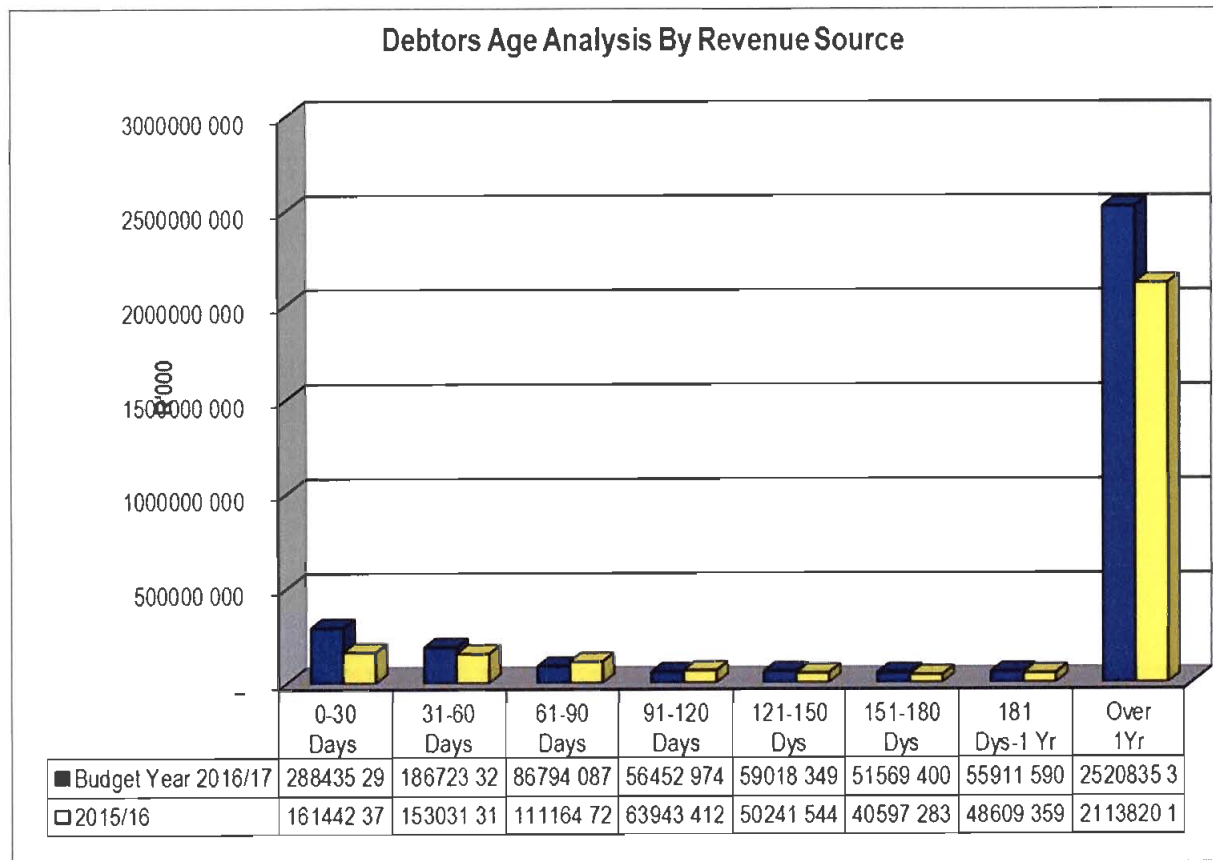
4.1.7 Debtors' Age Analysis for the month ended 31 March 2017

AGENDA: COUNCIL: 25 APRIL 2017

NW373 Rustenburg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March

Description	NT Code	Budget Year 2016/17										Bad Debts	>90 days
		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 Revenue Source													
Rates	1200	35 068	21 199	19 194	14 486	16 198	13 282	14 558	828 958	962 943	-	887 482	
Electricity	1300	203 918	127 920	34 549	11 630	11 471	7 676	8 031	251 008	656 203	-	289 816	
Water	1400	20 826	7 905	6 070	5 382	5 194	4 944	4 856	180 045	235 221	-	200 420	
Sewerage / Sanitation	1500	9 519	6 500	5 277	4 949	4 860	4 812	6 700	211 649	254 267	-	232 971	
Refuse Removal	1600	9 067	6 019	5 124	4 889	4 777	4 787	6 802	253 885	295 350	-	275 140	
Housing (Rental Revenue)	1700	-	-	-	-	-	-	-	10	10	-	10	
Other	1900	10 038	17 180	16 581	15 117	16 518	16 068	14 965	795 279	901 746	-	857 947	
Total By Revenue Source	2000	288 435	186 723	86 794	56 453	59 018	51 569	55 912	2 520 835	3 305 740	-	2 743 788	
2015/16 - totals only										-		-	
Debtors Age Analysis By Customer Category													
Government	2200	17 479	2 587	1 747	357	482	954	984	51 899	76 488	-		
Business	2300	177 988	119 630	29 092	6 894	6 817	3 484	3 330	117 569	464 805	-		
Households	2400	75 872	56 099	49 870	43 806	46 270	41 749	46 470	2 228 209	2 588 345	-		
Other	2500	17 096	8 407	6 086	5 396	5 450	5 383	5 127	123 159	176 103	-		
Total By Customer Category	2600	288 435	186 723	86 794	56 453	59 018	51 569	55 912	2 520 835	3 305 740	-		

Assessment rates is at 29%, which is the largest portion of outstanding debts as compared to other services. On the customer category, households are still high as compared to other customers at 78% of outstanding debts.



