



REPORT TO: BUDGET STEERING COMMITTEE

File ref (9/1/2/3)

Collaborator/Item no ( )

Date: 13 JULY 2017

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**SUBJECT: BUDGET IMPLEMENTATION REPORT FOR THE MONTH OF JUNE 2017**

**REPORT DATED 14 JULY 2017 FROM THE CHIEF FINANCIAL OFFICER TO BUDGET STEERING COMMITTEE**

**PURPOSE**

The purpose of this item is to submit a financial report for the month ending June 2017 to the Council.

**LEGAL REQUIREMENTS**

In terms of Section 71 of the Municipal Finance Management No.56 of 2003

**STATUTORY AUTHORITY**

Chapter 24 of the MFMA No. 56 of 2003

**BACKGROUND AND REASONING**

The monthly Sec 71 reports aims to provide a regular update on indicators critical to the organisation's viability and serve as an early warning indicator where remedial action is required.

The Municipal Manager of the Municipality, is required by Section 71(1) of the Municipal Finance Management Act to submit a report in a prescribed format to the Mayor within 10 working days after the end of each month on the state of the Municipality's budget.

This report is a summary of the main budget issues arising from the monitoring process. It compares the progress of the budget to the projections contained in the Service Delivery and Budget Implementation Plan (SDBIP). Section 54 of the MFMA requires the Mayor to

consider the Section 71 report and take appropriate action to ensure that the approved budget is implemented in accordance with the SDBIP.

## 1. FINANCIAL IMPLICATIONS

The following table summarises the overall position on the capital and operating budgets. Take note that the Operating Expenditure only reflects the direct expenditure and exclude all indirect expenditure e.g. Administrative Recharges

Description	Original Budget R'000	Adjustment Budget R'000	Actual R'000	Annual Budget %
Operating Revenue (billed)	486 191	422 210	400 909	95%
Operating Expenditure (accrued/actual mix)	486 191	422 210	394 872	94%
Capital Expenditure	58 608	43 168	22 915	53%

### 1.2 Revenue by Source

Year-to-date Operating Revenue amounts to **94% or R400, 9 million** of the adjusted operating budget of **R422, 2 million**.

The year-to-date Operating Revenue reflects an achievement of **94% or R400,9 million** of the adjusted budget of R422, 2 million, and Operating Expenditure is **94% or R394,8 million** of the adjusted budget of **R422,2 million**.

#### 1.2.1 Operating Revenue

Major contributors of Operating Revenue to date amounting to **R400, 9 million** are:

- Service Charges-Electricity at R101 563 million or 26%
- Operational Transfers recognised at R95, 1 million or 24%.
- Property Rates at R63, 6 million or 16%.
- Service Charges-Water R68, 5 million or 17%

### 1.3 Operating expenditure by type

Year-to-date expenditure amounts to **94% or R394, 8 million** of the operating budget of **R422, 2 million**.

#### 1.3.1 Operating Expenditure

Major contributors of Operating Expenditure to date amounting to **R394, 8 million** are:

- Employee-related costs at R151, 2 million or 39%
- Remuneration of councillors at R9, 6 million or 3%.
- Bulk Purchases at R131, 3 million or 34%
- Repairs & maintenance at R8, 4 million or 3%

### 1.4 Capital expenditure

Year-to-date expenditure on capital project amounts to **53% or R22, 9 million** of the capital budget of **R43, 1 million**.

