

## AGENDA: COUNCIL: 31 JANUARY 2017

20. **MONTHLY BUDGET STATEMENT IN TERMS OF SECTION 71 OF THE MUNICIPAL FINANCE MANAGEMENT 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 **31<sup>st</sup> of December 2016** 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.

--- (Annexure A) (Pages 528 - 563).

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 **31<sup>st</sup> of December 2016**, the ten working day reporting limit expires on the **16<sup>th</sup> of January 2017**. **For our municipality month-end was concluded on the 12<sup>th</sup> of January 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#

NW373 Rustenburg - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

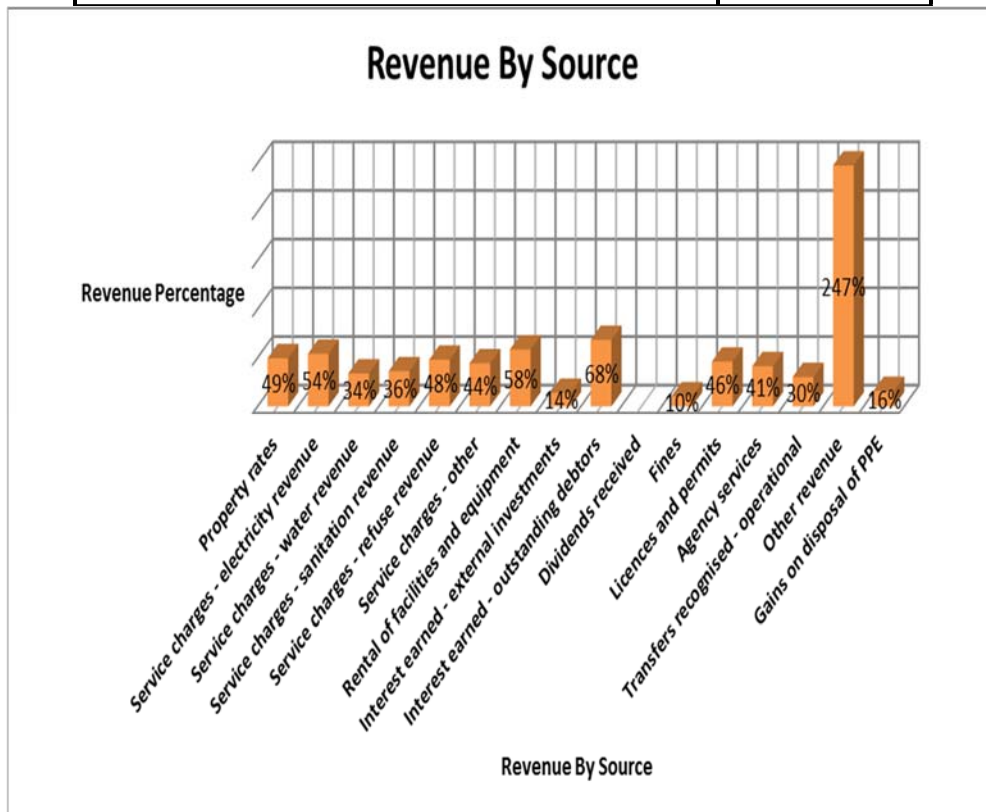
Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		281 992	300 115		24 797	148 431	150 058	(1 627)	-1%	296 861
Property rates - penalties & collection charges										
Service charges - electricity revenue		1 894 036	2 072 510		206 409	1 118 885	1 036 255	82 630	8%	2 237 770
Service charges - water revenue		408 125	484 254		25 908	163 931	242 127	(78 196)	-32%	327 862
Service charges - sanitation revenue		187 853	250 835		15 531	90 721	125 418	(34 696)	-28%	181 443
Service charges - refuse revenue		105 564	113 160		8 529	54 248	56 580	(2 332)	-4%	108 496
Service charges - other		273	295		129	131	148	(17)	-11%	262
Rental of facilities and equipment		10 050	8 884		704	5 187	4 442	745	17%	10 374
Interest earned - external investments		31 764	35 241		941	4 928	17 620	(12 692)	-72%	9 856
Interest earned - outstanding debtors		139 620	139 244		16 802	95 068	69 622	25 446	37%	190 136
Dividends received										
Fines		10 817	9 062		78	940	4 531	(3 591)	-79%	1 879
Licences and permits		9 892	10 856		852	4 992	5 428	(436)	-8%	9 984
Agency services		18 186	19 277		(3 066)	7 958	9 638	(1 680)	-17%	15 916
Transfers recognised - operational		543 309	583 768		57 582	175 827	291 884	(116 057)	-40%	351 653
Other revenue		28 900	24 400		12 855	60 373	12 200	48 173	395%	120 746
Gains on disposal of PPE		12 000	5 000			792	2 500	(1 708)	-68%	1 584
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>3 682 471</b>	<b>4 056 902</b>	<b>-</b>	<b>368 051</b>	<b>1 932 412</b>	<b>2 028 451</b>	<b>(96 039)</b>	<b>-5%</b>	<b>3 864 824</b>
<b>Expenditure By Type</b>										
Employee related costs		551 013	577 889		45 961	281 283	288 944	(7 661)	-3%	562 566
Remuneration of councillors		29 186	30 722		2 715	15 298	15 361	(63)	0%	30 597
Debt impairment		301 719	386 643				193 322	(193 322)	-100%	
Depreciation & asset impairment		288 610	415 968		1 335	10 165	207 984	(197 819)	-95%	20 330
Finance charges		59 044	52 721		23 070	34 186	26 360	7 825	30%	68 372
Bulk purchases		1 694 821	1 769 272		178 199	1 061 801	884 636	177 165	20%	2 123 602
Other materials		133 348	131 712		7 232	39 603	65 856	(26 253)	-40%	79 206
Contracted services		240 209	208 411		9 147	65 415	104 205	(38 790)	-37%	130 830
Transfers and grants		24 314	24 779		147	1 049	12 389	(11 340)	-92%	2 098
Other expenditure		200 208	287 919		14 853	92 692	143 959	(51 268)	-36%	185 383
Loss on disposal of PPE										
<b>Total Expenditure</b>		<b>3 522 473</b>	<b>3 886 035</b>	<b>-</b>	<b>282 658</b>	<b>1 601 492</b>	<b>1 943 018</b>	<b>(341 525)</b>	<b>-18%</b>	<b>3 202 984</b>
<b>Surplus/(Deficit)</b>										
Transfers recognised - capital		644 984	398 874		49 105	266 432	199 437	66 995	0	532 863
Contributions recognised - capital		90 440	69 000			46 596	34 500	12 096	0	93 192
Contributed assets										
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>895 423</b>	<b>638 741</b>	<b>-</b>	<b>134 498</b>	<b>643 947</b>	<b>319 370</b>			<b>1 287 895</b>
Taxation										
<b>Surplus/(Deficit) after taxation</b>		<b>895 423</b>	<b>638 741</b>	<b>-</b>	<b>134 498</b>	<b>643 947</b>	<b>319 370</b>			<b>1 287 895</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>		<b>895 423</b>	<b>638 741</b>	<b>-</b>	<b>134 498</b>	<b>643 947</b>	<b>319 370</b>			<b>1 287 895</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>		<b>895 423</b>	<b>638 741</b>	<b>-</b>	<b>134 498</b>	<b>643 947</b>	<b>319 370</b>			<b>1 287 895</b>

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The table attached above reflects the revenue earned and expenditure incurred for the reporting month of December 2016 in accordance with the accrual basis of accounting. The expected Revenue for the six months of the reporting period is an average of 50% and the municipality has performed as follows for this reporting month:

### 4.1.1 Revenue By Source

<b>Revenue By Source</b>	
Property rates	49%
Service charges - electricity revenue	54%
Service charges - water revenue	34%
Service charges - sanitation revenue	36%
Service charges - refuse revenue	48%
Service charges - other	44%
Rental of facilities and equipment	58%
Interest earned - external investments	14%
Interest earned - outstanding debtors	68%
Dividends received	
Fines	10%
Licences and permits	46%
Agency services	41%
Transfers recognised - operational	30%
Other revenue	247%
Gains on disposal of PPE	16%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>48%</b>



- The overall municipality performance on the revenue is at 48% when compared to the pro rata of 50% as at the end of December 2016.