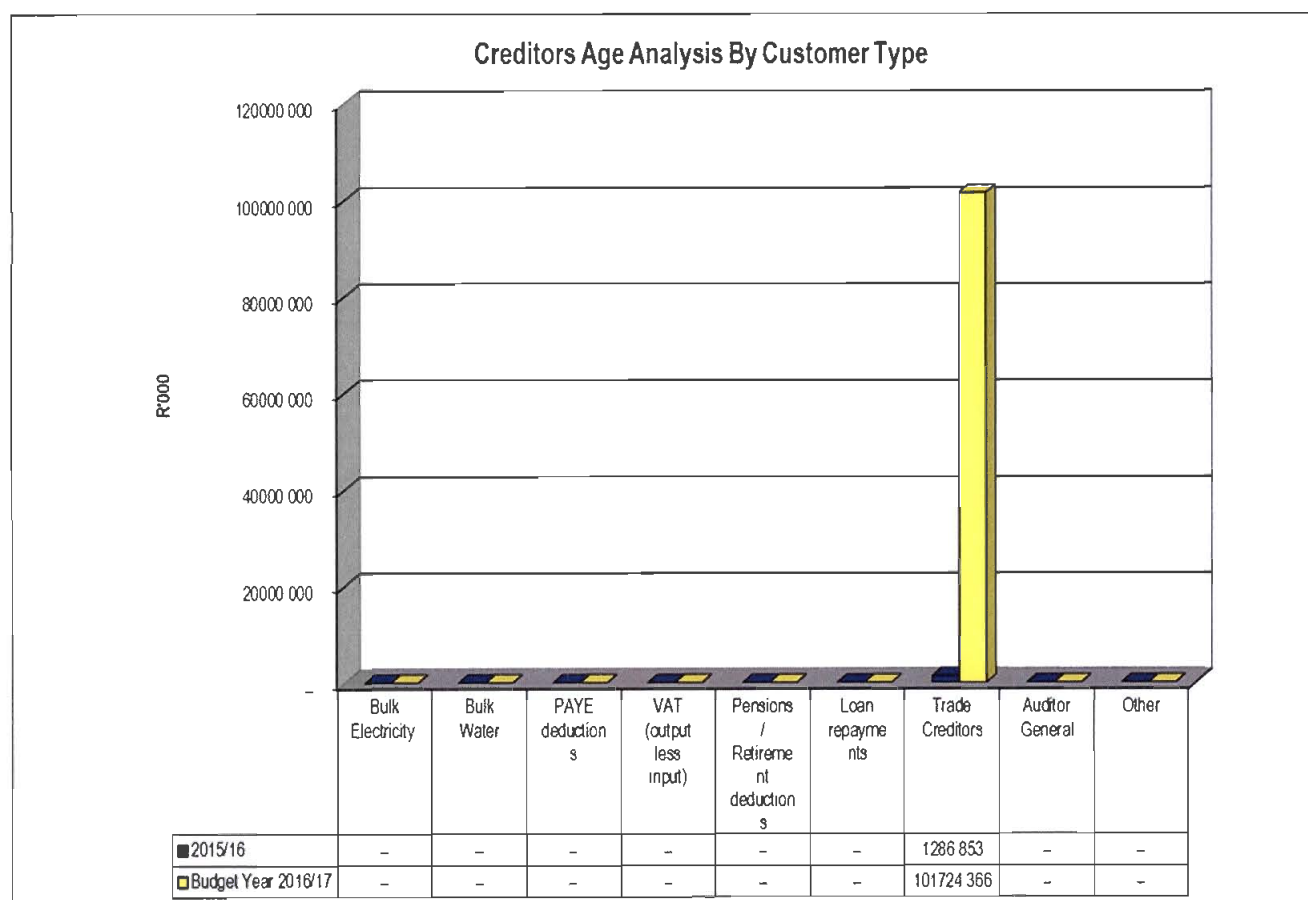
4.1.8 Creditors' Age Analysis for the month ended 31 March 2017

AGENDA: COUNCIL: 25 APRIL 2017

NW373 Rustenburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

Description		NT Code	Budget Year 2016/17								Total	Prior year totals for chart (same period)
			0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year		
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	46 432	10 014	3 584	766	14 158	370	-	26 400	101 724	1 287	
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	
Other	0900	-	-	-	-	-	-	-	-	-	-	
Total By Customer Type	2600	46 432	10 014	3 584	766	14 158	370	-	26 400	101 724	1 287	

The creditors' book has decreased by R49 million when compared to the February balance of R 151 million (inclusive of outstanding invoices of creditors from financial year 2015/16).