Capital Expenditure - Standard Classification			
<b>Governance and administration</b>	R	-47 047.00	R 1 643 500.00
Corporate services	R	-47 047.00	R 1 643 500.00
<b>Community and public safety</b>	R	15 368 335.00	R 20 334 144.00
Community and social services	R	147 335.00	R 1 083 600.00
Sport and recreation	R	15 221 000.00	R 19 250 544.00
<b>Economic and environmental services</b>	R	3 873 099.00	R 12 860 174.00
Road transport	R	3 873 099.00	R 12 860 174.00
<b>Trading services</b>	R	3 721 048.00	R 8 330 617.00
Electricity	R	1 152 368.00	R 5 079 187.00
Water	R	1 888 032.00	R 2 159 641.00
Waste water management	R	680 648.00	R 1 091 789.00
Waste management	R	-	R -
<b>Total Capital Expenditure - Standard Classification</b>	R	22 915 435.00	R 43 168 435.00
<b>Funded by:</b>			
National Government	R	22 613 000.00	R 42 084 600.00
Provincial Government	R	197 305.00	R 1 083 600.00
Other transfers and grants	R	105 155.00	R 200.00
<b>Transfers recognised - capital</b>	R	22 915 460.00	R 43 168 400.00
<b>Total Capital Funding</b>	R	22 915 460.00	R 43 168 400.00

The Capital Budget is largely driven by projects emanating from the IDP and projects identified by the community as well as incomplete projects.

## 1.4.2 The below table summaries projects implemented in 2016/17 financial year MIG allocation

Project Title	Budgeted MIG Funds (2016/17)	Current FY - Total Actual Expenditure on MIG funds in the 2016/17 FY	Apr-17	May-17	Jun-17
MIG 1 or PMU	As per IP				
Alicedale Roads and Improvements Transrivier and Mandela Park	R 6,255,838.84	R 1,130,921.76	R 0.00	R 23,598.94	R 483,491.18
Multi-purpose Centre in Ward 7	R 5,250,544.02	R 4,465,752.05	R 0.00	R 0.00	R 0.00
Construction of 11 High Mast Lights in Mayfield Housing Project	R 1,297,187.47	R 985,238.87	R 678,870.00	R 0.00	R 0.00
Alicedale Sewerage Reticulation	R 1,091,787.43	R 772,320.53	R 121,370.29	R 293,029.51	R 95,159.78
Multi-purpose Indoor Sport Centre: Gymnasium	R 13,000,000.00	R 1,010,057.29	R 281,060.09	R 0.00	R 0.00
Waainek Bulk Water Supply Refurbishment	R 1,939,000.00	R 2,156,690.17	R 250,406.69	R 837,651.54	R 201,552.74
Alicedale Roads and Improvements Phase 2	R 4,525,138.80	R 0.00	R 0.00	R 0.00	R 0.00
Construction of Football facilities: Foley's Ground	R 1,000,000.00	R 985,653.87	R 0.00	R 733,593.19	R 252,060.68
Alicedale Waste Water Treatment Works	R 114,103.44	R 114,103.44	R 0.00	R 0.00	R 0.00
PMU: ADMIN	R 1,814,400.00	R 1,814,400.00	R 130,516.20	R 299,999.14	R 239,393.01
	<b>R 36,288,000.00</b>	<b>R 13,435,137.98</b>	<b>R 1,462,223.27</b>	<b>R 2,187,872.32</b>	<b>R 1,271,657.39</b>

Year-to-date MIG Expenditure amounts to **37% or R13, 4 million** of the grant allocation of **R36, 2 million**.

## Section 4 – Allocations for Grant Receipts and Expenditure

### 5.1 Summary of Grants Received

GRANT	BUDGET	AMOUNT RECEIVED	EXPENDITURE	EXPENDITURE TO DATE
MIG	R36 288 000	R14 455 134.99	R1 271 657.39	R13 435 137.98
MIG – Roll- Over	R8 100 000	R7 973 325.58	R0.00	R 7 489 538.62
INEP	R3 782 000	R4 000 000.00	R4 000 000.00	R4 000 000.00
FMG	R1 810 000	R1 810 000.00	R73 008.31	R1 810 000.00
EPWP	R1 000 000	R1 000 000.00	R195 603.70	R1 000 000.00

DWA	R5 000 000	R4 461 879.89	R0.00	R4 050 958.67
<b>TOTAL</b>	<b>R55 980 000</b>	<b>R32 490 003.68</b>	<b>R5 540 269.40</b>	<b>R31 785 635.27</b>

Year-to-date Grant Expenditure amounts to **57% or R31, 7 million** of the Grants budget of **R55, 9million**.

