



MAKANA
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FINANCIAL MONTHLY REPORT

JULY 2014

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Legislative Framework

The Municipal Budget and Reporting Regulations are designed to achieve a range of objectives, including the local government sphere's ability to deliver basic services by facilitating improved financial sustainability and better medium term planning and policy choices on service delivery.

This report has been prepared in terms of the following legislative framework:

- a) MFMA Act- No.56 of 2003, Section 71 and
- b) Municipal Budget and Reporting Regulations

The objectives of these Regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirements for transparency, accountability and appropriate lines of responsibility in the budget and reporting process and other relevant matters as required by the Act.

To The Executive Mayor

In accordance with Section 71 (1) of the MFMA, I submit the required statement of the state of Makana Municipality' budget reflecting monthly expenditure.

Section 54 (1) of the MFMA requires the Mayor of the municipality to take certain actions on the receipt of this report to ensure that the approved budget is implemented in accordance with the projections contained in the Service Delivery and Budget Implementation Plan.

Recommendations

- The content of this report and supporting documents for July 2014 is noted.
- It be noted that the directors ensure that the budget is implemented in accordance with the Service Delivery and Budget Implementation Plan projections and in accordance with the approved budget.
- It be noted that any material variances will receive remedial or corrective action.

QUALITY CERTIFICATE

I Themba Mnguni, Acting Municipal Manager of Makana Municipality, hereby certify that –

- The monthly budget statement
- Quarterly report on the implementation of the budget and financial state affairs of the municipality
- Mid- year budget and performance assessment

for the month of July 2014 has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Name: Themba Mnguni

Acting Municipal Manager of Makana Municipality (EC104)

Signature: [Signature]

Date: 16/09/2014

2. EXECUTIVE SUMMARY

Section 71 (1) of the MFMA requires that the Municipal Manager, 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.

Section 54 of the MFMA requires the Executive Mayor to consider the Section 71 Report and take appropriate action to ensure that the approved budget is implemented in accordance with the SDBIP.

3. Consolidated Performance

The following table summarizes the overall position on the capital and operating budgets.

	Capital Expenditure R'000	Operating Expenditure R'000	Operating Revenue R'000
Budget	63 679	382 011	382 010
Budget to date	5 307	31 834	31 834
Year to date Actual	200	19 647	112 235
% of Annual Budget	0.3%	5.1%	29%

Relevant Information

- At present, operating expenditure incurred amounts to 31% of the annual budget budgeted expenditure and operating revenue amounts to 29% of the annual budgeted revenue.
- Year-to date expenditure on capital, amounts to R200 000 of the total capital budget of R63 679 000

