



REPORT TO: BUDGET STEERING COMMITTEE

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Collaborator/Item no ()

Date: 10 JUNE 2017

SUBJECT: BUDGET IMPLEMENTATION REPORT FOR THE MONTH OF MAY 2017

REPORT DATED 11 JUNE 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 May 2017 to Budget Steering Committee.

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	379 111	90%
Operating Expenditure (accrued/actual mix)	486 191	422 210	351 534	83%
Capital Expenditure	58 608	43 168	20 893	48%

1.2 Revenue by Source

Year-to-date Operating Revenue amounts to **90% or R379, 1 million** of the adjusted operating budget of **R422, 2 million**.

The year-to-date Operating Revenue reflects an achievement of **90% or R379,1 million** of the adjusted budget of R422, 2 million, and Operating Expenditure is **83% or R351,5 million** of the adjusted budget of **R422,2 million**.

1.2.1 Operating Revenue

Major contributors of Operating Revenue to date amounting to **R379, 1 million** are:

- Service Charges-Electricity at R92 505 million or 24%
- Operational Transfers recognised at R95, 1 million or 25%.
- Property Rates at R60, 2 million or 16%.
- Service Charges-Water R67, 1 million or 18%

1.3 Operating expenditure by type

Year-to-date expenditure amounts to **83% or R351, 5 million** of the operating budget of **R422, 2 million**.

1.3.1 Operating Expenditure

Major contributors of Operating Expenditure to date amounting to **R351, 5 million** are:

- Employee-related costs at R139, 3 million or 40%
- Remuneration of councillors at R8, 8 million or 2%.
- Bulk Purchases at R120, 4 million or 34%
- Repairs & maintenance at R6, 1 million or 2%

1.4 Capital expenditure

Year-to-date expenditure on capital project amounts to **48% or R20, 8 million** of the capital budget of **R43, 1 million**.

Capital Expenditure of **R43, 1 million** disclosed in below table reflects expenditure of grants allocated to the municipality and internally funded projects.

The Municipal Capital Budget is funded from the following Grants:

Grant	Funding Source	Budget
Municipal Infrastructure Grant	Direct Allocation	R35 250 784
Finance Management Grant	Direct Allocation	R350 000
Equitable Share	Direct Allocation	R1 200 000
DSRAC	Direct Allocation	R1 083 600
DRPW	Direct Allocation	R1 502 051
INEP	Direct Allocation	R3 782 000
MIG (Roll-Over)	Direct Allocation	R8 100 000
Total Budget		R43 168 435

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	Mar-17	Apr-17	May-17
MIG 1 or PMU	As per IP				
Alicedale Roads and Improvements Transrivier and Mandela Park	R 6 255 838.84	R 647 430.58	R 288 425.70	R 0.00	R 23 598.94
Multi-purpose Centre in Ward 7	R 5 250 544.02	R 4 465 752.05	R 1 256 501.46	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 0.00	R 678 870.00	R 0.00
Alicedale Sewerage Reticulation	R 1 091 787.43	R 677 160.75	R 0.00	R 121 370.29	R 293 029.51
Multi-purpose Indoor Sport Centre: Gymnasium	R 13 000 000.00	R 1 010 057.29	R 728 997.20	R 281 060.09	R 0.00
Waainek Bulk Water Supply Refurbishment	R 1 939 000.00	R 1 955 137.43	R 867 079.20	R 250 406.69	R 837 651.54
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 733 593.19	R 0.00	R 0.00	R 733 593.19
Alicedale Waste Water Treatment Works	R 114 103.44	R 114 103.44	R 114 103.44	R 0.00	R 0.00
PMU: ADMIN	R 1 814 400.00	R 1 575 006.99	R 122 351.48	R 130 516.20	R 299 999.14
	R 36 288 000.00	R 12 163 480.59	R 3 377 458.48	R 1 462 223.27	R 2 187 872.32

Year-to-date MIG Expenditure amounts to **30% or R11, 1 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	R11 317 373.87	R1 210 336.78	R11 185 945.05
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	R0.00	R0.00
FMG	R1 810 000	R1 810 000.00	R35 636.69	R1 736 991.69
EPWP	R1 000 000	R1 000 000.00	R322 508.30	R804 396.30
DWA	R5 000 000	R4 461 879.89	R0.00	R4 050 958.67
TOTAL	R55 980 000	R29 352 242.56	R1 568 481.77	R25 267 830.33

