

Report To: **FINANCE ADMINISTRATION MONITORING AND EVALUATION PORTFOLIO COMMITTEE**

File ref : _____

Collaborator/Item no: FAME(F) 8.8

Date: **16 APRIL 2015**

SUBJECT: MONTHLY REPORT: FEBRUARY 2015

**REPORT DATED 6 FEBRUARY 2015 FROM THE ACTING CHIEF FINANCIAL OFFICER TO THE
FINANCE ADMINISTRATION, MONITORING AND EVALUATION PORTFOLIO COMMITTEE**

PURPOSE:

The purpose of this item is to submit a financial report for the month ending FEBRUARY 2015 to the Finance Administration, Monitoring and Evaluation Portfolio Committee for **APPROVAL**.

LEGAL COMPLIANCE:

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

BACKGROUND:

It is the role of the Finance Department to table, on a monthly basis, financial report indicating the financial performance of the institution at a given point in time. The attached report attempts to comply with that requirement, for the period ending FEBRUARY 2015.

DISCUSSION:

Annexure 1 - Operating Income and Expenditure as at end FEBRUARY 2015.

Annexure 2 – Capital Expenditure per Vote as at end FEBRUARY 2015.

Annexure 3 – 12 Supporting Documents

RECOMMENDATIONS:

- a) That the Finance Administration, Monitoring and Evaluation Committee **APPROVE** the financial report from the Acting Chief Financial Officer, for the month ending FEBRUARY 2015.

FOR FURTHER DETAILS CONTACT:

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ACTING CHIEF FINANCIAL OFFICER
MS. B KHUMALO

CHAIRPERSON: FAME
CLLR. P RANCHHOD



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In-Year Report of the Municipality

Prepared in terms of the Local Government: Municipal Finance
Management Act (56/2003): Municipal Budget and Reporting
Regulations, Government Gazette 32141, 17 May 2009.

Monthly Budget Statement FEBRUARY 2015

Table of Contents

Table of Contents

Glossary

PART 1 – IN-YEAR REPORT

Section 1 – Mayor's Report

Section 2 – In-Year Reports 2014/2015

Section 3 – Executive Summary

Section 4 – In-year budget statement tables

PART 2 – SUPPORTING DOCUMENTATION

Section 5 – Debtors' analysis

Debtors' analysis per service rendered

Credit control report

Section 6 – Creditors' analysis

Summary of all creditor's paid at 28 FEBRUARY 2015

Summary of all payables as at 28 FEBRUARY 2015

Section 7 – Investment portfolio analysis

Summary of investments as at 28 FEBRUARY 2015

Section 8 – Allocation and grant receipts and revenue collected

Summary of Grants

Analysis of revenue collected

Section 9 – Expenditure on allowances and employee benefits

Employee related costs per vote

Councillor remuneration

Section 10 – Capital programme performance

Capital expenditure per vote and department

Year-to-date Capital budget vs expenditure

Section 11 – Supply Chain Management

Deviation for the month

Tenders awarded for the month

Section 12 – Other supporting documentation

Section 16 – Municipal manager's quality certification

Glossary

Adjustments budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations – Money received from Provincial or National Government or other municipalities.

Budget – The financial plan of the Municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy, credit control and debt collection policy.

Capital expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality.

IHHS – Informal Housing and Human Settlements, provincial grant.

KEDA – Entity of Makana Municipality, Makana Economic Development Agency.

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

MDMG – Municipal Disaster Management Grant.

MFMA – Local Government: Municipal Finance Management Act (56/2003). The principle piece of legislation relating to municipal financial management. Sometimes referred to as the Act.

MIG – Municipal Infrastructure Grant.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

NDPG – Neighbourhood Development Partnership Grant.

Operating expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages.

Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure – Generally, is spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget. In Makana Municipality this means at directorate level.

PART 1 – IN-YEAR REPORT

Section 1 – Mayor’s Report

1.1 In-Year Report - Monthly Budget Statement

The monthly budget statement for FEBRUARY 2015 has been prepared to meet the legislative requirements of the Municipal Budget and Reporting Regulations. The audited outcomes for 2013/2014 reflected in this report are provisional for June 2015 as the Annual Financial Statements were completed and submitted to Auditor General on 29 August 2014.