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4.1.9 Investment Portfolio for the month ended 31 March 2017

NW373 Rustenburg - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M09 March

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 (550/813, 550/823)					314		4 647	-	4 647
1220000458 (5004)		-	Short-Term	-	313		-		
9063930063 (5008)		31 Days @2.9%	Short-Term	31 Days @2.9%	1	2.9%	590	-	590
2076427525		180 Days @7.97%	Short-Term	180 Days @7.97%	-	6.8%	3 887	-	3 887
2072931992		30 Days @ 7.32%	Short-Term	30 Days @ 7.32%	-	7.3%	170	-	170
STANDARD BANK CALL ACCOUNT		-	-	-	-	0.0%	486	-	486
SANLAM (550/812, 550/827)		-	-	-	-	0.0%	34 070	(30 000)	4 070
SANLAM SHARES		-	-	-	-	0.0%	801	-	801
KAGISO ASSET MANAGEMENT (550/827)		-	-	-	-	0.0%	52 547	(50 000)	2 547
HOUSING: CURRENT ACCOUNT		-	-	-	-	0.0%	14 488	78	14 566
ABSA CURRENT ACCOUNT		-	-	-	-	0.0%	34 352	(361)	33 991
CALL ACCOUNT (4078503088)		32 Days @6.63%	Short-Term	32 Days @6.63%	11	6.6%	2 173	150 000	152 185
Municipality sub-total					326	0	143 564	69 718	213 293
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				326		143 564	69 718	213 293

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4.1.10 Grant Receipts for the month ended 31 March 2017

NW373 Rustenburg - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M09 March

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		538 542	583 300	608 915	137 268	347 657	456 686	(87 657)	-19.2%	463 542
Local Government Equitable Share		399 145	451 980	451 980	112 995	253 367	338 985	(85 618)	-25.3%	337 823
Finance Management		1 600	1 625	1 625	47	1 388	1 219			1 851
Municipal Systems Improvement		530	-	-		-	-			-
Water Services Operating Subsidy		7 000	-	-		-	-			-
2010 FIFA World Cup Operating		-	-	-		-	-			-
Energy Efficiency and Demand Management	3	-	-	-		-	-	-		-
NDPG		-	400	-		-	-	-		-
FIFA		-	-	-		-	-	-		-
EPWP		3 384	4 219	4 219		4 219	3 164	1 055	33.3%	5 625
PTIS		116 856	72 578	98 594	6 055	52 802	73 945			70 402
PMU		5 028	5 997	5 997	2 076	4 099	4 498			5 465
MIG		5 000	46 500	46 500	16 094	31 781	34 875	(3 094)	-8.9%	42 375
Other transfers and grants [insert description]				-				-		
Provincial Government:		841	468	470	2	5	351	(347)	-98.7%	6
Sport and Recreation		841	468	470	2	5	351	(347)	-98.7%	6
Skills Levy								-		
LG-SETA								-		
Other grant providers:		4	-	-	-	-	-	-		-
[insert description]		4	-	-	-	-	-	-		-
								-		
Total Operating Transfers and Grants	5	539 388	583 768	609 385	137 270	347 661	457 037	(88 003)	-19.3%	463 548
Capital Transfers and Grants										
National Government:		643 827	397 342	442 372	34 714	239 662	331 779	(55 202)	-16.6%	319 549
Municipal Infrastructure Grant (MIG)		192 715	147 417	147 747	1 218	76 943	110 810	(33 867)	-30.6%	102 591
Public Transport and Systems		428 711	212 461	254 761	33 315	159 754	191 070			213 005
Neighbourhood Development Partnership		-	7 465	7 465		-	5 599			-
Department of Energy		10 000	-	-		-	-			-
Municipal Systems Improvement		-	-	-		-	-			-
Finance Management		-	-	-		-	-	-		-
Water Infrastructure Grant		12 000	30 000	32 400	181	2 965	24 300	(21 335)	-87.8%	3 953
Municipal Systems Improvement		400	-	-		-	-	-		-
Other capital transfers [insert description]								-		
Provincial Government:		1 159	1 532	2 582	16	308	1 936	(1 628)	-84.1%	411
Department of Arts, Sports & Culture & DPLG		1 159	1 532	2 582	16	308	1 936	(1 628)	-84.1%	411
Total Capital Transfers and Grants	5	644 985	398 874	444 954	34 730	239 970	333 716	(56 830)	-17.0%	319 960
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	1 184 373	982 642	1 054 340	172 000	587 631	790 753	(144 834)	-18.3%	783 508

The above-mentioned grants were received as per DORA allocation and payment schedule.