# Supporting Documents

## Section 2 – In-year budget statement tables

### 1.1. Table C1: s71 Monthly Budget Statement Summary

EC104 Makana - Table C1 Monthly Budget Statement Summary - M12 June

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	56,832	65,215	65,215	3,464	86,801	65,215	21,587	33%	65,215
Service charges	263,893	306,690	242,709	12,765	191,250	242,709	(51,459)	-21%	306,690
Investment revenue	17,569	700	700	–	462	700	(238)	-34%	700
Transfers recognised - operational	83,931	91,292	91,292	–	87,375	91,292	(3,916)	-4%	91,292
Other own revenue	21,803	22,294	22,295	5,570	35,021	22,295	12,726	57%	22,294
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>444,029</b>	<b>486,191</b>	<b>422,210</b>	<b>21,798</b>	<b>400,910</b>	<b>422,210</b>	<b>(21,301)</b>	<b>-5%</b>	<b>486,191</b>
Employee costs	117,988	144,631	165,268	11,964	151,890	165,268	(13,379)	-8%	144,631
Remuneration of Councillors	9,367	10,497	10,497	804	11,378	10,497	881	8%	10,497
Depreciation & asset impairment	21,227	31,639	31,639	–	–	31,639	(31,639)	-100%	31,639
Finance charges	8,344	–	9,700	256	2,725	9,700	(6,975)	-72%	–
Materials and bulk purchases	203,200	105,926	72,625	13,017	134,193	72,625	61,568	85%	105,926
Transfers and grants	5,237	50,515	50,515	–	6,358	50,515	(44,157)	-87%	50,515
Other expenditure	78,127	142,983	81,966	17,298	88,329	81,966	6,363	8%	142,983
<b>Total Expenditure</b>	<b>443,492</b>	<b>486,191</b>	<b>422,210</b>	<b>43,338</b>	<b>394,872</b>	<b>422,210</b>	<b>(27,339)</b>	<b>-6%</b>	<b>486,191</b>
<b>Surplus/(Deficit)</b>	<b>537</b>	<b>–</b>	<b>(0)</b>	<b>(21,540)</b>	<b>6,038</b>	<b>(0)</b>	<b>6,038</b>	<b>#####</b>	<b>–</b>
Transfers recognised - capital	–	–	–	–	–	–	–	–	–
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>537</b>	<b>–</b>	<b>(0)</b>	<b>(21,540)</b>	<b>6,038</b>	<b>(0)</b>	<b>6,038</b>	<b>#####</b>	<b>–</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>537</b>	<b>–</b>	<b>(0)</b>	<b>(21,540)</b>	<b>6,038</b>	<b>(0)</b>	<b>6,038</b>	<b>#####</b>	<b>–</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>21,008</b>	<b>170,043</b>	<b>–</b>	<b>779</b>	<b>15,720</b>	<b>13,219</b>	<b>2,500</b>	<b>19%</b>	<b>–</b>
Capital transfers recognised	–	–	43,168	1,637	22,915	43,168	(20,253)	-47%	–
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	–	–	–	–	–	–	–
<b>Total sources of capital funds</b>	<b>–</b>	<b>–</b>	<b>43,168</b>	<b>1,637</b>	<b>22,915</b>	<b>43,168</b>	<b>(20,253)</b>	<b>-47%</b>	<b>–</b>
<b>Financial position</b>									
Total current assets	40,656	278,678	278,677	–	230,962	–	–	–	278,678
Total non current assets	1,106,575	920,961	920,961	–	906,751	–	–	–	920,961
Total current liabilities	188,320	281,004	281,005	–	163,043	–	–	–	281,004
Total non current liabilities	107,827	109,841	109,841	–	98,120	–	–	–	109,841
<b>Community wealth/Equity</b>	<b>962,051</b>	<b>1,043,057</b>	<b>1,043,057</b>	<b>–</b>	<b>915,933</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,043,057</b>
<b>Cash flows</b>									
Net cash from (used) operating	123,329	181,064	57,188	(1,640)	22,617	52,422	29,806	57%	57,188
Net cash from (used) investing	2,893	170,043	(43,168)	(1,637)	(20,893)	(39,571)	(18,677)	47%	(43,168)
Net cash from (used) financing	64	(5,500)	(4,000)	–	(1,054)	(3,667)	(2,613)	71%	(4,000)
<b>Cash/cash equivalents at the month/year end</b>	<b>133,206</b>	<b>348,216</b>	<b>12,629</b>	<b>–</b>	<b>7,580</b>	<b>11,794</b>	<b>4,214</b>	<b>36%</b>	<b>16,930</b>
<b>Debtors &amp; creditors analysis</b>									
	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	28,141	11,501	15,714	10,146	301,310	–	–	–	366,813
<b>Creditors Age Analysis</b>									
Total Creditors	23,108	12,979	11,975	25,356	90,592	–	–	–	164,010