Year-to-date Grant Expenditure amounts to **45% or R25, 2 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 - M11 May

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
R thousands									
Financial Performance									
Property rates	56 832	65 215	65 215	2 778	83 337	64 780	18 557	29%	65 215
Service charges	263 893	306 690	242 709	15 421	178 486	222 483	(43 998)	-20%	306 690
Investment revenue	17 569	700	700	29	462	642	(180)	-28%	700
Transfers recognised - operational	83 931	91 292	91 292	–	87 375	90 125	(2 750)	-3%	91 292
Other own revenue	21 803	22 294	22 295	4 338	29 451	20 437	9 015	44%	22 294
Total Revenue (excluding capital transfers and contributions)	444 029	486 191	422 210	22 566	379 111	398 467	(19 356)	-5%	486 191
Employee costs	117 988	144 631	165 268	11 994	139 926	151 496	(11 570)	-8%	144 631
Remuneration of Councillors	9 367	10 497	10 497	803	10 574	9 622	952	10%	10 497
Depreciation & asset impairment	21 227	31 639	31 639	–	–	29 002	(29 002)	-100%	31 639
Finance charges	8 344	–	9 700	1 309	2 469	8 892	(6 423)	-72%	–
Materials and bulk purchases	203 200	105 926	72 625	9 071	121 176	66 573	54 603	82%	105 926
Transfers and grants	5 237	50 515	50 515	2 388	6 358	46 306	(39 947)	-86%	50 515
Other expenditure	78 127	142 983	81 966	5 236	71 031	75 135	(4 105)	-5%	142 983
Total Expenditure	443 492	486 191	422 210	30 801	351 533	387 026	(35 492)	-9%	486 191
Surplus/(Deficit)	537	–	(0)	(8 235)	27 578	11 441	16 137	141%	–
Transfers recognised - capital	–	–	–	–	–	–	–	–	–
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	537	–	(0)	(8 235)	27 578	11 441	16 137	141%	–
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	537	–	(0)	(8 235)	27 578	11 441	16 137	141%	–
Capital expenditure & funds sources									
Capital expenditure	21 008	170 043	–	779	15 720	13 219	2 500	19%	–
Capital transfers recognised	–	–	43 168	1 637	20 893	39 571	(18 678)	-47%	–
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	–	–	–	–	–	–	–
Total sources of capital funds	–	–	43 168	1 637	20 893	39 571	(18 678)	-47%	–
Financial position									
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
Community wealth/Equity	962 051	1 043 057	1 043 057		915 933				1 043 057
Cash flows									
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)
Cash/cash equivalents at the month/year end	133 206	348 216	12 629	–	7 580	11 794	4 214	36%	16 930
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	28 141	11 501	15 714	10 146	301 310	–	–	–	366 813
Creditors Age Analysis									
Total Creditors	16 101	12 404	25 442	15 759	78 458	–	–	–	148 164