EC104 Makana - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M01 July

Description	Ref	2013/14	Budget Year 2014/15							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		-	98 140	-	21 669	21 669	8 178	13 491	165%	-
Executive and council		-	7 183	-	1 843	1 843	599	1 244	208%	-
Budget and treasury office		-	87 983	-	19 705	19 705	7 332	12 374	169%	-
Corporate services		-	2 974	-	120	120	248	(127)	-51%	-
<i>Community and public safety</i>		-	8 705	-	118	118	725	(607)	-84%	-
Community and social services		-	3 624	-	92	92	302	(210)	-70%	-
Sport and recreation		-	11	-	3	3	1	2	251%	-
Public safety		-	3 654	-	23	23	304	(282)	-93%	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	1 416	-	1	1	118	(117)	-100%	-
<i>Economic and environmental services</i>		-	11 185	-	47	47	932	(885)	-95%	-
Planning and development		-	9 092	-	45	45	758	(713)	-94%	-
Road transport		-	1 350	-	-	-	113	(113)	-100%	-
Environmental protection		-	742	-	2	2	62	(60)	-97%	-
<i>Trading services</i>		-	263 964	-	90 401	90 401	21 997	68 404	311%	-
Electricity		-	144 242	-	51 420	51 420	12 020	39 400	328%	-
Water		-	68 093	-	19 642	19 642	5 674	13 968	246%	-
Waste water management		-	34 924	-	13 229	13 229	2 910	10 319	355%	-
Waste management		-	16 706	-	6 110	6 110	1 392	4 718	339%	-
<i>Other</i>	4	-	15	-	-	-	1	(1)	-100%	-
Total Revenue - Standard	2	-	382 009	-	112 235	112 235	31 834	80 401	253%	-
Expenditure - Standard										
<i>Governance and administration</i>		-	110 096	-	7 459	7 459	9 175	(1 716)	-19%	-
Executive and council		-	30 725	-	2 122	2 122	2 580	(438)	-17%	-
Budget and treasury office		-	36 792	-	4 165	4 165	3 066	1 099	36%	-
Corporate services		-	42 578	-	1 172	1 172	3 548	(2 376)	-67%	-
<i>Community and public safety</i>		-	31 326	-	2 995	2 995	2 408	587	24%	-
Community and social services		-	12 998	-	1 345	1 345	1 083	262	24%	-
Sport and recreation		-	4 490	-	131	131	374	(243)	-65%	-
Public safety		-	11 413	-	1 352	1 352	951	401	42%	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	2 425	-	167	167	-	167	#DIV/0!	-
<i>Economic and environmental services</i>		-	42 209	-	1 063	1 063	3 517	(2 454)	-70%	-
Planning and development		-	16 721	-	361	361	1 393	(1 032)	-74%	-
Road transport		-	18 665	-	465	465	1 555	(1 090)	-70%	-
Environmental protection		-	6 823	-	237	237	569	(332)	-58%	-
<i>Trading services</i>		-	198 055	-	8 128	8 128	16 505	(8 376)	-51%	-
Electricity		-	103 184	-	1 574	1 574	8 599	(7 025)	-82%	-
Water		-	56 174	-	2 857	2 857	4 681	(1 824)	-39%	-
Waste water management		-	26 840	-	3 591	3 591	2 237	1 354	61%	-
Waste management		-	11 857	-	106	106	988	(882)	-89%	-
<i>Other</i>		-	325	-	2	2	27	(25)	-92%	-
Total Expenditure - Standard	3	-	382 010	-	19 647	19 647	31 632	(11 985)	-38%	-
Surplus/ (Deficit) for the year		-	(0)	-	92 587	92 587	202	92 385	45717%	-

3.1.2 Table C2: Monthly Budget Statement - Financial Performance (standard classification)

This table reflects the operating budget (Financial Performance) in the standard classifications which is the Government Finance Statistics Functions and Sub-function. These are used by National Treasury to assist

in the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures being used by the different institutions.

The main functions are Governance and Administration, Community and Public Safety, Economic and Environmental Services and Trading services. It is for this reason that Financial Performance is reported in standard classification, Table C2, and by municipal vote, Table C3

Operating Revenue:

Operating revenue totals R112 235 603 for the period ending 31 July 2014. This is mainly due to the 1st instalment of Equitable Share that was received during July. Other incomes reflect low % as this is the first period in the new financial year and the property section are reviewing the lease contracts.

Operating Expenditure

Operating expenditure reported is R19 647 260 for the period. Most of the spending will start increasing over the next couple of months due to planning and SCM processes been initiated.