EC104 Makana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

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		56,832	65,215	65,215	3,464	86,801	#####	21,587	33%	65,215
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		276,009	191,033	129,683	9,058	79,103	129,683	(50,579)	-39%	191,033
Service charges - water revenue		(39,526)	63,277	71,059	1,428	73,422	71,059	2,363	3%	63,277
Service charges - sanitation revenue		20,350	44,075	33,662	1,222	27,360	33,662	(6,302)	-19%	44,075
Service charges - refuse revenue		7,225	8,305	8,305	1,057	11,365	8,305	3,060	37%	8,305
Service charges - other		(165)	-	-	-	-	-	-	-	-
Rental of facilities and equipment		1,167	811	811	98	1,701	811	890	110%	811
Interest earned - external investments		17,569	700	700	-	462	700	(238)	-34%	700
Interest earned - outstanding debtors		-	16,059	16,059	1,445	14,009	16,059	(2,050)	-13%	16,059
Dividends received		-	-	-	-	-	-	-	-	-
Fines		49	1,092	1,092	208	807	1,092	(284)	-26%	1,092
Licences and permits		1,857	1,647	1,647	365	933	1,647	(715)	-43%	1,647
Agency services		223	500	500	375	2,511	500	2,011	402%	500
Transfers recognised - operational		83,931	91,292	91,292	-	87,375	#####	(3,916)	-4%	91,292
Other revenue		18,507	2,185	2,185	3,078	15,059	2,185	12,875	589%	2,185
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>444,029</b>	<b>486,191</b>	<b>422,210</b>	<b>21,798</b>	<b>400,910</b>	<b>422,210</b>	<b>(21,301)</b>	<b>-5%</b>	<b>486,191</b>
<b>Expenditure By Type</b>										
Employee related costs		117,988	144,631	165,268	11,964	151,890	165,268	(13,379)	-8%	144,631
Remuneration of councillors		9,367	10,497	10,497	804	11,378	10,497	881	8%	10,497
Debt impairment		-	-	-	-	-	-	-	-	-
Depreciation & asset impairment		21,227	31,639	31,639	-	-	31,639	(31,639)	-100%	31,639
Finance charges		8,344	-	9,700	256	2,725	9,700	(6,975)	-72%	-
Bulk purchases		203,200	104,404	71,103	12,973	133,475	71,103	62,373	88%	104,404
Other materials		-	1,522	1,522	43	717	1,522	(805)	-53%	1,522
Contracted services		7,855	28,408	28,408	766	18,618	28,408	(9,790)	-34%	28,408
Transfers and grants		5,237	50,515	50,515	-	6,358	50,515	(44,157)	-87%	50,515
Other expenditure		70,272	114,575	53,558	16,532	69,711	53,558	16,153	30%	114,575
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>443,492</b>	<b>486,191</b>	<b>422,210</b>	<b>43,338</b>	<b>394,872</b>	<b>422,210</b>	<b>(27,339)</b>	<b>-6%</b>	<b>486,191</b>
<b>Surplus/(Deficit)</b>		<b>537</b>	<b>-</b>	<b>(0)</b>	<b>(21,540)</b>	<b>6,038</b>	<b>(0)</b>	<b>6,038</b>	<b>(69)</b>	<b>-</b>
Transfers recognised - capital		-	-	-	-	-	-	-	-	-
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>537</b>	<b>-</b>	<b>(0)</b>	<b>(21,540)</b>	<b>6,038</b>	<b>(0)</b>			<b>-</b>
Taxation		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>537</b>	<b>-</b>	<b>(0)</b>	<b>(21,540)</b>	<b>6,038</b>	<b>(0)</b>			<b>-</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>537</b>	<b>-</b>	<b>(0)</b>	<b>(21,540)</b>	<b>6,038</b>	<b>(0)</b>			<b>-</b>
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>537</b>	<b>-</b>	<b>(0)</b>	<b>(21,540)</b>	<b>6,038</b>	<b>(0)</b>			<b>-</b>