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4.1.11 Grants Expenditure for the month ended 31 March 2017

NW373 Rustenburg - Supporting Table SC7 Monthly Budget Statement - transfers and grant expenditure - M09 March

Description		Ref	2015/16	Budget Year 2016/17							
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
EXPENDITURE											
Operating expenditure of Transfers and Grants											
National Government:			538 542	583 300	608 915	137 268	347 657	456 686	(106 991)	-23.4%	463 542
Local Government Equitable Share			399 145	451 980	451 980	112 995	253 367	338 985	(85 618)	-25.3%	337 823
Finance Management			1 600	1 625	1 625	47	1 388	1 219	170	13.9%	1 851
Municipal Systems Improvement			530	-	-	-	-	-	-	-	-
EPWP			3 384	4 219	4 219	-	4 219	3 164	-	-	5 625
PTIS			116 856	72 578	98 594	6 055	52 802	73 945	(21 144)	-28.6%	70 402
PMU			5 028	5 997	5 997	2 076	4 099	4 498	(399)	-8.9%	5 465
2010 FIFA World Cup Operating			-	-	-	-	-	-	-	-	-
FIFA			-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand Management			-	-	-	-	-	-	-	-	-
Water Services Operating Subsidy			7 000	-	-	-	-	-	-	-	-
MIG			5 000	46 500	46 500	16 094	31 781	34 875	-	-	42 375
NDPG				400	-	-	-	-	-	-	-
Provincial Government:			841	468	470	2	5	353	(348)	-	6
Sport and Recreation			841	468	470	2	5	353	(348)	-	6
lg-seta									-	-	
Other grant providers:			4	-	-	-	-	-	-	-	-
NSCOOP-GRANT			4	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants			539 388	583 768	609 385	137 270	347 661	457 039	(107 339)	-23.5%	463 548
Capital expenditure of Transfers and Grants											
National Government:			643 827	397 342	426 947	34 884	239 833	320 210	(80 378)	-	319 777
Municipal Infrastructure Grant (MIG)			192 715	147 417	147 787	1 389	77 114	110 840	(33 726)	-	102 818
Neighbourhood Development Partnership			-	7 465	-	-	-	-	-	-	-
Department of Energy			10 000	-	-	-	-	-	-	-	-
Municipal Systems Improvement			-	-	-	-	-	-	-	-	-
Municipal System Improvement			400	-	-	-	-	-	-	-	-
Public Transport and Systems			428 711	212 461	246 761	33 315	159 754	185 070	(25 317)	-	213 005
Neighbourhood Development Partnership			-	-	-	-	-	-	-	-	-
Water Infrastructure Grant			12 000	30 000	32 400	181	2 965	24 300	(21 335)	-87.8%	3 953
Provincial Government:			1 159	1 532	2 582	16	308	1 149	(841)	-73.2%	411
Department of Arts,Sports & Culture & DPLG			1 159	1 532	2 582	16	308	1 149	(841)	-73.2%	411
Total capital expenditure of Transfers and Grants			644 985	398 874	429 529	34 901	240 141	321 359	(81 219)	-	320 187
TOTAL EXPENDITURE OF TRANSFERS AND GRANT			1 184 373	982 642	1 038 914	172 170	587 802	778 398	(188 558)	-24.2%	783 736

Operating grants are at 53% expenditure and Capital grants are at 56%. The low spending is for Water Infrastructure grants and Department of Arts, Sports & Culture (DSAC). Due to non-spending of Neighbourhood Development Grant, National Treasury withdrew the allocation.

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The Actual Expenditure for March 2017 on the following grants:

Grants	Budget	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total	Difference	Percentage Spent
Municipal Infrastructure Grant (MIG)	192 047 780	12 266 287	11 274 848	13 721 949	4 511 682	8 318 463	17 938 274	2 292 981	10 879 317	100 592 067	181 795 869	10 251 911	94.66%
Public Transport Infrastructure Network Grant (PTNG)	343 345 518	23 583 034	21 078 398	9 314 183	22 614 082	46 553 818	17 155 221	4 552 850	28 333 668	212 555 487	385 740 740	-42 395 222	112.35%
Municipal Water Infrastructure Grant (MWIG)	32 400 000	-	-	2 784 348	-	-	-	-	-	2 965 048	5 749 397	26 650 603	17.75%
Department of Sports, Arts and Culture (DSAC)	3 254 448	27 000	-	964	112 642	27 832	82 609	-	169 546	438 732	859 325	2 395 123	26.40%
Extended Public Works Programme (EPWP)	4 219 000	636 236	725 195	916 285	692 823	670 343	574 260	-	-	4 215 142	8 430 284	-4 211 284	199.82%
Financial Management Grant (FMG)	1 625 000	-	98 618	-	118 940	-	94 517	979 128	97 258	1 341 203	2 729 664	-1 104 664	167.98%
Total	576 891 746	36 512 557	33 177 059	26 737 729	28 050 169	55 570 457	35 844 880	7 824 959	39 479 789	322 107 678	585 305 278	-8 413 532	101.46%

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4.1.12 Councillors and Staff Benefits for the month ended 31 March 2017