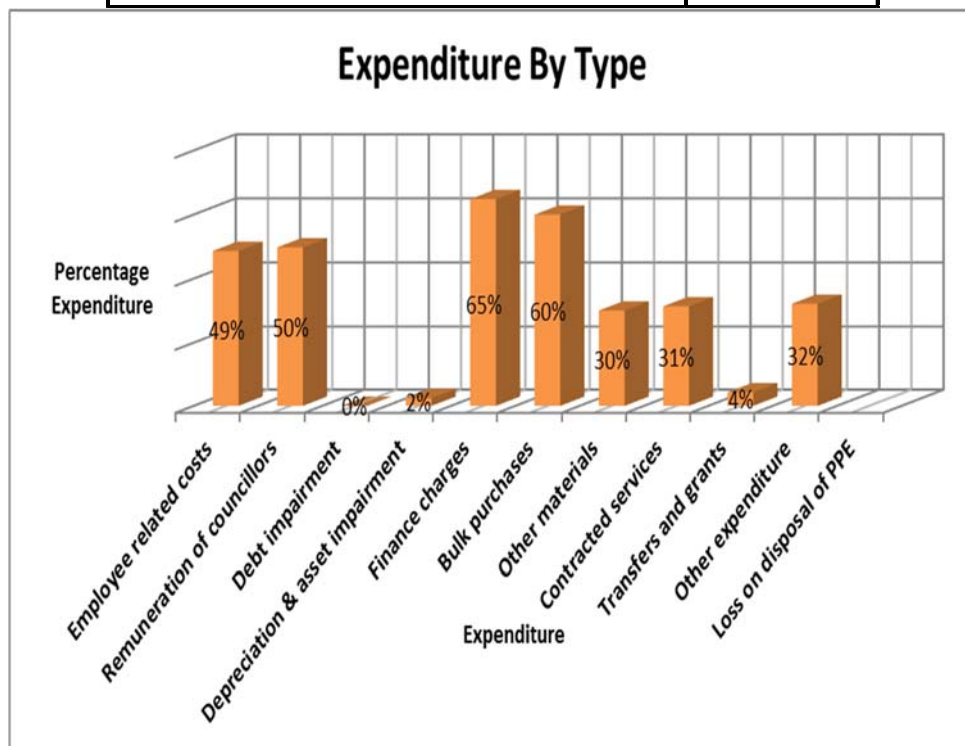
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- Performance of **Property Rates** is at 49% by the end of December 2016 in line with the anticipated collection rate of 50%.
- Revenue on **Service charges** – Water and Sanitation have performed below the expected collection rate with 34% and 36% respectively, while there was an improvement on Other Service Charges which is 44%. Electricity and Waste Management are still performing with 54% and 48% 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 58% when compared to the expected collection rate of 50% by the end of December 2016.
- **Fines** service is at 10% by the end of 31<sup>st</sup> December 2016/2017 financial year when compared to the anticipated collection rate of 50%. The performance of fines is below projected budget.
- **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 December 2016 is at 46%.
- 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 31<sup>st</sup> December 2016 is at 41%.
- 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 247% when compared to the pro rata of 50%. This includes services such as (Tender fees, Legal fees recovered, Amendment schemes fees, Reconnection fees, Connections, Advertising fees, etc.)

### 4.1.2 Expenditure by Type

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<b>Expenditure By Type</b>	
Employee related costs	49%
Remuneration of councillors	50%
Debt impairment	0%
Depreciation & asset impairment	2%
Finance charges	65%
Bulk purchases	60%
Other materials	30%
Contracted services	31%
Transfers and grants	4%
Other expenditure	32%
Loss on disposal of PPE	
<b>Total Expenditure</b>	<b>41%</b>



The expenditure ending in December 2016 is at 41% when compared to the pro rata of 50%.

- **Employee-Related Costs** refers to salaries and benefits of all the municipal staff. The expenditure is stable as in line with the expected rate of 50%. There will be a need to increase the salaries budget by 11% to accommodate the increase in medical aid from January 2017.
- **Remuneration of Councillors** refers to salaries and benefits of all the Councillors. The expenditure is also stable under the expected rate of 50%.
- **Debt Impairment and Depreciation** performances are at 0% and 2% 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

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end of the financial year when the assets verification and condition assessment is completed.

- 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 in line with the accrual basis of accounting.
- The spending for electricity bulk purchases has to be increased through budget adjustment as spending is already at 72% year to date. An additional R 257million will be required for the remaining six months.
- The expenditure for **Contracted Services** for the month of December 2016 is at 31% 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 December 2016, expenditure on this service is at 30% when compared to the 50% 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 32%. 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 - M06 December)

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									
<b>Capital Expenditure - Standard Classification</b>										
<i>Governance and administration</i>		400	18 465	-	10	2 122	9 233	(7 111)	-77%	4 244
Executive and council		-	7 465		-	-	3 733	(3 733)	-100%	-
Budget and treasury office		-	-		-	-	-	-		-
Corporate services		400	11 000		10	2 122	5 500	(3 378)	-61%	4 244
<i>Community and public safety</i>		6 158	9 391	-	1 919	7 732	4 695	3 036	65%	15 463
Community and social services		1 158	1 532		57	122	766	(644)	-84%	244
Sport and recreation		5 000	7 859		1 862	7 609	3 929	3 680	94%	15 219
Public safety		-	-		-	-	-	-		-
Housing		-	-		-	-	-	-		-
Health		-	-		-	-	-	-		-
<i>Economic and environmental services</i>		539 361	305 002	-	13 627	137 831	152 501	(14 670)	-10%	275 662
Planning and development		-	-		-	-	-	-		-
Road transport		539 361	305 002		13 627	137 831	152 501	(14 670)	-10%	275 662
Environmental protection		-	-		-	-	-	-		-
<i>Trading services</i>		269 020	144 016	-	5 153	70 437	72 008	(1 571)	-2%	140 874
Electricity		162 550	21 800		4 865	19 968	10 900	9 068	83%	39 937
Water		72 963	53 216		-	2 784	26 608	(23 824)	-90%	5 569
Waste water management		28 507	69 000		288	46 884	34 500	12 384	36%	93 768
Waste management		5 000	-		-	800	-	800	#DIV/0!	1 600
<i>Other</i>		90 440	10 000		-	-	5 000	(5 000)	-100%	-
<b>Total Capital Expenditure - Standard Classification</b>	3	905 379	486 874	-	20 708	218 121	243 437	(25 316)	-10%	436 242
<b>Funded by:</b>										
National Government		643 827	397 342		20 652	171 403	198 671	(27 268)	-14%	342 806
Provincial Government		1 158	1 532		57	122	766	(644)	-84%	244
District Municipality		-	-		-	-	-	-		-
Other transfers and grants		-	-		-	-	-	-		-
Transfers recognised - capital		644 985	398 874	-	20 708	171 525	199 437	(27 912)	-14%	343 051
Public contributions & donations	5	90 440	69 000		-	46 596	34 500	12 096	35%	93 192
Borrowing	6	169 954	-		-	-	-	-		-
Internally generated funds		-	19 000		-	-	9 500	(9 500)	-100%	-
<b>Total Capital Funding</b>		905 379	486 874	-	20 708	218 121	243 437	(25 316)	-10%	436 242

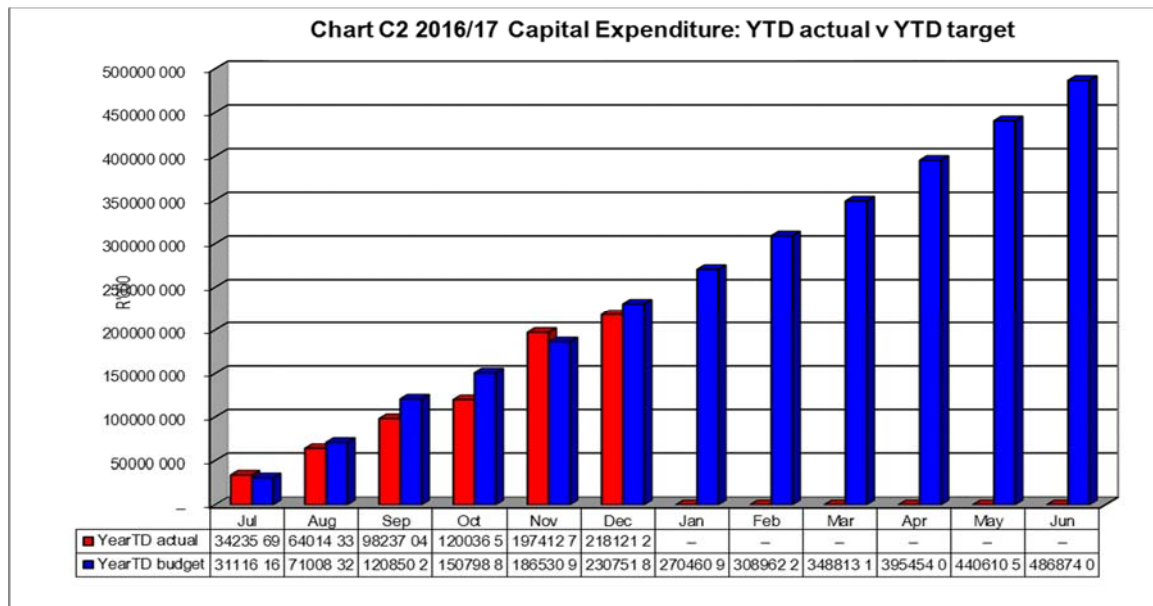
The capital budget for December spending is detailed below. Year to date spending is at R 218 million (45%) of the expected year to date spending of R 243 million (50% pro rata).