EC104 Makana - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June

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
<b>R thousands</b>										
<b>Revenue by Vote</b>										
Vote 1 - TECHNICAL SERVICES	1	35,256	53,842	43,202	1,222	36,741	43,202	(6,461)	-15.0%	38,563
Vote 2 - CORPORATE SERVICES		384	915	665	42	232	665	(433)	-65.1%	729
Vote 3 - FINANCIAL SERVICES		96,999	126,200	119,700	6,697	94,718	119,700	(24,982)	-20.9%	98,172
Vote 4 - COMMUNITY & SOCIAL SERVICES		25,926	25,437	17,778	2,898	25,959	17,778	8,180	46.0%	27,317
Vote 5 - EXECUTIVE & COUNCIL		4,363	7,657	7,658	-	3,432	7,658	(4,225)	-55.2%	5,066
Vote 6 - MUNICIPALITY MANAGER		-	2	2	-	-	2	(2)	-100.0%	3
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		319	1,032	1,032	555	2,733	1,032	1,702	164.9%	1,275
Vote 8 - HOUSING		-	-	-	-	-	-	-	-	-
Vote 9 - ELECTRICITY		120,646	195,461	161,961	8,956	139,584	161,961	(22,377)	-13.8%	174,087
Vote 10 - WATER		61,458	75,645	70,213	1,428	97,509	70,213	27,296	38.9%	73,098
Vote 11 - DOG TAX		-	1	1	-	1	1	(0)	-16.7%	1
Vote 12 - PARKING METERS		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>2</b>	<b>345,351</b>	<b>486,191</b>	<b>422,210</b>	<b>21,798</b>	<b>400,909</b>	<b>422,210</b>	<b>(21,301)</b>	<b>-5.0%</b>	<b>418,312</b>
<b>Expenditure by Vote</b>										
Vote 1 - TECHNICAL SERVICES	1	46,026	59,362	47,897	3,246	28,483	47,897	(19,414)	-40.5%	49,829
Vote 2 - CORPORATE SERVICES		36,332	37,843	37,593	3,156	14,858	37,593	(22,735)	-60.5%	31,262
Vote 3 - FINANCIAL SERVICES		36,492	79,443	72,943	2,562	14,282	72,943	(58,661)	-80.4%	64,653
Vote 4 - COMMUNITY & SOCIAL SERVICES		59,552	77,120	69,461	9,036	48,964	69,461	(20,497)	-29.5%	64,645
Vote 5 - EXECUTIVE & COUNCIL		14,313	23,444	23,444	1,466	8,352	23,444	(15,093)	-64.4%	16,824
Vote 6 - MUNICIPALITY MANAGER		2,073	8,418	8,418	182	1,141	8,418	(7,277)	-86.4%	5,244
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		4,099	13,877	13,877	838	4,250	13,877	(9,627)	-69.4%	13,136
Vote 8 - HOUSING		43	56	56	-	3	56	(53)	-94.6%	53
Vote 9 - ELECTRICITY		79,381	129,734	96,234	12,627	167,062	96,234	70,829	73.6%	119,634
Vote 10 - WATER		10,714	56,891	52,284	10,224	107,476	52,284	55,192	105.6%	52,203
Vote 11 - DOG TAX		-	1	1	-	-	1	(1)	-100.0%	1
Vote 12 - PARKING METERS		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>289,025</b>	<b>486,191</b>	<b>422,210</b>	<b>43,338</b>	<b>394,871</b>	<b>422,210</b>	<b>(27,339)</b>	<b>-6.5%</b>	<b>417,484</b>
<b>Surplus/ (Deficit) for the year</b>	<b>2</b>	<b>56,326</b>	<b>(0)</b>	<b>0</b>	<b>(21,539)</b>	<b>6,038</b>	<b>0</b>	<b>6,038</b>	<b>#####</b>	<b>827</b>