NW373 Rustenburg - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March

Summary of Employee and Councillor remuneration	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		21 142	22 999	24 904	2 103	18 710	18 678	32	0%	24 946
Pension and UIF Contributions		2 220	2 264	1 450	199	1 243	1 088	155	14%	1 657
Medical Aid Contributions		674	670	690	66	525	518	7	1%	700
Motor Vehicle Allowance		3 435	3 085	2 022	182	1 528	1 516	12	1%	2 038
Cellphone Allowance		1 716	1 704	1 772	152	1 337	1 329	8	1%	1 782
Housing Allowances								-		
Other benefits and allowances								-		
Sub Total - Councillors		29 186	30 722	30 837	2 701	23 342	23 128	215	1%	31 123
% increase	4		5.3%	5.7%						6.6%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		11 565	12 192	5 912	1 016	9 144	4 434	4 710	106%	12 192
Pension and UIF Contributions		970	1 038	4 585	296	988	3 439	(2 451)	-71%	1 317
Medical Aid Contributions		136	145	4 251	342	439	3 188	(2 749)	-86%	585
Overtime		-	-	(3 079)	-	-	(2 309)	2 309	-100%	-
Performance Bonus		-	-	-	-	-	-	-		-
Motor Vehicle Allowance		1 018	1 167	2 354	99	877	1 765	(889)	-50%	1 169
Cellphone Allowance		-	-	4	-	-	3	(3)	-100%	-
Housing Allowances		38	41	(3 186)	3	31	(2 390)	2 420	-101%	41
Other benefits and allowances		148	159	159	13	119	119	(0)	0%	159
Payments in lieu of leave				5 875	-	-	-	-		-
Long service awards				-	-	-	-	-		-
Post-retirement benefit obligations	2			-	-	-	-	-		-
Sub Total - Senior Managers of Municipality		13 875	14 741	16 875	1 769	11 597	8 250	3 347	41%	15 463
% increase	4									
Other Municipal Staff										
Basic Salaries and Wages		386 304	403 401	402 693	30 356	283 788	302 020	(18 232)	-6%	378 384
Pension and UIF Contributions		63 912	66 235	66 235	5 410	51 272	49 677	1 595	3%	68 362
Medical Aid Contributions		31 041	31 378	31 378	2 712	25 815	23 533	2 281	10%	34 420
Overtime		32 659	29 493	27 693	2 225	18 703	20 769	(2 067)	-10%	24 937
Performance Bonus		-	-	-	-	-	-	-		-
Motor Vehicle Allowance		16 137	15 499	15 499	1 335	12 127	11 624	503	4%	16 169
Cellphone Allowance		91	87	87	7	63	65	(2)	-4%	84
Housing Allowances		4 062	6 658	6 658	188	1 761	4 993	(3 232)	-65%	2 348
Other benefits and allowances		3 532	9 897	12 905	1 710	15 378	9 679	5 699	59%	20 504
Payments in lieu of leave								-		-
Long service awards								-		-
Post-retirement benefit obligations	2							-		-
Sub Total - Other Municipal Staff		537 738	562 648	563 148	43 941	408 906	422 361	(13 455)	-3%	545 208
% increase	4									
Total Parent Municipality		580 799	608 111	610 860	48 412	443 845	453 738	(9 893)	-2%	591 794
TOTAL SALARY, ALLOWANCES & BENEFITS		580 799	608 111	610 860	48 412	443 845	453 738	(9 893)	-2%	591 794
% increase	4									
TOTAL MANAGERS AND STAFF		551 613	577 389	580 023	45 711	420 503	430 611	(10 108)	-2%	560 671

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4.1.13 Rustenburg Local Municipality Financial Performance for the month ended 31 March 2017

NW373 Rustenburg - Supporting Table SC10 Monthly Budget Statement - Parent Municipality Financial Performance (revenue and expenditure) - M09 March

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue By Source										
Property rates		281 992	300 115	300 115	24 775	229 758	225 087	4 671	2%	306 344
Property rates - penalties & collection charges				-	-	-	-	-		
Service charges - electricity revenue		1 894 036	2 072 510	2 264 868	175 608	1 582 654	1 698 651	(115 997)	-7%	2 110 205
Service charges - water revenue		408 125	484 254	484 054	30 031	253 091	363 040	(109 949)	-30%	337 455
Service charges - sanitation revenue		187 853	89 743	271 828	7 554	129 811	203 871	(74 060)	-36%	173 081
Service charges - refuse revenue		105 564	113 160	113 160	8 735	81 849	84 870	(3 022)	-4%	109 132
Service charges - other		273	295	225	3	144	169	(25)	-15%	192
Rental of facilities and equipment		10 050	8 884	10 082	849	7 464	7 562	(98)	-1%	9 951
Interest earned - external investments		31 764	28 527	15 193	326	6 201	11 395	(5 194)	-46%	8 268
Interest earned - outstanding debtors		139 620	139 244	196 047	(882)	134 115	147 035	(12 920)	-9%	178 820
Dividends received		-	-	-	-	-	-	-		-
Fines		10 817	9 062	1 614	533	2 000	1 211	790	65%	2 667
Licences and permits		9 892	10 856	8 591	643	6 723	6 443	280	4%	8 964
Agency services		18 186	19 277	19 277	(133)	(1 042)	14 458	(15 500)	-107%	(1 390)
Transfers recognised - operational		543 309	583 768	609 026	113 740	321 499	456 769	(135 270)	-30%	428 666
Other revenue		28 990	24 400	24 241	1 257	69 650	18 180	51 469	283%	92 867
Gains on disposal of PPE		12 000	5 000	1 358	46	2 226	1 018	1 208	119%	2 969
Total Revenue (excluding capital transfers and contribution)		3 682 471	3 889 096	4 319 679	363 083	2 826 142	3 239 760	(413 617)	-13%	3 768 189
Expenditure By Type										
Employee related costs		551 013	577 889	580 038	45 711	420 503	435 029	(14 526)	-3%	560 671
Remuneration of councillors		29 186	30 722	30 837	2 701	23 342	23 128	215	1%	31 123
Debt impairment		301 719	386 643	386 643	-	-	289 982	(289 982)	-100%	-
Depreciation & asset impairment		288 610	398 568	415 977	264 520	267 172	311 983	(44 811)	-14%	356 229
Finance charges		59 044	33 281	61 822	-	39 826	46 366	(6 541)	-14%	53 101
Bulk purchases		1 694 821	1 769 272	2 082 000	296 945	1 670 943	1 561 500	109 442	7%	2 227 924
Other materials		133 348	131 712	168 388	13 413	59 527	126 291	(66 764)	-53%	79 370
Contracted services		240 209	119 060	313 749	18 570	105 220	235 312	(130 092)	-55%	140 293
Transfers and grants		24 314	24 779	19 749	312	1 572	14 812	(13 240)	-89%	2 096
Other expenditure		200 208	273 331	237 143	34 853	155 264	177 857	(22 593)	-13%	207 018
Loss on disposal of PPE								-		
Total Expenditure		3 522 473	3 745 256	4 296 346	677 026	2 743 368	3 222 260	(478 892)	-15%	3 657 824
Surplus/(Deficit)		159 998	143 840	23 333	(313 943)	82 774	17 500	65 274	373%	110 366
Transfers recognised - capital		644 984	398 874	429 529	-	255 425	322 147	(66 721)	-21%	340 567
Contributions recognised - capital		90 440						-		
Contributed assets								-		
Surplus/(Deficit) after capital transfers & contributions		895 423	542 714	452 862	(313 943)	338 200	339 647	(1 447)	0%	450 933
Taxation								-		
Surplus/(Deficit) after taxation		895 423	542 714	452 862	(313 943)	338 200	339 647	(1 447)	0%	450 933