EC104 Makana - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 July

Vote Description	Ref	Budget Year 2014/15								
		2013/14	Original	Adjusted	Monthly	YearTD	YearTD	YTD	YTD	Full Year
		Audited	Budget	Budget	actual	actual	budget	variance	variance	Forecast
		Outcome							%	
R thousands										
Revenue by Vote	1									
Vote 1 - Technical and Infrastructure		-	36 655	-	13 358	13 358	3 055	10 303	337.3%	-
Vote 2 - Corporate Services		-	1 238	-	27	27	103	(76)	-73.8%	-
Vote 3 - Financial Services		-	87 990	-	17 088	17 088	7 333	9 755	133.0%	-
Vote 4 - Community and Social Services		-	26 678	-	8 516	8 516	2 223	6 293	283.1%	-
Vote 5 - Executive Mayor		-	7 141	-	2 034	2 034	595	1 438	241.7%	-
Vote 6 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 7 - Local Economic Development		-	9 972	-	151	151	831	(680)	-81.8%	-
Vote 8 - Housing		-	-	-	-	-	-	-	-	-
Vote 9 - Electricity		-	144 242	-	51 420	51 420	12 020	39 400	327.8%	-
Vote 10 - Water		-	68 093	-	19 642	19 642	5 674	13 968	246.2%	-
Vote 11 - [NAME OF VOTE 11]		-	1	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	382 010	-	112 235	112 235	31 834	80 401	252.6%	-
Expenditure by Vote	1									
Vote 1 - Technical and Infrastructure		-	48 687	-	2 759	2 759	4 057	(1 299)	-32.0%	-
Vote 2 - Corporate Services		-	27 449	-	2 295	2 231	2 287	(57)	-2.5%	-
Vote 3 - Financial Services		-	32 433	-	1 548	1 548	2 703	(1 155)	-42.7%	-
Vote 4 - Community and Social Services		-	66 908	-	3 846	3 846	5 576	(1 729)	-31.0%	-
Vote 5 - Executive Mayor		-	22 346	-	542	507	1 862	(1 355)	-72.8%	-
Vote 6 - Municipal Manager		-	4 745	-	316	265	395	(130)	-32.9%	-
Vote 7 - Local Economic Development		-	20 031	-	392	331	1 669	(1 338)	-80.2%	-
Vote 8 - Housing		-	51	-	-	-	4	(4)	-100.0%	-
Vote 9 - Electricity		-	103 183	-	1 465	-	8 599	(8 599)	-100.0%	-
Vote 10 - Water		-	56 177	-	6 485	-	4 681	(4 681)	-100.0%	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	382 011	-	19 647	11 487	31 834	(20 347)	-63.9%	-
Surplus/ (Deficit) for the year	2	-	(0)	-	92 588	100 748	(0)	100 748	#####	-

3.1.3 Table C3: Monthly Budget Statement – Financial I Performance (revenue and expenditure by municipal vote)

Reporting per municipal vote provide details on the spread of spending over the various functions of council. Income is mainly budgeted under the Executive and Council function and therefor the majority of the income will be reflected under this section.

EC104 Makana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

Description	Ref	2013/14	Budget Year 2014/15							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue By Source										
Property rates		-	45 925	-	15 828	15 828	3 827	12 001	314%	
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	
Service charges - electricity revenue		-	144 242	-	50 713	50 713	12 020	38 693	322%	
Service charges - water revenue		-	50 837	-	5 544	5 544	4 236	1 308	31%	
Service charges - sanitation revenue		-	24 217	-	7 373	7 373	2 018	5 355	265%	
Service charges - refuse revenue		-	10 908	-	954	954	909	45	5%	
Service charges - other		-	-	-	-	-	-	-	-	
Rental of facilities and equipment		-	4 323	-	130	130	360	(231)	-64%	
Interest earned - external investments		-	100	-	155	155	8	146	1754%	
Interest earned - outstanding debtors		-	9 500	-	1 083	1 083	792	291	37%	
Dividends received		-	-	-	-	-	-	-	-	
Fines		-	1 041	-	12	12	87	(75)	-87%	
Licences and permits		-	3 372	-	1	1	281	(280)	-100%	
Agency services		-	-	-	-	-	-	-	-	
Transfers recognised - operational		-	78 153	-	30 173	30 173	6 513	23 660	363%	
Other revenue		-	9 391	-	270	270	783	(512)	-65%	
Gains on disposal of PPE		-	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)		-	382 010	-	112 235	112 235	31 834	80 401	253%	-
Expenditure By Type										
Employee related costs		-	135 188	-	9 910	9 910	11 266	(1 356)	-12%	
Remuneration of councillors		-	9 313	-	1 347	1 347	776	571	74%	
Debt impairment		-	-	-	-	-	-	-	-	
Depreciation & asset impairment		-	10 729	-	-	-	894	(894)	-100%	
Finance charges		-	16 352	-	-	-	1 363	(1 363)	-100%	
Bulk purchases		-	79 624	-	-	-	6 635	(6 635)	-100%	
Other materials		-	-	-	-	-	-	-	-	
Contracted services		-	6 341	-	-	-	528	(528)	-100%	
Transfers and grants		-	41 863	-	-	-	3 489	(3 489)	-100%	
Other expenditure		-	82 601	-	8 390	8 390	6 883	1 507	22%	
Loss on disposal of PPE		-	-	-	-	-	-	-	-	
Total Expenditure		-	382 011	-	19 647	19 647	31 834	(12 187)	-38%	-
Surplus/(Deficit)		-	(1)	-	92 589	92 589	(0)	92 589	(1 228)	-
Transfers recognised - capital		-	-	-	-	-	-	-	-	
Contributions recognised - capital		-	-	-	-	-	-	-	-	
Contributed assets		-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions		-	(1)	-	92 589	92 589	(0)			-
Taxation		-	-	-	-	-	-	-	-	
Surplus/(Deficit) after taxation		-	(1)	-	92 589	92 589	(0)			-
Attributable to minorities		-	-	-	-	-	-	-	-	
Surplus/(Deficit) attributable to municipality		-	(1)	-	92 589	92 589	(0)			-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	
Surplus/ (Deficit) for the year		-	(1)	-	92 589	92 589	(0)			-