EC104 Makana - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M12 June

Vote Description	Ref	2015/16	Budget Year 2016/17							
<b>Capital Expenditure - Standard Classification</b>										
<b>Governance and administration</b>		1,296	1,100	1,644	(70)	(47)	1,644	(1,691)	-103%	600
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-
Corporate services		1,296	1,100	1,644	(70)	(47)	#####	(1,691)	-103%	600
<b>Community and public safety</b>		6,352	9,541	20,334	868	15,368	20,334	(4,966)	-24%	5,204
Community and social services		807	-	1,084	4	147	1,084	(936)	-86%	-
Sport and recreation		5,536	9,541	19,251	865	15,221	19,251	(4,030)	-21%	5,204
Public safety		8	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		8,437	13,567	12,860	21	3,873	12,860	(8,987)	-70%	7,400
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		8,437	13,459	12,860	21	3,873	12,860	(8,987)	-70%	7,341
Environmental protection		-	108	-	-	-	-	-	-	59
<b>Trading services</b>		4,924	148,353	8,331	1,137	3,721	8,331	(4,610)	-55%	81,146
Electricity		1,062	7,035	5,079	145	1,152	5,079	(3,927)	-77%	3,837
Water		2,099	13,750	2,160	735	1,888	2,160	(272)	-13%	7,500
Waste water management		1,763	127,568	1,092	257	681	1,092	(411)	-38%	69,809
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		-	183	-	-	-	-	-	-	100
<b>Total Capital Expenditure - Standard Classification</b>	3	21,008	172,745	43,168	1,956	22,915	43,168	(20,253)	-47%	94,451
<b>Funded by:</b>										
National Government		-	-	42,085	1,584	22,613	42,085	(19,472)	-46%	-
Provincial Government		-	-	1,084	54	197	1,084	(886)	-82%	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	0	-	105	0	105	52478%	-
<b>Transfers recognised - capital</b>		-	-	43,168	1,637	22,915	43,168	(20,253)	-47%	-
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Funding</b>		-	-	43,168	1,637	22,915	43,168	(20,253)	-47%	-