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**The actual expenditure on capital projects for December 2016 was on the following projects:**

lfe-desc	Vote-desc	Dec-16
OTHER ASSETS - DSAC	BOOK CADDIE- MAIN LIBRARY	11 989.50
OFFICE EQUIPMENT - DSAC	Book Display Unit: Karlienpark	11 520.00
ELECTRICITY RETICULATION - LOAN	CASHAN EXT 28-INTERNAL ELECTRICAL NETWORK PHASE2	57 107.50
OFFICE EQUIPMENT - CRR	COMPUTERS(LAPTOPS AND DESKTOPS)	9 950.00
INTEGRATED RAPID TRANSPORT NETWORK	CONSTRUCTION OF RRT CBD NORTH - CONTRACTOR A	7 607 657.63
DEVELOP RECREATIONAL FACILITY - MIG	Development of Boitekong Sports Facility	1 862 386.42
ROADS, PAVEMENTS, BRIDGES & STORMWATER - MIG	FREEDOM PARK ROADS & STORMWATER	772 089.33
STREET LIGHTING - MIG	KANANA HIGH MUST LIGHTS	198 440.73
SEWERAGE PURIFICATION & RETICULATION - MIG	LETHABONG WARD 27 & 28 INTERNAL SEWER RETICULATION & TOILET STRUCT R	288 000.00
ROADS, PAVEMENTS, BRIDGES & STORMWATER - MIG	MAFENYA INTERNAL ROADS & STORMWATER UPGRADING	254 658.42
ROADS, PAVEMENTS, BRIDGES & STORMWATER - MIG	MARIKANA ROADS & STORMWATER	549 235.00
STREET LIGHTING - MIG	MAUMONG HIGH MAST LIGHTS	1 152 000.00
ROADS, PAVEMENTS, BRIDGES & STORMWATER - MIG	MAUMONG ROADS & STORMWATER	307 750.00
STREET LIGHTING - MIG	MOSENTHAL/IKAGENG HIGH MAST LIGHTS	1 556 561.17
ROADS, PAVEMENTS, BRIDGES & STORMWATER - MIG	PHATSIMA ROADS AND STORMWATER DRAINAGE PHASE 3	1 591 997.67
STREET LIGHTING - MIG	RASIMONE HIGH MAST LIGHTS	495 100.00
OTHER ASSETS - DSAC	STEP LADDERS: BRANCH LIBRARIES	7 227.22
OFFICE EQUIPMENT - DSAC	STUDY CHAIRS-MONAKATO LIB	6 861.60
OFFICE EQUIPMENT - DSAC	STUDY TABLES-MONAKATO LIB	19 239.20
STREET LIGHTING - MIG	THABANENG HIGH MAST LIGHTS	1 146 500.00
ELECTRICITY RETICULATION - LOAN	UPGRADING/REFURBISHMENT OF 33KV SUBSTATIONS	258 869.82
ROADS, PAVEMENTS, BRIDGES & STORMWATER - MIG	WARD 5 ROADS & STORMWATER UPGRADING	895 400.00
ROADS, PAVEMENTS, BRIDGES & STORMWATER - MIG	WARD 6 ROADS & STORMWATER UPGRADING	1 647 906.08
		<b>20 708 447.29</b>

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.





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### 4.1.4 Statement of Financial Position as at 31 December 2016

NW373 Rustenburg - Table C6 Consolidated Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		188 367	194 248		137 824	194 248
Call investment deposits		405 325	908 963		-	908 963
Consumer debtors		318 716	319 301		814 054	319 301
Other debtors		64 648	88 207		593	88 207
Current portion of long-term receivables		804	844		101	844
Inventory		16 674	16 674		16 417	16 674
<b>Total current assets</b>		<b>994 535</b>	<b>1 528 238</b>	<b>-</b>	<b>968 988</b>	<b>1 528 238</b>
<b>Non current assets</b>						
Long-term receivables		-	-		2 349	-
Investments		880	880		802	880
Investment property		314 509	314 509		306 259	314 509
Investments in Associate			-			-
Property, plant and equipment		8 793 279	9 206 086		8 347 421	9 206 086
Agricultural			-			-
Biological assets			-			-
Intangible assets		706	706		608	706
Other non-current assets		119	119		119	119
<b>Total non current assets</b>		<b>9 109 493</b>	<b>9 522 300</b>	<b>-</b>	<b>8 657 558</b>	<b>9 522 300</b>
<b>TOTAL ASSETS</b>		<b>10 104 028</b>	<b>11 050 538</b>	<b>-</b>	<b>9 626 546</b>	<b>11 050 538</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft						
Borrowing		49 030	49 051		31 049	49 051
Consumer deposits		30 120	42 198		41 618	42 198
Trade and other payables		802 035	800 664		786 927	800 664
Provisions		19 362	20 523		17 430	20 523
<b>Total current liabilities</b>		<b>900 548</b>	<b>912 436</b>	<b>-</b>	<b>877 023</b>	<b>912 436</b>
<b>Non current liabilities</b>						
Borrowing		608 928	556 207		617 685	556 207
Provisions		215 789	219 118		265 970	219 118
<b>Total non current liabilities</b>		<b>824 717</b>	<b>775 325</b>	<b>-</b>	<b>883 655</b>	<b>775 325</b>
<b>TOTAL LIABILITIES</b>		<b>1 725 265</b>	<b>1 687 762</b>	<b>-</b>	<b>1 760 679</b>	<b>1 687 762</b>
<b>NET ASSETS</b>	2	<b>8 378 763</b>	<b>9 362 777</b>	<b>-</b>	<b>7 865 867</b>	<b>9 362 777</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		8 170 399	9 150 990		7 865 867	9 150 990
Reserves		208 364	211 787			211 787
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>8 378 763</b>	<b>9 362 777</b>	<b>-</b>	<b>7 865 867</b>	<b>9 362 777</b>

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### 4.1.5 Statement of Cash flows for the month ending 31 December 2016

NW373 Rustenburg - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M06 December

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									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Ratepayers and other		2 166 000	3 019 576		480 373	1 623 350	1 509 788	113 562	8%	3 246 700
Government - operating		298 670	583 768		57 582	175 827	291 884	(116 057)	-40%	351 653
Government - capital		521 265	398 874		49 105	266 432	199 437	66 995	34%	532 863
Interest		59 096	35 241		17 743	99 996	17 620	82 376	468%	199 992
Dividends								-		
<b>Payments</b>										
Suppliers and employees		(2 282 261)	(3 005 924)		(256 864)	(1 539 327)	(1 502 962)	36 365	-2%	(3 078 654)
Finance charges		(42 848)	(52 721)		(21 316)	(30 707)	(26 360)	4 346	-16%	(61 413)
Transfers and Grants		(1 102)	(24 779)		(147)	(1 049)	(12 389)	(11 340)	92%	(2 098)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>718 820</b>	<b>954 035</b>	<b>-</b>	<b>326 477</b>	<b>594 522</b>	<b>477 017</b>	<b>117 505</b>	<b>25%</b>	<b>1 189 044</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		794	93 000		-	792	46 500	(45 708)	-98%	1 584
Decrease (Increase) in non-current debtors		-	-		-	-	-	-		-
Decrease (increase) other non-current receivables		-	-		-	-	-	-		-
Decrease (increase) in non-current investments		-	-		-	-	-	-		-
<b>Payments</b>										
Capital assets		(911 183)	(486 873)		(20 708)	(218 121)	(243 437)	(25 315)	10%	(436 242)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(910 389)</b>	<b>(393 873)</b>	<b>-</b>	<b>(20 708)</b>	<b>(217 329)</b>	<b>(196 937)</b>	<b>20 393</b>	<b>-10%</b>	<b>(434 658)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits		15	2 078		4	454	1 039	(585)	-56%	908
<b>Payments</b>										
Repayment of borrowing		(17 384)	(52 721)		(29 222)	(37 592)	(26 360)	11 232	-43%	(75 185)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(17 369)</b>	<b>(50 643)</b>	<b>-</b>	<b>(29 218)</b>	<b>(37 138)</b>	<b>(25 322)</b>	<b>11 817</b>	<b>-47%</b>	<b>(74 277)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(208 938)</b>	<b>509 518</b>	<b>-</b>	<b>276 550</b>	<b>340 055</b>	<b>254 759</b>			<b>680 109</b>
Cash/cash equivalents at beginning:		982 498	593 693	593 693		593 693	593 693			593 693
Cash/cash equivalents at month/year end:		773 560	1 103 211	593 693		933 747	848 452			1 273 802