3.1.4 Table C4: Monthly Budget Statement - Financial Performance (revenue and expenditure)

Revenue by Source

Revenue by sources explains the types of incomes budgeted for and the performance of their items individually.

Rental of facilities and equipment:

Slow income levels are reported due to this being the first month of the financial year. New rental contracts are also continuously being negotiated and a municipal property task team is addressing the various shortcomings experienced in the past in terms of rental income and other property related issues.

Interest earned – External Investments:

Reflects the investment of access funds not needed in the operations of the municipality over the short term period of time which will be readily available when needed. Transferred recognised – operational
The first instalment of R 28 573 000 for the Equitable Share was received during July 2014. The Financial Management grant of R1 600 000 was also received in July 2014.

Other revenue / Sundry income

Other revenue reflects a low income due to this being the first month of the financial year. This is winter season and occupation rates at the resorts for these months are lower than high season.

Gains on disposal of PPE (Sale of Land)

No income was recorded under the Gains on disposal of PPE.

Expenditure by Type

Expenditure by type reflects the operational budget per main type/category of expenditure.

Employee Related cost / Remuneration of councillors

Employee related cost reported 89% of the total expenditure (for July) year to date.

Debt Impairment / Depreciation and asset impairment

These items account for non-cash budgeted items.

Finance charges

Yearly repayment of the loans are processed in December and June.

Other expenditure

Other expenditure reflects all other expenses not identified. The spending on other expenditure is low and will pick up as the year progresses.

EC104 Makana - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M01 July

Vote Description	Ref	2013/14	Budget Year 2014/15							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
Capital Expenditure - Standard Classification										
<i>Governance and administration</i>		-	-	-	-	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-
Corporate services		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	5 550	-	100	-	463	(463)	-100%	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	5 550	-	100	-	463	(463)	-100%	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	17 466	-	77	-	1 456	(1 456)	-100%	-
Planning and development		-	893	-	77	-	74	(74)	-100%	-
Road transport		-	16 573	-	-	-	1 381	(1 381)	-100%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	40 662	-	23	-	3 389	(3 389)	-100%	-
Electricity		-	6 814	-	-	-	568	(568)	-100%	-
Water		-	13 300	-	1	-	1 108	(1 108)	-100%	-
Waste water management		-	20 548	-	22	-	1 712	(1 712)	-100%	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	-	63 679	-	200	-	5 307	(5 307)	-100%	-
Funded by:										
National Government			34 593	-	101	101	2 883	(2 782)	-97%	-
Provincial Government			1 550	-	-	-	129	(129)	-100%	-
District Municipality			-	-	-	-	-	-	-	-
Other transfers and grants			27 536	-	-	-	-	-	-	-
Transfers recognised - capital		-	63 679	-	101	101	3 012	(2 911)	-97%	-
Public contributions & donations	5		-	-	-	-	-	-	-	-
Borrowing	6		-	-	-	-	-	-	-	-
Internally generated funds			-	-	99	-	-	-	-	-
Total Capital Funding		-	63 679	-	200	101	3 012	(2 911)	-97%	-

The other capital projects will also commence in the near future after the completion of all the planning and SCM processes.