**EC104 Makana - Table C6 Monthly Budget Statement - Financial Position - M12 June**

Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		16,901	7,533	7,533	8,550	7,533
Call investment deposits		(4,769)	12,940	12,940	538	12,940
Consumer debtors		(23,446)	189,260	189,260	182,152	189,260
Other debtors		45,446	52,347	52,347	29,672	52,347
Current portion of long-term receivables		–	30	30	–	30
Inventory		6,525	16,568	16,568	10,050	16,568
<b>Total current assets</b>		<b>40,656</b>	<b>278,678</b>	<b>278,677</b>	<b>230,962</b>	<b>278,678</b>
<b>Non current assets</b>						
Long-term receivables		–	–	–	–	–
Investments		3,930	–	–	–	–
Investment property		219,050	–	–	–	–
Investments in Associate		652	151	151	–	151
Property, plant and equipment		878,387	908,810	908,810	904,251	908,810
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		1,947	12,000	12,000	2,500	12,000
Other non-current assets		2,609	–	–	–	–
<b>Total non current assets</b>		<b>1,106,575</b>	<b>920,961</b>	<b>920,961</b>	<b>906,751</b>	<b>920,961</b>
<b>TOTAL ASSETS</b>		<b>1,147,231</b>	<b>1,199,639</b>	<b>1,199,638</b>	<b>1,137,713</b>	<b>1,199,639</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		6,442	–	–	–	–
Borrowing		(122)	4,400	4,400	–	4,400
Consumer deposits		–	2,474	2,474	3,853	2,474
Trade and other payables		178,634	263,776	263,776	148,164	263,776
Provisions		3,365	10,354	10,354	11,026	10,354
<b>Total current liabilities</b>		<b>188,320</b>	<b>281,004</b>	<b>281,005</b>	<b>163,043</b>	<b>281,004</b>
<b>Non current liabilities</b>						
Borrowing		56,512	60,534	60,534	60,534	60,534
Provisions		51,315	49,307	49,307	37,586	49,307
<b>Total non current liabilities</b>		<b>107,827</b>	<b>109,841</b>	<b>109,841</b>	<b>98,120</b>	<b>109,841</b>
<b>TOTAL LIABILITIES</b>		<b>296,147</b>	<b>390,845</b>	<b>390,846</b>	<b>261,163</b>	<b>390,845</b>
<b>NET ASSETS</b>	2	<b>851,084</b>	<b>808,794</b>	<b>808,793</b>	<b>876,550</b>	<b>808,794</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		962,051	1,037,308	1,037,308	915,933	1,037,308
Reserves		–	5,749	5,749	–	5,749
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>962,051</b>	<b>1,043,057</b>	<b>1,043,057</b>	<b>915,933</b>	<b>1,043,057</b>

EC104 Makana - Table C7 Monthly Budget Statement - Cash Flow - M12 June

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>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Ratepayers and other		507,870	304,319	304,319	24,428	363,310	#####	58,991	19%	304,319
Government - operating		83,931	89,475	89,475	-	65,179	89,475	(24,296)	-27%	89,475
Government - capital		1,541	170,043	43,168	1,888	40,206	43,168	(2,962)	-7%	43,168
Interest		17,569	12,100	12,100	-	1,255	12,100	(10,845)	-90%	12,100
Dividends		-	-	-	-	-	-	-		-
<b>Payments</b>										
Suppliers and employees		(474,002)	(351,972)	(348,973)	(28,941)	(431,349)	(348,973)	82,376	-24%	(348,973)
Finance charges		(8,344)	(5,000)	(5,000)	-	-	(5,000)	(5,000)	100%	(5,000)
Transfers and Grants		(5,237)	(37,901)	(37,901)	-	(18,609)	(37,901)	(19,292)	51%	(37,901)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>123,329</b>	<b>181,064</b>	<b>57,188</b>	<b>(2,625)</b>	<b>19,992</b>	<b>57,188</b>	<b>37,196</b>	<b>65%</b>	<b>57,188</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		(1,079)	-	-	-	-	-	-		-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables		1,070	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		25,766	-	-	-	-	-	-		-
<b>Payments</b>										
Capital assets		(22,863)	170,043	(43,168)	(1,888)	(22,781)	(43,168)	(20,387)	47%	(43,168)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>2,893</b>	<b>170,043</b>	<b>(43,168)</b>	<b>(1,888)</b>	<b>(22,781)</b>	<b>(43,168)</b>	<b>(20,387)</b>	<b>47%</b>	<b>(43,168)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		6,395	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		(2,321)	-	-	-	-	-	-		-
<b>Payments</b>										
Repayment of borrowing		(4,010)	(5,500)	(4,000)	-	(1,054)	(4,000)	(2,946)	74%	(4,000)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>64</b>	<b>(5,500)</b>	<b>(4,000)</b>	<b>-</b>	<b>(1,054)</b>	<b>(4,000)</b>	<b>(2,946)</b>	<b>74%</b>	<b>(4,000)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>126,286</b>	<b>345,607</b>	<b>10,020</b>	<b>(4,512)</b>	<b>(3,843)</b>	<b>10,020</b>			<b>10,020</b>
Cash/cash equivalents at beginning:		6,920	2,609	2,609		8,550	2,609			8,550
Cash/cash equivalents at month/year end:		133,206	348,216	12,629		4,707	12,629			18,570