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## 4.1.6 Material Variance Explanations for the month ended 31 December 2016

NW373 Rustenburg - Supporting Table SC1 Material variance explanations - M06 December

Ref	Description	Variance	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands				
1	<b>Revenue By Source</b>				
	Property rates	(1 627)	-1%	Variance is not Material	This Variance should be analysed over a few months, an investigation should then be undertaken if the variance
	Service charges - electricity revenue	82 630	8%	Variance is positive	No remedial actions is needed as the variance is positive
	Service charges - water revenue	(78 196)	-32%	The variance on water revenue remains at 32%, this is as a result of periodic adjustments made due to estimates, incorrect meter readings and leakages queries.	A revenue enhancement team has been formed that sits every Monday to give progress on the remedial actions done to correct the anomalies
	Service charges - sanitation revenue	(34 696)	-28%	The variance on Sanitation is now at 32%, the water consumption impact on the sewerage system	A revenue enhancement team has been formed that sits every Monday to give progress on the remedial actions done to correct the anomalies
	Service charges - refuse revenue	(2 332)	-4%	Variance is not Material	No remedial actions is needed as the variance is positive
	Service charges - other	(17)	-11%	Variance is not Material	No remedial actions is needed as the variance is positive
	Rental of facilities and equipment	745	17%	Variance is not Material	No remedial actions is needed as the variance is positive
	Interest earned - external investments	(12 692)	-72%	Interests amounts differ on a month to month basis as the Investments are short-term and are made based on available balance.	This Variance should be analysed over a few months and corrective measures be undertaken if need be.
	Interest earned - outstanding debtors	25 446	37%	The variance is caused by an Outstanding Debtors Book of R3 204 579 994	Stringent Credit Control measures must be effected to ensure collection of old debts.
	Fines	(3 591)	-79%	The variance is material	Collection rate of fines should be of high priority
	Licences and permits	(436)	-8%	Variance is not Material	No remedial actions is needed as the variance is positive
	Agency services	(1 680)	-17%	Variance is not Material	No remedial actions is needed
	Transfers recognised - operational	(116 057)	-40%	Grants transfers are received in trenches and do not follow a straight line approach. A significant balance of the transfers was made in July	No remedial actions is needed
	Other revenue	48 173	395%	Other Revenue is made up various revenue sources and will vary month to month	No remedial actions is needed as the variance is positive
	Gains on disposal of PPE	(1 708)	-68%	Variance is not Material	No remedial actions is needed
2	<b>Expenditure By Type</b>				
	Employee related costs	(7 661)	-3%	Variance is not Material	This Variance should be adjusted for during adjustment
	Remuneration of councillors	(63)	0%	Variance is not Material	No remedial actions is needed
	Debt impairment	(193 322)	-100%	Debt Impairment is provision for unpaid debts and is calculated at year-end	No remedial actions is needed
	Depreciation & asset impairment	(197 819)	-95%	Depreciation and Impairment is provision for the future replacement of assets and is calculated at year-end	No remedial actions is needed
	Finance charges	7 825	30%	Variance is not Material	No remedial actions is needed
	Bulk purchases	177 165	20%	Variance is not Material	No remedial actions is needed
	Other materials	(26 253)	-40%	Variance is not Material	No remedial actions is needed
	Contracted services	(38 790)	-37%	Variance is not Material	No remedial actions is needed
	Transfers and grants	(11 340)	-92%	Variance is Material	Increase rate of spending
	Other expenditure	(51 268)	-36%	Variance is not Material	No remedial actions is needed
	Loss on disposal of PPE	-			
3	<b>Capital Expenditure</b>				
	Vote 1 - EXECUTIVE MAYOR	-			
	Vote 2 - MUNICIPAL MANAGER	(2 363)	-2%	Variance is not Material	No remedial actions is needed
	Vote 3 - CORPORATE SUPPORT SERVICES	(3 378)	-61%	Service provider is on site and currently no payments have been made to the service provider as they are still busy the network upgrading implementation	Invoices are yet to be submitted
	Vote 4 - BUDGET AND TREASURY	-			
	Vote 5 - PUBLIC SAFETY	-			
	Vote 6 - PLANNING AND HUMAN SETTLEMENT	-			
	Vote 7 - LOCAL ECONOMIC DEVELOPMENT	-			
	Vote 8 - COMMUNITY DEVELOPMENT	3 836	82%	Variance is Material	Reduce in expenditure
	Vote 9 - TECHNICAL AND INFRASTRUCTURE	(35 507)	-38%	Variance has increased compared to the previous month which shows decrease in spending	Reasons would be that closure of business in the festive season
	Vote 10 - RUSTENBURG WATER SERVICES TRUST	12 096	35%	Variance is not Material	Rate of spending has reduced, no capital expenditure for december

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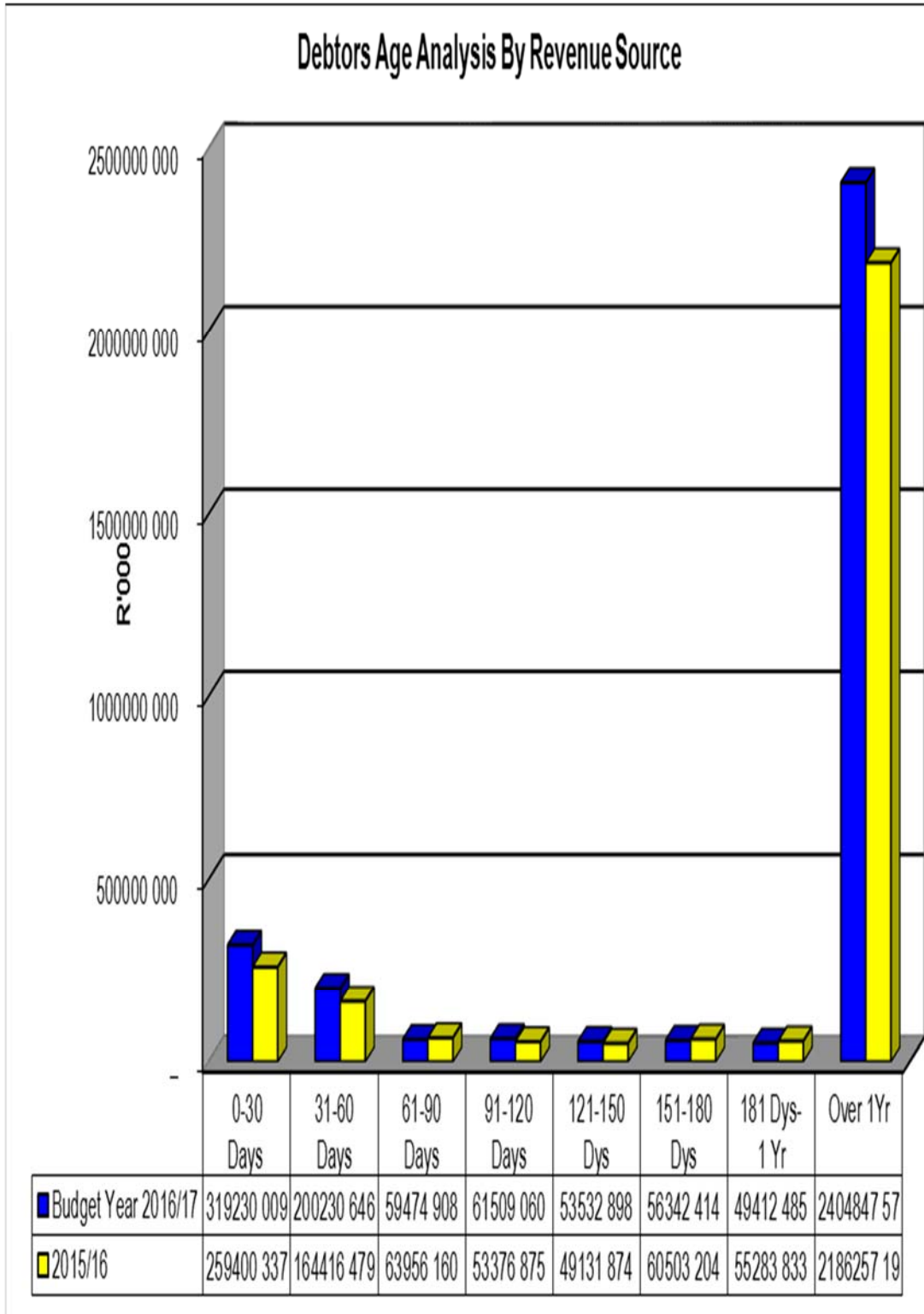
### 4.1.7 Debtors' Age Analysis for the month ended 31 December 2016