EC104 Makana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

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		56 832	65 215	65 215	2 778	83 337	64 780	18 557	29%	65 215
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		276 009	191 033	129 683	7 527	70 046	118 876	(48 830)	-41%	191 033
Service charges - water revenue		(39 526)	63 277	71 059	5 615	71 994	65 138	6 856	11%	63 277
Service charges - sanitation revenue		20 350	44 075	33 662	1 259	26 138	30 857	(4 719)	-15%	44 075
Service charges - refuse revenue		7 225	8 305	8 305	1 019	10 308	7 613	2 695	35%	8 305
Service charges - other		(165)	-	-	-	-	-	-	-	-
Rental of facilities and equipment		1 167	811	811	295	1 604	744	860	116%	811
Interest earned - external investments		17 569	700	700	29	462	642	(180)	-28%	700
Interest earned - outstanding debtors		-	16 059	16 059	838	12 564	14 721	(2 157)	-15%	16 059
Dividends received		-	-	-	-	-	-	-	-	-
Fines		49	1 092	1 092	11	599	1 001	(402)	-40%	1 092
Licences and permits		1 857	1 647	1 647	0	568	1 510	(943)	-62%	1 647
Agency services		223	500	500	270	2 136	458	1 677	366%	500
Transfers recognised - operational		83 931	91 292	91 292	-	87 375	90 125	(2 750)	-3%	91 292
Other revenue		18 507	2 185	2 185	2 925	11 981	2 003	9 979	498%	2 185
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		444 029	486 191	422 210	22 566	379 111	398 467	(19 356)	-5%	486 191
Expenditure By Type										
Employee related costs		117 988	144 631	165 268	11 994	139 926	151 496	(11 570)	-8%	144 631
Remuneration of councillors		9 367	10 497	10 497	803	10 574	9 622	952	10%	10 497
Debt impairment		-	-	-	-	-	-	-	-	-
Depreciation & asset impairment		21 227	31 639	31 639	-	-	29 002	(29 002)	-100%	31 639
Finance charges		8 344	-	9 700	1 309	2 469	8 892	(6 423)	-72%	-
Bulk purchases		203 200	104 404	71 103	9 067	120 502	65 178	55 325	85%	104 404
Other materials		-	1 522	1 522	4	674	1 395	(721)	-52%	1 522
Contracted services		7 855	28 408	28 408	903	17 852	26 040	(8 189)	-31%	28 408
Transfers and grants		5 237	50 515	50 515	2 388	6 358	46 306	(39 947)	-86%	50 515
Other expenditure		70 272	114 575	53 558	4 333	53 179	49 095	4 084	8%	114 575
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Expenditure		443 492	486 191	422 210	30 801	351 533	387 026	(35 492)	-9%	486 191
Surplus/(Deficit)		537	-	(0)	(8 235)	27 578	11 441	16 137	0	-
Transfers recognised - capital		-	-	-	-	-	-	-	-	-
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		537	-	(0)	(8 235)	27 578	11 441			-
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		537	-	(0)	(8 235)	27 578	11 441			-
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		537	-	(0)	(8 235)	27 578	11 441			-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		537	-	(0)	(8 235)	27 578	11 441			-

EC104 Makana - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M11 May

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										
Revenue by Vote										
Vote 1 - TECHNICAL SERVICES	1	35,256	53,842	43,202	1,264	35,520	39,602	(4,082)	-10.3%	38,563
Vote 2 - CORPORATE SERVICES		384	915	665	20	190	609	(420)	-68.8%	729
Vote 3 - FINANCIAL SERVICES		96,999	126,200	119,700	6,419	88,020	109,725	(21,704)	-19.8%	98,172
Vote 4 - COMMUNITY & SOCIAL SERVICES		25,926	25,437	17,778	1,296	23,061	16,297	6,764	41.5%	27,317
Vote 5 - EXECUTIVE & COUNCIL		4,363	7,657	7,658	-	3,432	7,019	(3,587)	-51.1%	5,066
Vote 6 - MUNICIPALITY MANAGER		-	2	2	-	-	1	(1)	-100.0%	3
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		319	1,032	1,032	311	2,178	946	1,233	130.3%	1,275
Vote 8 - HOUSING		-	-	-	-	-	-	-	-	-
Vote 9 - ELECTRICITY		120,646	195,461	161,961	7,594	130,628	148,464	(17,836)	-12.0%	174,087
Vote 10 - WATER		61,458	75,645	70,213	5,661	96,081	64,362	31,719	49.3%	73,098
Vote 11 - DOG TAX		-	1	1	-	1	1	(0)	-9.1%	1
Vote 12 - PARKING METERS		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	345,351	486,191	422,210	22,566	379,111	387,026	(7,915)	-2.0%	418,312
Expenditure by Vote										
Vote 1 - TECHNICAL SERVICES	1	46,026	59,362	47,897	3,046	25,237	43,906	(18,669)	-42.5%	49,829
Vote 2 - CORPORATE SERVICES		36,332	37,843	37,593	2,466	11,702	34,460	(22,759)	-66.0%	31,262
Vote 3 - FINANCIAL SERVICES		36,492	79,443	72,943	4,151	11,719	66,864	(55,145)	-82.5%	64,653
Vote 4 - COMMUNITY & SOCIAL SERVICES		59,552	77,120	69,461	5,829	39,928	63,673	(23,744)	-37.3%	64,645
Vote 5 - EXECUTIVE & COUNCIL		14,313	23,444	23,444	1,406	6,886	21,491	(14,605)	-68.0%	16,824
Vote 6 - MUNICIPALITY MANAGER		2,073	8,418	8,418	173	959	7,716	(6,757)	-87.6%	5,244
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		4,099	13,877	13,877	523	3,412	12,721	(9,309)	-73.2%	13,136
Vote 8 - HOUSING		43	56	56	-	3	52	(49)	-94.1%	53
Vote 9 - ELECTRICITY		79,381	129,734	96,234	8,774	154,435	88,214	66,221	75.1%	119,634
Vote 10 - WATER		10,714	56,891	52,284	4,433	97,252	47,927	49,325	102.9%	52,203
Vote 11 - DOG TAX		-	1	1	-	-	1	(1)	-100.0%	1
Vote 12 - PARKING METERS		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	289,025	486,191	422,210	30,802	351,533	387,026	(35,493)	-9.2%	417,484
Surplus/ (Deficit) for the year	2	56,326	(0)	0	(8,236)	27,578	0	27,578	#####	827