EC104 Makana - Table C7 Monthly Budget Statement - Cash Flow - M01 July

Description	Ref	2013/14	Budget Year 2014/15							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		-	207 089	-	18 593	18 593	17 257	1 336	8%	
Government - operating		-	78 153	-	28 573	28 573	6 513	22 060	339%	
Government - capital		-	65 296	-	8 355	8 355	5 441	2 914	54%	
Interest		-	9 600	-	155	155	800	(645)	-81%	
Dividends		-	-	-	-	-	-	-		
Payments										
Suppliers and employees		-	(335 069)	-	(12 560)	(12 560)	(27 922)	(15 362)	55%	
Finance charges		-	-	-	-	-	-	-		
Transfers and Grants		-	41 863	-	-	-	3 489	3 489	100%	
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	66 932	-	43 116	43 116	5 578	37 538	673%	-
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	139	-	-	-	12	(12)	-100%	
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-		
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-		
Decrease (increase) in non-current investments		-	589	-	-	-	49	(49)	-100%	
Payments										
Capital assets		-	4 412	-	(4 429)	(4 429)	368	4 797	1305%	
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	5 140	-	(4 429)	(4 429)	428	4 857	1134%	-
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		
Borrowing long term/refinancing		-	-	-	-	-	-	-		
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		
Payments										
Repayment of borrowing		-	4 412	-	-	-	368	368	100%	
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	4 412	-	-	-	368	368	100%	-
NET INCREASE/ (DECREASE) IN CASH HELD		-	76 483	-	38 687	38 687	6 374			-
Cash/cash equivalents at beginning:		-	9 833	-		10 092	9 833			10 092
Cash/cash equivalents at month/year end:		-	86 316	-		48 779	16 206			10 092

Due to this being the 1st period within the financial year, cash flow reporting and other information is minimal.

The municipal bank balance at 31 July 2014 totals R10 082m and this is mainly the Equitable Share allocation that was received in July 2014 and the cash backed items as at 30 June 2014 which must be cash backed.

PART 2 – SUPPORTING DOCUMENTATION

Section 4 – Debtors' analysis

EC104 Makana - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July

EC104 Makana - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July													
Description		NT Code	Budget Year 2014/15								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											158 244		83 405
Rates	1200		70 674	2 336	1 829	1 626	81 779				82 776		19 136
Electricity	1300		57 247	3 363	3 031	1 413	17 723				43 260		25 462
Water	1400		13 103	2 954	1 741	1 514	23 948				118		57
Sewerage / Sanitation	1500		61	0	0	0	57				18 088		10 774
Refuse Removal	1600		6 609	379	326	293	10 481				-		-
Housing (Rental Revenue)	1700		-	-	-	-	-				9 103		7 871
Other	1900		745	374	113	108	7 763						
Total By Revenue Source		2000	148 439	9 406	7 041	4 955	141 750	-	-	-	311 590	-	146 705
2013/14 - totals only													
Debtors Age Analysis By Customer Category													
Government	2200		26 312	402	215	212	(6 159)				20 981		
Business	2300		45 547	2 544	2 683	1 171	19 310				71 255		
Households	2400		76 521	6 425	4 089	3 540	126 692				217 267		
Other	2500		59	35	53	32	1 907				2 087		
Total By Customer Category		2600	148 439	9 406	7 041	4 955	141 750	-	-	-	311 590	-	-

The municipality will be writing off all unrecoverable debts in order to be in a position to do the correct reporting as required and will verify and distribute the correct information to the relevant role-players.