NW373 Rustenburg - Supporting Table SC3 Monthly Budget Statement - aged debtors - MO6 December

Description	NT Code	Budget Year 2016/17								Total	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			
R thousands												
Debtors Age Analysis By Revenue Source												
Rates	1200	30 773	21 665	15 347	15 907	14 021	14 072	12 593	800 112	924 490	-	856 705
Electricity	1300	232 731	138 884	11 039	9 667	9 383	10 470	8 866	235 661	656 701	-	274 047
Water	1400	22 438	10 007	6 602	6 142	5 760	5 446	4 986	179 713	241 094	-	202 047
Sewerage / Sanitation	1500	9 943	6 710	5 501	7 180	5 068	5 583	4 598	199 252	243 835	-	221 681
Refuse Removal	1600	9 363	6 276	5 313	7 331	5 023	5 101	4 625	241 365	284 398	-	263 445
Housing (Rental Revenue)	1700	14 825	14 529	14 249	14 016	13 740	13 606	12 345	699 134	796 444	-	752 842
Other	1900	(844)	2 160	1 423	1 267	539	2 063	1 398	49 612	57 619	-	54 879
<b>Total By Revenue Source</b>	<b>2000</b>	<b>319 230</b>	<b>200 231</b>	<b>59 475</b>	<b>61 509</b>	<b>53 533</b>	<b>56 342</b>	<b>49 412</b>	<b>2 404 848</b>	<b>3 204 580</b>	<b>-</b>	<b>2 625 644</b>
2015/16 - totals only										-		-
Debtors Age Analysis By Customer Category												
Government	2200	41 103	3 900	2 428	1 220	1 514	619	537	58 933	110 254	-	
Business	2300	178 180	129 202	4 614	5 170	4 826	6 222	4 795	110 524	443 532	-	
Households	2400	83 081	59 198	46 140	49 822	42 345	44 281	39 134	2 132 255	2 496 257	-	
Other	2500	16 866	7 931	6 293	5 297	4 849	5 221	4 945	103 135	154 536	-	
<b>Total By Customer Category</b>	<b>2600</b>	<b>319 230</b>	<b>200 231</b>	<b>59 475</b>	<b>61 509</b>	<b>53 533</b>	<b>56 342</b>	<b>49 412</b>	<b>2 404 848</b>	<b>3 204 580</b>	<b>-</b>	

Assessment rates remained 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.

**AGENDA: COUNCIL: 31 JANUARY 2017**



## AGENDA: COUNCIL: 31 JANUARY 2017

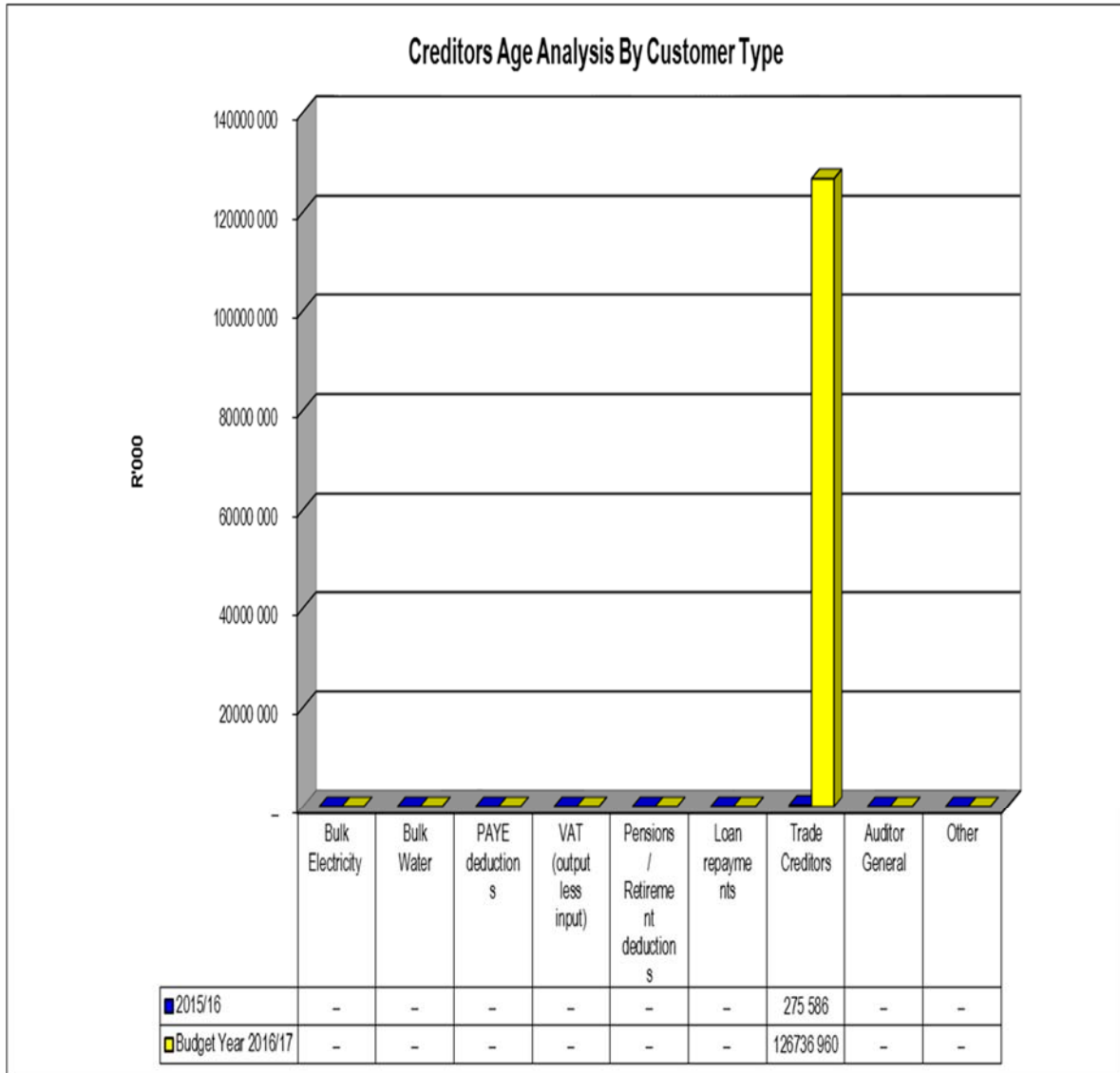
### 4.1.8 Creditors' Age Analysis for the month ended 31 December 2016

NW373 Rustenburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2016/17									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	Total	
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	27 195	19 099	21 151	24 618	2	67	-	34 605	126 737	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>2600</b>	<b>27 195</b>	<b>19 099</b>	<b>21 151</b>	<b>24 618</b>	<b>2</b>	<b>67</b>	<b>-</b>	<b>34 605</b>	<b>126 737</b>	<b>-</b>

The creditors' book has increased by R 124, 901 million when compared to the November balance of R 1, 836 million.

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### 4.1.9 Investment Portfolio for the month 31 December 2016

NW373 Rustenburg - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

Investments by maturity Name of institution & investment ID R thousands	Ref	Period of Investment Yrs/Months	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning	Change in market value	Market value at end of the
<u>Municipality</u>									
ABSA (550/813 , 550/823)					401		4 647	-	4 647
1220000458 (5004)		-	Short-Term	-	388		-		
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%	12	7.3%	170	-	170
STANDARD BANK CALL ACCOUNT		-	-	-	480	0.0%	5 000	(5 000)	480
SANLAM (550/812, 550/827)		-	-	-	-	0.0%	54 070	-	54 070
SANLAM SHARES		-	-	-	-	0.0%	801	-	801
KAGISO ASSET MANAGEMENT (550/827)		-	-	-	-	0.0%	52 547	-	52 547
HOUSING: CURRENT ACCOUNT		-	-	-	-	0.0%	14 343	50	14 393
ABSA CURRENT ACCOUNT		-	-	-	-	0.0%	16 329	402	16 731
CALL ACCOUNT (4078503088)		32 Days @6.63%	Short-Term	32 Days @6.63%	68	6.6%	12 041	(10 000)	2 109
Municipality sub-total					950	0	159 779	(14 548)	145 779
<u>Entities</u>									
Entities sub-total					-		-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>2</b>				<b>950</b>		<b>159 779</b>	<b>(14 548)</b>	<b>145 779</b>