EC104 Makana - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M11 May

Capital Expenditure - Standard Classification										
Governance and administration		1,296	1,100	1,644	(145)	23	1,507	(1,484)	-98%	600
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-
Corporate services		1,296	1,100	1,644	(145)	23	#####	(1,484)	-98%	600
Community and public safety		6,352	9,541	20,334	300	14,434	18,640	(4,205)	-23%	5,204
Community and social services		807	-	1,084	54	144	993	(850)	-86%	-
Sport and recreation		5,536	9,541	19,251	247	14,291	17,646	(3,356)	-19%	5,204
Public safety		8	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		8,437	13,567	12,860	667	3,852	11,788	(7,936)	-67%	7,400
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		8,437	13,459	12,860	667	3,852	11,788	(7,936)	-67%	7,341
Environmental protection		-	108	-	-	-	-	-	-	59
Trading services		4,924	148,353	8,331	815	2,584	7,636	(5,053)	-66%	81,146
Electricity		1,062	7,035	5,079	596	1,007	4,656	(3,649)	-78%	3,837
Water		2,099	13,750	2,160	220	1,153	1,980	(826)	-42%	7,500
Waste water management		1,763	127,568	1,092	-	424	1,001	(577)	-58%	69,809
Waste management		-	-	-	-	-	-	-	-	-
Other		-	183	-	-	-	-	-	-	100
Total Capital Expenditure - Standard Classification	3	21,008	172,745	43,168	1,637	20,894	39,571	(18,677)	-47%	94,451
Funded by:										
National Government		-	-	42,085	1,584	20,645	38,578	(17,933)	-46%	-
Provincial Government		-	-	1,084	54	144	993	(850)	-86%	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	0	-	105	0	105	57257%	-
Transfers recognised - capital		-	-	43,168	1,637	20,893	39,571	(18,678)	-47%	-
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-
Total Capital Funding		-	-	43,168	1,637	20,893	39,571	(18,678)	-47%	-

EC104 Makana - Table C6 Monthly Budget Statement - Financial Position - M11 May

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		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
Total current assets		40,656	278,678	278,677	230,962	278,678
Non current assets						
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	–	–	–	–
Total non current assets		1,106,575	920,961	920,961	906,751	920,961
TOTAL ASSETS		1,147,231	1,199,639	1,199,638	1,137,713	1,199,639
LIABILITIES						
Current liabilities						
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
Total current liabilities		188,320	281,004	281,005	163,043	281,004
Non current liabilities						
Borrowing		56,512	60,534	60,534	60,534	60,534
Provisions		51,315	49,307	49,307	37,586	49,307
Total non current liabilities		107,827	109,841	109,841	98,120	109,841
TOTAL LIABILITIES		296,147	390,845	390,846	261,163	390,845
NET ASSETS	2	851,084	808,794	808,793	876,550	808,794
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		962,051	1,037,308	1,037,308	915,933	1,037,308
Reserves		–	5,749	5,749	–	5,749
TOTAL COMMUNITY WEALTH/EQUITY	2	962,051	1,043,057	1,043,057	915,933	1,043,057