The above table indicates financial performance of the municipality excluding Rustenburg Water Services Trust.

AGENDA: COUNCIL: 25 APRIL 2017

4.1.14 Repairs and Maintenance for the month ended 31 March 2017

NW373 Rustenburg - Supporting Table SC13c Consolidated Monthly Budget Statement - expenditure on repairs and maintenance by asset class -

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		-	47 856	71 480	10 997	47 367	53 610	6 242	11.6%	63 157
Infrastructure - Road transport		-	10 900	10 900	1 213	10 093	8 175	(1 918)	-23.5%	13 457
Roads, Pavements & Bridges			10 900	10 900	1 213	10 093	8 175	(1 918)	-23.5%	13 457
Storm water								-		
Infrastructure - Electricity		-	14 207	13 157	631	6 577	9 868	3 291	33.3%	8 769
Generation								-		
Transmission & Reticulation			10 078	9 828	535	6 034	7 371	1 337	18.1%	8 045
Street Lighting			4 128	3 328	95	543	2 496	1 953	78.2%	724
Infrastructure - Water		-	14 745	14 639	1 143	6 466	10 979	4 514	41.1%	8 621
Dams & Reservoirs								-		
Water purification								-		
Reticulation			14 745	14 639	1 143	6 466	10 979	4 514	41.1%	8 621
Infrastructure - Sanitation		-	4 004	24 004	6 539	20 141	18 003	(2 138)	-11.9%	26 855
Reticulation			4 004	24 004	6 539	20 141	18 003	(2 138)	-11.9%	26 855
Sewerage purification								-		
Infrastructure - Other		-	4 000	8 780	1 470	4 091	6 585	2 494	37.9%	5 455
Waste Management			4 000	8 780	1 470	4 091	6 585	2 494	37.9%	5 455
Transportation								-		
Gas								-		
Other								-		
Community		-	2 618	7 154	114	949	5 366	4 417	82.3%	1 265
Parks & gardens			517	367	1	119	276	157	56.8%	159
Sportsfields & stadia			277	277	26	65	207	142	68.4%	87
Swimming pools			564	564	68	361	423	62	14.6%	482
Community halls			371	321	-	172	241	69	28.4%	230
Libraries			156	191	2	128	143	15	10.6%	171
Recreational facilities				-		-	-	-		-
Fire, safety & emergency			185	185	-	-	139	139	100.0%	-
Security and policing			528	443	17	59	332	273	82.3%	78
Buses			-	4 950	-	-	3 713	3 713	100.0%	-
Clinics			-	-	-	-	-	-		-
Museums & Art Galleries			-	-	-	-	-	-		-
Cemeteries			20	(100)	-	-	(75)	(75)	100.0%	-
Social rental housing			-	-	-	-	-	-		-
Other			-	(44)	-	44	(33)	(77)	232.6%	58
Heritage assets		-	-	-	-	-	-	-		-
Buildings								-		
Other								-		
Investment properties		-	729	739	-	337	554	217	39.2%	449
Housing development			729	739		337	554	217	39.2%	449
Other								-		
Other assets		-	80 509	80 239	2 302	10 874	60 179	49 305	81.9%	14 499
General vehicles			27 806	26 906	149	928	20 180	19 252	95.4%	1 237
Specialised vehicles		-	-	-	-	-	-	-		-
Plant & equipment			136	136		70	102	32	31.0%	94
Computers - hardware/equipment			4 000	5 630	10	53	4 223	4 170	98.8%	70
Furniture and other office equipment			26	26		3	20	16	83.2%	4
Abattoirs			-	-		-	-	-		-
Markets			-	-		-	-	-		-
Civic Land and Buildings			2 920	2 220	86	830	1 665	835	50.2%	1 106
Other Buildings			-	-		-	-	-		-
Other Land			-	-		-	-	-		-
Surplus Assets - (Investment or Inventory)			-	-		-	-	-		-
Other			45 621	45 321	2 058	8 991	33 991	25 000	73.5%	11 987
Total Repairs and Maintenance Expenditure		-	131 712	159 612	13 413	59 527	119 709	60 181	50.3%	79 370