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## 4.1.10 Grant Receipts for the month 31 December 2016

NW373 Rustenburg - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

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										
<b>RECEIPTS:</b>										
<b>Operating Transfers and Grants</b>										
National Government:		538 542	583 300	-	71 236	196 327	291 650	(95 323)	-32,7%	392 654
Local Government Equitable Share		399 145	451 980		53 602	144 869	225 990	(81 121)	-35,9%	289 738
Finance Management		1 600	1 625		47	312	813	(500)	-61,6%	624
Municipal Systems Improvement		530	-							
Water Services Operating Subsidy		7 000	-							
2010 FIFA World Cup Operating		-	-							
Energy Efficiency and Demand Management	3	-	-							
NDPG		-	400				200	(200)	-100,0%	-
FIFA		-	-							
EPWP		3 384	4 219		574	4 215	2 110	2 106	99,8%	8 430
PTIS		116 856	72 578		9 548	36 199	36 289	(90)	-0,2%	72 398
PMU		5 028	5 997		853	1 226	2 999	(1 773)	-59,1%	2 452
MIG		5 000	46 500		6 613	9 506	23 250	(13 744)	-59,1%	19 012
Other transfers and grants [insert description]										
Provincial Government:		841	468	-	26	128	234	(106)	-45,5%	255
Sport and Recreation		841	468		26	128	234	(106)	-45,5%	255 207,56
Skills Levy										
LG-SETA										
Other grant providers:		4	-	-	-	-	-	-		-
[insert description]		4								
<b>Total Operating Transfers and Grants</b>	5	539 388	583 768	-	71 263	196 455	291 884	(95 429)	-32,7%	392 910
<b>Capital Transfers and Grants</b>										
National Government:		643 827	397 342	-	22 106	172 660	198 671	(26 011)	-13,1%	345 320
Municipal Infrastructure Grant (MIG)		192 715	147 417		14 499	65 776	73 708	(7 932)	-10,8%	131 552
Public Transport and Systems		428 711	212 461		7 608	104 100	106 230	(2 131)	-2,0%	208 199
Neighbourhood Development Partnership		-	7 465				3 733	(3 733)	-100,0%	-
Department of Energy		10 000	-							
Municipal Systems Improvement		-	-							
Finance Management		-	-							
Water Infrastructure Grant		12 000	30 000			2 784	15 000	(12 216)	-81,4%	5 569
Municipal Systems Improvement		400	-							
Other capital transfers [insert description]										
Provincial Government:		1 159	1 532	-	-	65	766	(701)	-91,5%	131
Department of Arts, Sports & Culture & DPLG		1 159	1 532			65	766	(701)	-91,5%	131
<b>Total Capital Transfers and Grants</b>	5	644 985	398 874	-	22 106	172 725	199 437	(26 712)	-13,4%	345 451
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	1 184 373	982 642	-	93 369	369 180	491 321	(122 141)	-24,9%	738 360

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The above-mentioned grants were received as per DORA allocation and payment schedule. These are portion of receipts for conditions met (expenditure) as per table below.

### **4.1.11 Grants Expenditure for the month 31 December 2016**

NW373 Rustenburg - Supporting Table SC7 Monthly Budget Statement - transfers and grant expenditure - M06 December

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										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		538 542	583 300	-	71 236	196 327	291 650	(95 323)	-32,7%	392 654
Local Government Equitable Share		399 145	451 980		53 602	144 869	225 990	(81 121)	-35,9%	289 738
Finance Management		1 600	1 625		47	312	813	(500)	-61,6%	624
Municipal Systems Improvement		530	-							
EPWP		3 384	4 219		574	4 215	2 110	2 106	99,8%	8 430
PTIS		116 856	72 578		9 548	36 199	36 289	(90)	-0,2%	72 398
PMU		5 028	5 997		853	1 226	2 999	(1 773)	-59,1%	2 452
2010 FIFA World Cup Operating		-	-							
FIFA		-	-							
Energy Efficiency and Demand Management		-	-							
Water Services Operating Subsidy		7 000	-							
MIG		5 000	46 500		6 613	9 506	23 250	(13 744)	-59,1%	19 012
NDPG			400				200	(200)	-100,0%	-
Provincial Government:		841	468	-	26	128	234	(106)	-45,5%	255
Sport and Recreation		841	468		26	128	234	(106)	-45,5%	255 207,56
<i>[insert description]</i>										
Other grant providers:		4	-	-	-	-	-	-		-
<b>NSCOOP-GRANT</b>		4	-							
<b>Total operating expenditure of Transfers and Grants</b>		<b>539 388</b>	<b>583 768</b>	<b>-</b>	<b>71 263</b>	<b>196 455</b>	<b>291 884</b>	<b>(95 429)</b>	<b>-32,7%</b>	<b>392 910</b>
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		643 827	397 342	-	22 106	172 660	198 671	(26 011)	-13,1%	345 320
Municipal Infrastructure Grant (MIG)		192 715	147 417		14 499	65 776	73 708	(7 932)	-10,8%	131 552
Neighbourhood Development Partnership		-	7 465				3 733	(3 733)	-100,0%	-
Department of Energy		10 000	-							
Municipal Systems Improvement		-	-							
Municipal System Improvement		400	-							
Public Transport and Systems		428 711	212 461		7 608	104 100	106 230	(2 131)	-2,0%	208 199
Neighbourhood Development Partnership		-	-							
Water Infrastructure Grant		12 000	30 000			2 784	15 000	(12 216)	-81,4%	5 569
Provincial Government:		1 159	1 532	-	-	65	766	(701)	-91,5%	131
Department of Arts, Sports & Culture & DPLG		1 159	1 532			65	766	(701)	-91,5%	130 720,16
<b>Total capital expenditure of Transfers and Grants</b>		<b>644 985</b>	<b>398 874</b>	<b>-</b>	<b>22 106</b>	<b>172 725</b>	<b>199 437</b>	<b>(26 712)</b>	<b>-13,4%</b>	<b>345 451</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANT</b>		<b>1 184 373</b>	<b>982 642</b>	<b>-</b>	<b>93 369</b>	<b>369 180</b>	<b>491 321</b>	<b>(122 141)</b>	<b>-24,9%</b>	<b>738 360</b>

Operating grants are at 34% expenditure and capital grants are at 43%. The low spending is for neighbourhood grants, Water Infrastructure grants and DSAC.

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### The actual expenditure for December 2016 on the following grants:

<i>Grants</i>	<i>Budget</i>	<i>Jul</i>	<i>Aug</i>	<i>Sep</i>	<i>Oct</i>	<i>Nov</i>	<i>Dec</i>	<i>Total</i>	<i>Difference</i>	<i>Percentage Spent</i>
<i>Municipal Infrastructure Grant (MIG)</i>	199 754 384	11 630 051	12 343 965	12 805 664	3 818 860	7 648 120	19 895 420	68 142 080	131 612 304	34%
<i>Public Transport Infrastructure Network Grant (PTNG)</i>	345 338 999	23 583 034	21 078 398	9 314 183	22 614 082	46 553 818	17 155 221	140 298 735	205 040 264	41%
<i>Municipal Water Infrastructure Grant (MWIG)</i>	32 400 000	-	-	2 784 348	-	-	-	2 784 348	29 615 652	9%
<i>Neighbourhood Development Grant (NDG)</i>	7 465 000	-	-	-	-	-	-	-	7 465 000	0%
<i>Department of Sports, Arts and Culture (DSAC)</i>	3 254 447	27 000	-	964	112 642	27 832	82 609	251 047	3 003 400	8%
<i>Extended Public Works Programme (EPWP)</i>	4 219 000	636 236	725 195	916 285	692 823	670 343	574 260	4 215 142	3 858	100%
<i>Financial Management Grant (FMG)</i>	1 625 000	-	98 618	-	118 940	-	94 517	312 075	1 312 925	19%
<b>Total</b>	<b>594 056 830</b>	<b>35 876 321</b>	<b>34 246 176</b>	<b>25 821 444</b>	<b>27 357 346</b>	<b>54 900 114</b>	<b>37 802 026</b>	<b>216 003 427</b>	<b>378 053 403</b>	<b>36%</b>

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## 4.1.12 Councillors and Staff Benefits for the month 31 December 2016