Section 5 – Creditors' analysis

EC104 Makana - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July

EC104 Makana - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July											Prior year
Description	NT Code	Budget Year 2014/15								Total	totals for chart (same period)
		0 -	31 -	61 -	91 -	121 -	151 -	181 Days -	Over 1		
R thousands		30 Days	60 Days	90 Days	120 Days	150 Days	180 Days	1 Year	Year		
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	2 960	-
Trade Creditors	0700	767	170	1 402	621	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	2 960	-
Total By Customer Type	2600	767	170	1 402	621	-	-	-	-	2 960	-

Creditors section is busy with a total overhaul of their operating procedures. Standard operation procedures are being developed and various challenges addressed that was hindering better performance in terms of Creditors.

This should improve the reporting in future in terms of outstanding creditors but for the time being year to date the status quo will maintain. No proper reporting on the outstanding creditors can be done for the period 31 July 2014 until the SOP's have been completed and implemented.

Section 6 – Allocation and grant receipts and expenditure

6.1 Supporting Table C6

EC104 Makana - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M01 July

Description	Ref	2013/14	Budget Year 2014/15							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		-	75 725	-	30 173	30 173	6 227	22 558	362.3%	-
Local Government Equitable Share		-	72 184	-	28 573	28 573	6 015	22 558	375.0%	
Finance Management		-	1 600	-	1 600	1 600	133			
Municipal Systems Improvement		-	934	-	-	-	78			
EPWP Incentive		-	1 007	-	-	-	-			
Energy Efficiency and Demand Management		-	-	-	-	-	-			
	3	-	-	-	-	-	-			
Provincial Government:		-	2 435	-	-	-	-			
Sport and Recreation		-	2 435	-	-	-	-			
		-	-	-	-	-	-			
District Municipality:		-	1 409	-	-	-	-			
Cacadu- Health Subsidy		-	1 409	-	-	-	-			
		-	-	-	-	-	-			
Other grant providers:		-	-	-	-	-	-			
Total Operating Transfers and Grants	5	-	79 569	-	30 173	30 173	6 227	22 558	362.3%	-
Capital Transfers and Grants										
National Government:		-	36 211	-	4 290	4 290	2 016	2 349	116.5%	-
Municipal Infrastructure Grant (MIG)		-	23 298	-	4 290	4 290	1 942	2 349	121.0%	
Neighbourhood Development Partnership		-	893	-	-	-	74			
Regional Bulk Infrastructure		-	10 000	-	-	-	-			
INEP		-	2 020	-	-	-	-			
		-	-	-	-	-	-			
Provincial Government:		-	1 550	-	-	-	-			
Sport and Recreation		-	1 550	-	-	-	-			
		-	-	-	-	-	-			
Other grant providers:		-	27 535	-	-	-	-			
External Funding		-	27 535	-	-	-	-			
		-	-	-	-	-	-			
Total Capital Transfers and Grants	5	-	65 296	-	4 290	4 290	2 016	2 349	116.5%	-
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	-	144 865	-	34 463	34 463	8 242	24 906	302.2%	-

6.2 Supporting Table C7

EC104 Makana - Supporting Table SC7 Monthly Budget Statement - transfers and grant expenditure - M01 July