EC104 Makana - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M12 June

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>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		77,754	77,632	77,632	410	62,162	77,632	(15,471)	-19.9%	77,632
Local Government Equitable Share		74,637	73,008	73,008	-	57,755	73,008	(15,253)	-20.9%	73,008
Finance Management		-	1,810	1,810	73	1,810	1,810	-	-	1,810
Municipal Systems Improvement		930	-	-	-	-	-	-	-	-
EPWP Incentive		1,002	1,000	1,000	196	1,000	1,000	-	-	1,000
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
MIG OPERATIONAL		1,185	1,814	1,814	141	1,597	1,814	(218)	-12.0%	1,814
<b>Provincial Government:</b>		2,581	2,901	2,901	-	2,901	2,901	-	-	2,901
Sport and Recreation		2,581	2,901	2,901	-	2,901	2,901	-	-	2,901
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		1,500	1,917	1,917	-	1,600	1,917	(317)	-16.5%	1,917
		-	-	-	-	-	-	-	-	-
Health Subsidy		1,500	1,917	1,917	-	1,600	1,917	(317)	-16.5%	1,917
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		81,835	82,450	82,450	410	66,663	82,450	(15,788)	-19.1%	82,450
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		42,510	152,790	39,032	5,053	15,403	39,032	(23,629)	-60.5%	152,790
Municipal Infrastructure Grant (MIG)		22,510	34,474	35,251	1,272	11,622	35,251	(23,629)	-67.0%	34,474
		20,000	86,000	-	-	-	-	-	-	86,000
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Bucket Eradication		-	24,893	-	-	-	-	-	-	24,893
INEP		-	7,423	3,781	3,781	3,781	3,781	-	-	7,423
<b>Provincial Government:</b>		996	1,084	1,084	4	1,084	1,084	-	-	1,084
		996	1,084	1,084	4	1,084	1,084	-	-	1,084
		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	16,169	3,053	-	3,948	3,053	895	29.3%	16,169
		-	16,169	3,053	-	3,948	3,053	895	29.3%	16,169
		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		43,506	170,043	43,168	5,056	20,435	43,168	(22,733)	-52.7%	170,043
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		125,341	252,493	125,619	5,467	87,098	125,619	(38,521)	-30.7%	252,493

EC104 Makana - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

Description	NT Code	Budget Year 2016/17								
		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>R thousands</b>										
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100	13,046	7,661	7,632	5,357	35,000	-	-	-	68,696
Bulk Water	0200	525	1,533	441	17,283	8,848	-	-	-	28,631
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	9,189	3,328	3,678	2,593	35,511	-	-	-	54,299
Auditor General	0800	348	456	224	123	11,232	-	-	-	12,384
Other	0900	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>1000</b>	<b>23,108</b>	<b>12,979</b>	<b>11,975</b>	<b>25,356</b>	<b>90,592</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>164,010</b>

**OTHER PARTIES CONSULTED**

There were no other parties consulted.

**RESOLVED TO RECOMMEND**

1. That Section 71 report for the month of June 2017 be noted by the Budget Steering Committee.

**FOR FURTHER DETAILS CONTACT:**

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.....  
CHIEF FINANCIAL OFFICER  
MS. N.F. SIWAHLA