NW373 Rustenburg - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

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		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		21 142	22 999		2 176	12 397	11 499	898	8%	24 795
Pension and UIF Contributions		2 220	2 264		170	670	1 132	(462)	-41%	1 341
Medical Aid Contributions		674	670		61	338	335	3	1%	675
Motor Vehicle Allowance		3 435	3 085		152	1 013	1 543	(530)	-34%	2 025
Cellphone Allowance		1 716	1 704		155	880	852	28	3%	1 761
Housing Allowances										
Other benefits and allowances										
<b>Sub Total - Councillors</b>		<b>29 186</b>	<b>30 722</b>	<b>-</b>	<b>2 715</b>	<b>15 298</b>	<b>15 361</b>	<b>(63)</b>	<b>0%</b>	<b>30 597</b>
% increase	4		5.3%							4.8%
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		11 565	12 192		998	5 991	6 096	(105)	-2%	11 981
Pension and UIF Contributions		970	1 038		5 750	34 501	519	33 982	6548%	69 002
Medical Aid Contributions		136	145		37	220	72	148	204%	441
Overtime		-	-		-	-	-	-	-	-
Performance Bonus		-	-		-	-	-	-	-	-
Motor Vehicle Allowance		1 018	1 167		63	381	583	(202)	-35%	762
Cellphone Allowance		-	-		-	-	-	-	-	-
Housing Allowances		38	41				20	(20)	-100%	-
Other benefits and allowances		148	159				79	(79)	-100%	-
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations										
<b>Sub Total - Senior Managers of Municipality</b>		<b>13 875</b>	<b>14 741</b>	<b>-</b>	<b>6 849</b>	<b>41 093</b>	<b>7 371</b>	<b>33 722</b>	<b>458%</b>	<b>82 186</b>
% increase	4									
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		386 304	403 401		30 848	190 798	201 700	(10 902)	-5%	381 597
Pension and UIF Contributions		63 912	66 235		39	538	33 118	(32 579)	-98%	1 077
Medical Aid Contributions		31 041	31 378		2 791	16 847	15 689	1 158	7%	33 694
Overtime		32 659	29 493		2 065	11 880	14 746	(2 866)	-19%	23 760
Performance Bonus		-	-		-	-	-	-	-	-
Motor Vehicle Allowance		16 137	15 499		1 373	8 311	7 749	562	7%	16 622
Cellphone Allowance		91	87		7	43	44	(1)	-2%	86
Housing Allowances		4 062	6 658		200	1 209	3 329	(2 120)	-64%	2 418
Other benefits and allowances		3 532	9 897		1 789	10 564	4 949	5 615	113%	21 128
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations										
<b>Sub Total - Other Municipal Staff</b>		<b>537 738</b>	<b>562 648</b>	<b>-</b>	<b>39 112</b>	<b>240 190</b>	<b>281 324</b>	<b>(41 134)</b>	<b>-15%</b>	<b>480 380</b>
% increase	4									
<b>Total Parent Municipality</b>		<b>580 799</b>	<b>608 111</b>	<b>-</b>	<b>48 675</b>	<b>296 582</b>	<b>304 056</b>	<b>(7 474)</b>	<b>-2%</b>	<b>593 163</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>580 799</b>	<b>608 111</b>	<b>-</b>	<b>48 675</b>	<b>296 582</b>	<b>304 056</b>	<b>(7 474)</b>	<b>-2%</b>	<b>593 163</b>
% increase	4									
<b>TOTAL MANAGERS AND STAFF</b>		<b>551 613</b>	<b>577 389</b>	<b>-</b>	<b>45 961</b>	<b>281 283</b>	<b>288 694</b>	<b>(7 411)</b>	<b>-3%</b>	<b>562 566</b>

## AGENDA: COUNCIL: 31 JANUARY 2017

### 4.1.13 Rustenburg Local Municipality Financial Performance for the month ended 31 December 2016

NW373 Rustenburg - Supporting Table SC10 Monthly Budget Statement - Parent Municipality Financial Performance (revenue and expenditure) - M06 December

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									
<b>Revenue By Source</b>										
Property rates		281 992	300 115		24 797	148 431	150 058	(1 627)	-1%	296 861
Property rates - penalties & collection charges								-		
Service charges - electricity revenue		1 894 036	2 072 510		206 409	1 118 885	1 036 255	82 630	8%	2 237 770
Service charges - water revenue		408 125	484 254		25 908	163 931	242 127	(78 196)	-32%	327 862
Service charges - sanitation revenue		187 853	89 743		7 546	45 310	44 872	439	1%	90 620
Service charges - refuse revenue		105 564	113 160		8 529	54 248	56 580	(2 332)	-4%	108 496
Service charges - other		273	295		129	131	148	(17)	-11%	262
Rental of facilities and equipment		10 050	8 884		704	5 187	4 442	745	17%	10 374
Interest earned - external investments		31 764	28 527		941	4 928	14 264	(9 335)	-65%	9 856
Interest earned - outstanding debtors		139 620	139 244		16 802	95 068	69 622	25 446	37%	190 136
Dividends received		-	-					-		-
Fines		10 817	9 062		78	940	4 531	(3 591)	-79%	1 879
Licences and permits		9 892	10 856		852	4 992	5 428	(436)	-8%	9 984
Agency services		18 186	19 277		(3 066)	7 958	9 638	(1 680)	-17%	15 916
Transfers recognised - operational		543 309	583 768		57 582	175 827	291 884	(116 057)	-40%	351 653
Other revenue		28 990	24 400		711	7 927	12 200	(4 273)	-35%	15 853
Gains on disposal of PPE		12 000	5 000			792	2 500	(1 708)	-68%	1 584
<b>Total Revenue (excluding capital transfers and contribution)</b>		<b>3 682 471</b>	<b>3 889 096</b>	<b>-</b>	<b>347 921</b>	<b>1 834 554</b>	<b>1 944 548</b>	<b>(109 993)</b>	<b>-6%</b>	<b>3 669 109</b>
<b>Expenditure By Type</b>										
Employee related costs		551 013	577 889		45 961	281 283	288 944	(7 661)	-3%	562 566
Remuneration of councillors		29 186	30 722		2 715	15 298	15 361	(63)	0%	30 597
Debt impairment		301 719	386 643		-	-	193 322	(193 322)	-100%	-
Depreciation & asset impairment		288 610	398 568		67	2 556	199 284	(196 728)	-99%	5 111
Finance charges		59 044	33 281		21 316	24 005	16 640	7 364	44%	48 010
Bulk purchases		1 694 821	1 769 272		178 199	1 061 801	884 636	177 165	20%	2 123 602
Other materials		133 348	131 712		7 232	39 603	65 856	(26 253)	-40%	79 206
Contracted services		240 209	119 060		9 147	65 415	59 530	5 885	10%	130 830
Transfers and grants		24 314	24 779		147	1 049	12 389	(11 340)	-92%	2 098
Other expenditure		200 208	273 331		13 611	75 926	136 665	(60 739)	-44%	151 853
Loss on disposal of PPE								-		
<b>Total Expenditure</b>		<b>3 522 473</b>	<b>3 745 256</b>	<b>-</b>	<b>278 394</b>	<b>1 566 936</b>	<b>1 872 628</b>	<b>(305 692)</b>	<b>-16%</b>	<b>3 133 872</b>
<b>Surplus/(Deficit)</b>		<b>159 998</b>	<b>143 840</b>	<b>-</b>	<b>69 528</b>	<b>267 618</b>	<b>71 920</b>	<b>195 698</b>	<b>272%</b>	<b>535 236</b>
Transfers recognised - capital		644 984	398 874		49 105	266 432	199 437	66 995	34%	532 863
Contributions recognised - capital		90 440						-		
Contributed assets								-		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>895 423</b>	<b>542 714</b>	<b>-</b>	<b>118 633</b>	<b>534 050</b>	<b>271 357</b>	<b>262 693</b>	<b>97%</b>	<b>1 068 100</b>
Taxation								-		
<b>Surplus/(Deficit) after taxation</b>		<b>895 423</b>	<b>542 714</b>	<b>-</b>	<b>118 633</b>	<b>534 050</b>	<b>271 357</b>	<b>262 693</b>	<b>97%</b>	<b>1 068 100</b>