AGENDA: COUNCIL: 25 APRIL 2017

4.1.15 Depreciation of Assets for the month ended 31 March 2017

NW373 Rustenburg - Supporting Table SC13d Consolidated Monthly Budget Statement - depreciation by asset class - M09 March

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		-	309 669	292 274	252 177	291 611	219 206	(72 405)	-33.0%	388 815
Infrastructure - Road transport		-	175 704	175 709	172 633	174 363	131 782	(42 581)	-32.3%	232 484
Roads, Pavements & Bridges			175 704	175 709	172 633	174 363	131 782	(42 581)	-32.3%	232 484
Storm water				-			-	-		
Infrastructure - Electricity		-	15 711	15 711	1 266	1 278	11 783	10 505	89.2%	1 704
Generation				-		-	-	-		
Transmission & Reticulation			14 997	14 997	1 266	1 278	11 248	9 969	88.6%	1 704
Street Lighting			714	714	-	-	535	535	100.0%	-
Infrastructure - Water		-	45 217	45 217	36 164	36 527	33 913	(2 614)	-7.7%	48 702
Dams & Reservoirs				-	-	-	-	-		
Water purification				-	-	-	-	-		
Reticulation			45 217	45 217	36 164	36 527	33 913	(2 614)	-7.7%	48 702
Infrastructure - Sanitation		-	46 253	28 853	37 215	47 734	21 639	(26 095)	-120.6%	63 645
Reticulation			46 253	28 853	37 215	47 734	21 639	(26 095)	-120.6%	63 645
Sewerage purification				-	-	-	-	-		
Infrastructure - Other		-	26 784	26 784	4 900	31 709	20 088	(11 621)	-57.8%	42 278
Waste Management			26 784	26 784	4 900	31 709	20 088	(11 621)	-57.8%	42 278
Transportation			-	-	-	-	-	-		
Gas			-	-	-	-	-	-		
Other			-	-	-	-	-	-		
Community		-	66 285	66 285	5 785	5 843	49 713	43 870	88.2%	7 791
Parks & gardens			3 488	3 488	583	588	2 616	2 027	77.5%	785
Sportsfields & stadia			28 032	28 032	122	123	21 024	20 900	99.4%	164
Swimming pools			2 532	2 532	48	49	1 899	1 850	97.4%	65
Community halls			6 775	6 775	275	278	5 081	4 803	94.5%	371
Libraries			3 265	3 265	415	419	2 449	2 030	82.9%	559
Recreational facilities				-	-	-	-	-		
Fire, safety & emergency			4 386	4 386	2 734	2 762	3 290	528	16.0%	3 682
Security and policing			9 078	9 078	1 196	1 208	6 809	5 600	82.3%	1 611
Buses			-	-	-	-	-	-		
Clinics			-	1 018	-	-	764	764	100.0%	-
Museums & Art Galleries			-	-	-	-	-	-		
Cemeteries			38	38	55	55	28	(27)	-95.7%	74
Social rental housing			-	-	-	-	-	-		
Other			8 690	7 672	357	361	5 754	5 394	93.7%	481
Heritage assets		-	-	-	-	-	-	-		
Buildings							-	-		
Other							-	-		
Investment properties		-	-	-	-	-	-	-		
Housing development							-	-		
Other							-	-		
Other assets		-	40 015	40 018	9 007	9 344	30 014	20 670	68.9%	12 459
General vehicles			1 509	1 509	931	941	1 132	191	16.9%	1 254
Specialised vehicles		-	-	-	-	-	-	-		
Plant & equipment							-	-		
Computers - hardware/equipment							-	-		
Furniture and other office equipment							-	-		
Abattoirs							-	-		
Markets							-	-		
Civic Land and Buildings			19 456	19 456	50	50	14 592	14 542	99.7%	67
Other Buildings							-	-		
Other Land							-	-		
Surplus Assets - (Investment or Inventory)							-	-		
Other			19 049	19 053	8 026	8 353	14 289	5 936	41.5%	11 137
Total Depreciation		-	415 968	398 577	266 970	306 798	298 933	(7 866)	-2.6%	409 064

The total figure for the depreciation is not the final figure because condition of assets and impairment will only be done at year-end.