EC104 Makana - Table C7 Monthly Budget Statement - Cash Flow - M11 May

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										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		507 870	304 319	304 319	19 575	338 882	378 002	(39 120)	-10%	304 319
Government - operating		83 931	89 475	89 475	-	65 179	82 019	(16 839)	-21%	89 475
Government - capital		1 541	170 043	43 168	1 210	38 318	39 571	(1 252)	-3%	43 168
Interest		17 569	12 100	12 100	-	1 255	11 092	(9 837)	-89%	12 100
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(474 002)	(351 972)	(348 973)	(22 425)	(402 408)	(319 892)	82 516	-26%	(348 973)
Finance charges		(8 344)	(5 000)	(5 000)	-	-	(4 583)	(4 583)	100%	(5 000)
Transfers and Grants		(5 237)	(37 901)	(37 901)	-	(18 609)	(34 743)	(16 134)	46%	(37 901)
NET CASH FROM/(USED) OPERATING ACTIVITIES		123 329	181 064	57 188	(1 640)	22 617	151 465	128 848	85%	57 188
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
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	-	-	-	-	-	-	-	-
Payments										
Capital assets		(22 863)	170 043	(43 168)	(1 637)	(20 893)	(39 571)	(18 677)	47%	(43 168)
NET CASH FROM/(USED) INVESTING ACTIVITIES		2 893	170 043	(43 168)	(1 637)	(20 893)	(39 571)	(18 677)	47%	(43 168)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		6 395	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		(2 321)	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		(4 010)	(5 500)	(4 000)	-	(1 054)	(3 667)	(2 613)	71%	(4 000)
NET CASH FROM/(USED) FINANCING ACTIVITIES		64	(5 500)	(4 000)	-	(1 054)	(3 667)	(2 613)	71%	(4 000)
NET INCREASE/ (DECREASE) IN CASH HELD		126 286	345 607	10 020	(3 277)	670	108 228			10 020
Cash/cash equivalents at beginning:		6 920	2 609	2 609		6 910	2 609			6 910
Cash/cash equivalents at month/year end:		133 206	348 216	12 629		7 580	110 837			16 930

EC104 Makana - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M11 May

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:		77,754	77,632	77,632	499	61,752	71,163	(9,411)	-13.2%	77,632
Local Government Equitable Share		74,637	73,008	73,008	-	57,755	66,924	(9,169)	-13.7%	73,008
Finance Management		-	1,810	1,810	35	1,737	1,659	78	4.7%	1,810
Municipal Systems Improvement		930	-	-	-	-	-	-	-	-
EPWP Incentive		1,002	1,000	1,000	323	804	917	(112)	-12.2%	1,000
		-	-	-	-	-	-	-	-	-
MIG OPERATIONAL		1,185	1,814	1,814	141	1,456	1,663	(208)	-12.5%	1,814
Provincial Government:		2,581	2,901	2,901	-	2,901	2,659	242	9.1%	2,901
Sport and Recreation		2,581	2,901	2,901	-	2,901	2,659	242	9.1%	2,901
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		1,500	1,917	1,917	-	1,600	1,757	(157)	-8.9%	1,917
		-	-	-	-	-	-	-	-	-
Health Subsidy		1,500	1,917	1,917	-	1,600	1,757	(157)	-8.9%	1,917
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		81,835	82,450	82,450	499	66,253	75,580	(9,327)	-12.3%	82,450
Capital expenditure of Transfers and Grants										
National Government:		42,510	152,790	39,032	1,210	13,350	35,779	(22,429)	-62.7%	152,790
Municipal Infrastructure Grant (MIG)		22,510	34,474	35,251	1,210	10,350	32,313	(21,963)	-68.0%	34,474
		20,000	86,000	-	-	-	-	-	-	86,000
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Bucket Eradication		-	24,893	-	-	-	-	-	-	24,893
INEP		-	7,423	3,781	-	3,000	3,466	(466)	-13.4%	7,423
Provincial Government:		996	1,084	1,084	54	1,084	994	90	9.1%	1,084
		996	1,084	1,084	54	1,084	994	90	9.1%	1,084
		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		-	16,169	3,053	-	3,948	2,798	1,150	41.1%	16,169
		-	16,169	3,053	-	3,948	2,798	1,150	41.1%	16,169
		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		43,506	170,043	43,168	1,264	18,382	39,571	(21,189)	-53.5%	170,043
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		125,341	252,493	125,619	1,763	84,635	115,150	(30,515)	-26.5%	252,493

EC104 Makana - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 May

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
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	8,570	7,632	5,357	-	35,000	-	-	-	56,559
Bulk Water	0200	1,533	441	17,283	1,197	7,651	-	-	-	28,106
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	5,441	4,106	2,679	14,562	24,575	-	-	-	51,363
Auditor General	0800	556	224	123	-	11,232	-	-	-	12,136
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	16,101	12,404	25,442	15,759	78,458	-	-	-	148,164

OTHER PARTIES CONSULTED

There were no other parties consulted.

RESOLVED TO RECOMMEND

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

FOR FURTHER DETAILS CONTACT:

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DIRECTORATE	Budget and Treasury

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CHIEF FINANCIAL OFFICER
MS. N.F. SIWAHLA