Description	Ref	2013/14	Budget Year 2014/15							
		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:		-	75 725	-	28 710	28 710	6 310	22 400	355.0%	-
Local Government Equitable Share		-	72 184	-	28 573	28 573	6 015	22 558	375.0%	-
Finance Management		-	1 600	-	58	58	133	(75)	-56.4%	-
Municipal Systems Improvement		-	934	-	-	-	78	(78)	-100.0%	-
EPWP Incentive		-	1 007	-	79	79	84	(5)	-5.7%	-
Energy Efficiency and Demand Management		-	-	-	-	-	-	-	-	-
Provincial Government:		-	2 435	-	-	-	-	-	-	-
Sport and Recreation		-	2 435	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	1 409	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Cacadu- Health Subsidy		-	1 409	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		-	79 589	-	28 710	28 710	6 310	22 400	355.0%	-
Capital expenditure of Transfers and Grants										
National Government:		-	23 298	-	90	90	1 942	(1 851)	-95.4%	-
Municipal Infrastructure Grant (MIG)		-	23 298	-	90	90	1 942	(1 851)	-95.4%	-
Provincial Government:		-	1 550	-	-	-	-	-	-	-
		-	1 550	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		-	40 448	-	-	-	-	-	-	-
		-	40 448	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		-	65 296	-	90	90	1 942	(1 851)	-95.4%	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	144 865	-	28 800	28 800	8 252	20 548	249.0%	-

Performance reporting on grants will be enhanced to ensure compliance with the Division of Revenue Act that stipulates reporting on all grant performance should be done.

Section 7 – Expenditure on councillor and board members allowances and employee benefits

Supporting Table C8

EC104 Makana - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 July

Summary of Employee and Councillor remuneration	Ref	2013/14	Budget Year 2014/15							
		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
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		-	6 434	-	1 056	1 056	536	520	97%	
Pension and UIF Contributions		-	-	-	-	-	-	-		
Medical Aid Contributions		-	-	-	-	-	-	-		
Motor Vehicle Allowance		-	2 145	-	149	149	179	(30)	-17%	
Cellphone Allowance		-	732	-	45	45	61	(16)	-26%	
Housing Allowances		-	-	-	-	-	-	-		
Other benefits and allowances		-	-	-	-	-	-	-		
Sub Total - Councillors		-	9 310	-	1 250	1 250	776	474	61%	-
% increase	4		#DIV/0!							
Senior Managers of the Municipality	3									
Basic Salaries and Wages		-	5 015	-	333	333	418	(84)	-20%	
Pension and UIF Contributions		-	12	-	-	-	1	(1)	-100%	
Medical Aid Contributions		-	-	-	-	-	-	-		
Overtime		-	-	-	-	-	-	-		
Performance Bonus		-	-	-	-	-	-	-		
Motor Vehicle Allowance		-	945	-	33	-	79	(79)	-100%	
Cellphone Allowance		-	81	-	3	-	7	(7)	-100%	
Housing Allowances		-	-	-	-	-	-	-		
Other benefits and allowances		-	41	-	-	-	3	(3)	-100%	
Payments in lieu of leave		-	-	-	-	-	-	-		
Long service awards		-	-	-	-	-	-	-		
Post-retirement benefit obligations	2	-	-	-	-	-	-	-		
Sub Total - Senior Managers of Municipality		-	6 093	-	370	333	508	(174)	-34%	-
% increase	4		#DIV/0!							
Other Municipal Staff										
Basic Salaries and Wages		-	97 805	-	7 152	-	8 150	(8 150)	-100%	
Pension and UIF Contributions		-	13 918	-	1 184	-	1 160	(1 160)	-100%	
Medical Aid Contributions		-	5 815	-	499	-	485	(485)	-100%	
Overtime		-	3 035	-	621	-	253	(253)	-100%	
Performance Bonus		-	-	-	-	-	-	-		
Motor Vehicle Allowance		-	2 722	-	286	-	227	(227)	-100%	
Cellphone Allowance		-	135	-	10	-	11	(11)	-100%	
Housing Allowances		-	536	-	19	-	45	(45)	-100%	
Other benefits and allowances		-	1 485	-	184	-	124	(124)	-100%	
Payments in lieu of leave		-	1 240	-	-	-	103	(103)	-100%	
Long service awards		-	400	-	14	-	33	(33)	-100%	
Post-retirement benefit obligations	2	-	2 007	-	165	-	167	(167)	-100%	
Sub Total - Other Municipal Staff		-	129 098	-	10 133	-	10 758	(10 758)	-100%	-
% increase	4		#DIV/0!							
Total Parent Municipality		-	144 501	-	11 753	1 583	12 042	(10 458)	-87%	-