## AGENDA: COUNCIL: 31 JANUARY 2017

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

### 4.1.14 Repairs and Maintenance for the month 31 December 2016

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

Description	Ref 1	Budget Year 2016/17							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>		47 856	-	3 297	31 423	23 928	(7 495)	-31.3%	62 846
Infrastructure - Road transport		10 900	-	1 021	7 663	5 450	(2 213)	-40.6%	15 325
<i>Roads, Pavements &amp; Bridges</i>		10 900	-	1 021	7 663	5 450	(2 213)	-40.6%	15 325
<i>Storm water</i>									
Infrastructure - Electricity		14 207	-	1 156	4 638	7 103	2 466	34.7%	9 276
<i>Generation</i>									
<i>Transmission &amp; Reticulation</i>		10 078	-	1 067	4 325	5 039	714	14.2%	8 650
<i>Street Lighting</i>		4 128	-	89	313	2 064	1 751	84.8%	626
Infrastructure - Water		14 745	-	589	3 113	7 373	4 259	57.8%	6 226
<i>Dams &amp; Reservoirs</i>									
<i>Water purification</i>									
<i>Reticulation</i>		14 745	-	589	3 113	7 373	4 259	57.8%	6 226
Infrastructure - Sanitation		4 004	-	18	13 388	2 002	(11 386)	-568.8%	26 777
<i>Reticulation</i>		4 004	-	18	13 388	2 002	(11 386)	-568.8%	26 777
<i>Sewerage purification</i>									
Infrastructure - Other		4 000	-	513	2 621	2 000	(621)	-31.0%	5 241
<i>Waste Management</i>		4 000	-	513	2 621	2 000	(621)	-31.0%	5 241
<i>Transportation</i>									
<i>Gas</i>									
<i>Other</i>									
<b>Community</b>		2 618	-	188	626	1 309	683	52.2%	1 251
Parks & gardens		517	-	88	118	259	141	54.5%	236
Sportsfields & stadia		277	-	13	38	138	100	72.4%	76
Swimming pools		564	-	29	194	282	88	31.2%	388
Community halls		371	-	30	108	186	78	42.0%	215
Libraries		156	-	26	126	78	(48)	-61.9%	252
Recreational facilities		-	-	-	-	-	-	-	-
Fire, safety & emergency		185	-	-	-	93	93	100.0%	-
Security and policing		528	-	2	42	264	222	84.1%	84
Buses		-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-
Cemeteries		20	-	-	-	10	10	100.0%	-
Social rental housing		-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-
<b>Investment properties</b>		729	-	33	269	365	96	26.3%	537
Housing development		729	-	33	269	365	96	26.3%	537
Other		-	-	-	-	-	-	-	-
<b>Other assets</b>		80 509	-	3 715	7 286	40 254	32 969	81.9%	14 571
General vehicles		27 806	-	108	772	13 903	13 131	94.4%	1 545
Specialised vehicles		-	-	-	-	-	-	-	-
Plant & equipment		136	-	23	70	68	(2)	-3.5%	140
Computers - hardware/equipment		4 000	-	7	26	2 000	1 974	98.7%	51
Furniture and other office equipment		26	-	-	7	13	6	43.2%	15
Abattoirs		-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-
Civic Land and Buildings		2 920	-	78	651	1 460	809	55.4%	1 303
Other Buildings		-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-
Other		45 621	-	3 500	5 759	22 810	17 052	74.8%	11 517
<b>Total Repairs and Maintenance Expenditure</b>		<b>131 712</b>	<b>-</b>	<b>7 232</b>	<b>39 603</b>	<b>65 856</b>	<b>26 253</b>	<b>39.9%</b>	<b>79 206</b>

# AGENDA: COUNCIL: 31 JANUARY 2017

## 4.1.15 Depreciation of Assets for the month 31 December 2016

NW373 Rustenburg - Supporting Table SC13d Consolidated Monthly Budget Statement - depreciation by asset class - M06 December

Description	Ref	Budget Year 2016/17							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1								
<b>Depreciation by Asset Class/Sub-class</b>									
<b>Infrastructure</b>		309 669	-	1 331	10 020	154 834	144 815	93.5%	20 040
Infrastructure - Road transport		175 704	-	43	1 665	87 852	86 186	98.1%	3 331
<i>Roads, Pavements &amp; Bridges</i>		175 704	-	43	1 665	87 851 806.14	86 186	98.1%	3 331
<i>Storm water</i>									
Infrastructure - Electricity		15 711	-	0	12	7 855	7 843	99.8%	24
<i>Generation</i>									
<i>Transmission &amp; Reticulation</i>		14 997	-	0	12	7 498 472.01	7 486	99.8%	24
<i>Street Lighting</i>		714	-			356 938.24	357	100.0%	-
Infrastructure - Water		45 217	-	9	349	22 609	22 259	98.5%	699
<i>Dams &amp; Reservoirs</i>									
<i>Water purification</i>									
<i>Reticulation</i>		45 217	-	9	349	22 608 728.56	22 259	98.5%	699
Infrastructure - Sanitation		46 253	-	1 278	7 969	23 126	15 157	65.5%	15 938
<i>Reticulation</i>		46 253	-	1 278	7 969	23 126 278.50	15 157	65.5%	15 938
<i>Sewerage purification</i>									
Infrastructure - Other		26 784	-	1	24	13 392	13 368	99.8%	47
<i>Waste Management</i>		26 784	-	1	24	13 392 065.50	13 368	99.8%	47
<i>Transportation</i>									
<i>Gas</i>									
<i>Other</i>									
<b>Community</b>		66 285	-	1	56	27 909	27 854	99.8%	111
Parks & gardens		3 488	-	0	6	1 744	1 738	99.7%	11
Sportsfields & stadia		28 032	-	0	1	11 680	11 679	100.0%	2
Swimming pools		2 532	-	0	0	1 055	1 055	100.0%	1
Community halls		6 775	-	0	3	2 823	2 820	99.9%	5
Libraries		3 265	-	0	4	1 361	1 357	99.7%	8
Recreational facilities		-	-	-	-	-	-		-
Fire, safety & emergency		4 386	-	1	26	1 828	1 801	98.6%	53
Security and policing		9 078	-	0	12	3 783	3 771	99.7%	23
Buses		-	-	-	-	-	-		-
Clinics		-	-	-	-	-	-		-
Museums & Art Galleries		-	-	-	-	-	-		-
Cemeteries		38	-	0	1	16	15	96.6%	1
Social rental housing		-	-	-	-	-	-		-
Other		8 690	-	0	3	3 621	3 618	99.9%	6
<b>Heritage assets</b>		-	-	-	-	-	-		-
Buildings									
Other									
<b>Investment properties</b>		-	-	0	1	-	(1)	#DIV/0!	-
Housing development				0	1		(1)	#DIV/0!	
Other									
<b>Other assets</b>		40 015	-	2	88	20 007	19 919	99.6%	176
General vehicles		1 509	-	0	9	754 713.50	746	98.8%	17 996.00
Specialised vehicles		-	-	-	-	-	-		-
Plant & equipment									
Computers - hardware/equipment									
Furniture and other office equipment									
Abattoirs									
Markets									
Civic Land and Buildings		19 456	-	0	0	9 728	9 728	100.0%	962.00
Other Buildings									
Other Land									
Surplus Assets - (Investment or Inventory)									
Other		19 049	-	2	79	9 525	9 446	99.2%	158
<b>Total Depreciation</b>		<b>415 968</b>	<b>-</b>	<b>1 335</b>	<b>10 165</b>	<b>202 751</b>	<b>192 586</b>	<b>95.0%</b>	<b>20 327</b>

## AGENDA: COUNCIL: 31 JANUARY 2017

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

### Bulk Electricity and Water Losses

Material Electricity and Water losses were as follows:

Statistical Information For Electricity Distribution									
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
Dec-15	168 053 473	110 695 186	65,87	259 589 859	124 579 622	47,99	-91 536 386	-60 294 126	-54,47%
Jan-16	171 393 063	112 002 958	65,35	270 916 980	133 532 217	49,29	-99 523 917	-65 037 482	-58,07%
Feb-16	150 065 313	102 000 389	67,97	136 841 070	102 822 683	75,14	13 224 243	8 988 606	8,81%
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	-70 562 115	119 163 796	-168,88	217 373 174	229 651 201	148,06%
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%
<b>Total</b>	<b>1 964 368 959</b>	<b>1 543 250 647</b>	<b>78,56</b>	<b>1 842 076 780</b>	<b>1 660 173 744</b>	<b>90,13</b>	<b>122 292 179</b>	<b>181 153 895</b>	<b>6,23%</b>

The cumulative average of Electricity Losses for the past twelve months is 6%

Statistical Information For Water Distribution									
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
Dec-15	3 583 582	24 121 705	6,73	1 818 408	25 035 744	13,77	1 765 174	11 881 688	49,26%
Jan-16	3 330 567	22 291 142	6,69	3 280 317	43 154 021	13,16	50 250	336 321	1,51%
Feb-16	3 158 669	19 717 013	6,24	185 482	1 821 290	9,82	2 973 187	18 559 202	94,13%
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%
<b>Total</b>	<b>40 837 688</b>	<b>284 296 516</b>	<b>6,96</b>	<b>18 811 260</b>	<b>263 173 176</b>	<b>13,99</b>	<b>22 026 428</b>	<b>153 241 027</b>	<b>53,94%</b>

The cumulative average of Water Losses for the past twelve months is 54%

## 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: 31 JANUARY 2017**

**RECOMMENDED:**

That the report be noted.

**ACTION**

BTO

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