AGENDA: COUNCIL: 25 APRIL 2017

Bulk Electricity and Water Losses

Material Electricity and Water losses were as follows:

Month	Units Purchased	Value of Units Purchased	Unit cost (in rands)	Units Sold	Value of Units Sold	Unit cost (in rands)	Units Lost in Distribution	Value of Units Lost In Distribution	% of unit lost in distribution
Mar-16	3 285 128	21 703 976	6.61	1 720 154	22 205 175	12.91	1 564 974	10 339 370	47.64%
Apr-16	3 305 506	21 975 484	6.65	2 080 117	23 888 740	11.48	1 225 389	8 146 566	37.07%
May-16	3 270 258	21 657 858	6.62	2 088 384	27 854 648	13.34	1 181 874	7 827 170	36.14%
Jun-16	4 418 612	29 832 002	6.75	459 205	5 599 602	12.19	3 959 407	26 731 706	89.61%
Jul-16	2 993 653	22 460 965	7.50	1 421 052	19 886 318	13.99	1 572 601	11 799 011	52.53%
Aug-16	3 226 997	23 915 086	7.41	1 313 799	23 469 173	17.86	1 913 198	14 178 596	59.29%
Sep-16	3 276 536	24 238 614	7.40	1 314 366	19 248 928	14.65	1 962 170	14 515 416	59.89%
Oct-16	3 506 158	26 238 272	7.48	1 782 758	26 214 725	14.70	1 723 400	12 897 031	49.15%
Nov-16	3 482 022	26 144 399	7.51	1 347 218	24 794 811	18.40	2 134 804	16 028 950	61.31%
Dec-16	3 230 380	23 927 487	7.41	4 674 842	21 054 333	4.50	-1 444 462	-10 699 156	-44.71%
Jan-17	3 653 259	27 220 800	7.45	2 039 592	28 818 897	14.13	1 613 667	12 023 593	44.17%
Feb-17	2 599 722	19 813 082	7.62	1 512 679	21 016 253	13.89	1 087 043	8 284 607	41.81%
Total	40 248 231	289 128 024	7.18	21 754 166	264 051 605	12.14	18 494 065	132 072 859	45.95%

The cumulative average of Water Losses for the past twelve months is 46%

Month	Units Purchased	Purchase Amount	Unit cost (in cents)	Units Sold	Sales Amount	Unit cost (in cents)	Units Lost in Distribution	Value of Units Lost In Distribution	% of units Lost in Distribution
Mar-16	153 254 602	101 451 886	66.20	142 151 856	111 776 606	78.63	11 102 746	7 349 825	7.24%
Apr-16	149 844 865	100 510 382	67.08	140 360 887	110 320 315	78.60	9 483 978	6 361 501	6.33%
May-16	155 640 031	103 791 253	66.69	144 907 682	112 341 085	77.53	10 732 349	7 157 053	6.90%
Jun-16	146 811 059	155 103 481	105.65	128 682 052	119 163 796	92.60	18 129 007	19 152 999	12.35%
Jul-16	159 994 640	177 395 570	110.88	145 774 600	185 839 043	127.48	14 220 040	15 766 603	8.89%
Aug-16	153 836 018	173 233 562	112.61	143 814 979	185 871 799	129.24	10 021 039	11 284 616	6.51%
Sep-16	171 584 570	124 688 511	72.67	158 723 904	149 726 598	94.33	12 860 666	9 345 696	7.50%
Oct-16	193 257 645	136 645 729	70.71	186 679 451	158 546 467	84.93	6 578 194	4 651 211	3.40%
Nov-16	190 633 680	145 731 739	76.45	182 877 627	165 653 511	90.58	7 756 053	5 929 189	4.07%
Dec-16	188 379 632	137 092 771	72.77	181 315 003	192 136 639	105.97	7 064 629	5 141 265	3.75%
Jan-17	184 827 743	135 435 647	73.28	216 457 603	188 722 386	87.19	-31 629 860	-23 177 313	-17.11%
Feb-17	172 519 728	128 667 029	74.58	92 533 189	72 302 118	78.14	79 986 539	59 654 803	46.36%
Total	2 020 584 213	1 619 747 562	80.16	1 864 278 832	1 752 400 365	94.00	156 305 381	128 617 448	7.74%

The cumulative average of Electricity Losses for the past twelve months is 8%

5. SUMMARY

Directorates are advised to adhere to Section 15 (a) (b) of the Municipal Finance Management Act No. 56 of 2003, which states that a municipality may, except where otherwise provided in this Act, incur expenditure only in terms of an approved budget and within the limits of the amounts appropriated for the different votes in an approved budget. With regard to the above, the Directorates are urged to spend within the projected spending and to the approved budget. Failure to spend accordingly could hamper service delivery, cash management and adherence to the prescribed Act.

AGENDA: COUNCIL: 25 APRIL 2017

By the time the Mayoral Committee agenda was compiled, the minutes of the PFC: Budget & Treasury were not available. The Chairperson will report during the meeting and any amendments will be tabled.

RECOMMENDED:

ACTION

That the report be noted.

ALL

AGENDA: COUNCIL: 25 APRIL 2017

This item served before the Mayoral Committee on the 19 April 2017 and the following recommendations were made:

RECOMMENDED:

ACTION

That the report be noted.

ALL