1.1.1 Financial problems or risks facing the municipality

The municipality has applied for a roll-over for MIG projects and the Disaster Funding. These roll-overs were cash backed at the end of the previous financial year. The municipality has been experiencing challenges regarding liquidity. This is mainly due to the under-collection of revenue and high expenditure on operational items. The financial challenges continue to persist but some headway has been made in reducing the number of unpaid creditors. A revenue enhancement strategy has been formulated and presented to council for approval. Implementation of this strategy should improve the revenue collection rate thus reducing the liquidity challenges. Implementation plan was also developed and current implemented by our debt collection company.

1.1.2 Relevant information

The Conditional Grant roll-over application for 2014/2015 has been approved by National Treasury. This will enable the municipality to pay-off any outstanding invoices relating to previous year Capital Projects.

Due to community consultation processes not taking place, the municipality has been forced to delay the implementation of charging the Infrastructure Levy until such time that processes have been completed. Therefore, the projected revenue to be collected will have to be reduced as a result of this.

Section 2 – IN-YEAR REPORTS 2014/2015

RECOMMENDATION:

(a) That FAME notes the monthly budget statement and supporting documentation for FEBRUARY 2015.

Section 3 – Executive Summary

3.1 Introduction

As already stated in the Mayor's Report that audited outcome for 2013/14 reflected in this report are provisional as the Annual Financial Statements were completed and submitted to Auditor General on 29 August 2014.

3.2 Consolidated performance

3.2.1 Against annual budget (original approved and latest adjustments)

Revenue by Source

The annual billing for rates and fixed service charges is reflected in this report. Year-to-date property rates, fixed refuse and sanitation charges equate to **50%** of their total respective annual budgets.

Year-to-date revenue realised **50%**, **R23 899 000.00** less when compared to year-to-date budget projections for FEBRUARY 2015.

Operating expenditure by type

Year-to-date expenditure is **36%** or **R108 500 000.00** less when compared to the year-to-date budget as at 31 FEBRUARY 2015.

Refer to Section 4 – Table C4 for further details on both revenue by source and expenditure by type

Capital expenditure

Year-to-date expenditure on capital project amounts to **R3.315 000** of the capital budget of R63 678 980 million of expenditure to date has been funded from capital transfers recognised.

Refer to Section 4 – Table C5 for more detail.

Cash flows

The financial year commenced with **positive** cash & cash equivalents balance of **R9 833 000.00** and this has **decreased** by **R22 542 000.00** during the year-to date to a negative balance of **R12 709 000.00**.

Refer to section 4 – Supporting Table C9 and Section 7 for more detail on the cash position.

Section 4 – In-year budget statement tables

4.1 Monthly budget statements

4.1.1 Table C1: s71 Monthly Budget Statement Summary

EC104 Makana - Table C1 Monthly Budget Statement Summary - M08 February									
Description	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								%	
Financial Performance									
Property rates	46 135	45 925	48 635	2 998	29 366	30 617	(1 251)	-4%	-
Service charges	161 564	230 204	243 785	12 526	95 110	149 573	(54 464)	-36%	-
Investment revenue	11 221	100	106	1 606	6 311	6 400	(89)	-1%	-
Transfers recognised - operational	73 127	78 153	80 872	4 287	34 245	53 405	(19 160)	-36%	-
Other own revenue	12 227	27 627	31 151	(1 131)	1 968	5 117	(3 149)	-62%	-
contributions)	304 275	382 010	404 549	20 286	166 999	245 113	(78 113)	-32%	-
Employee costs	126 902	135 188	143 186	10 199	52 788	87 184	(34 415)	-39%	-
Remuneration of Councillors	8 337	9 313	9 858	699	4 141	6 207	(2 065)	-33%	-
Depreciation & asset impairment	59 239	27 081	28 679	1 876	46 034	18 054	27 980	155%	-
Finance charges	6 337	-	-	1 061	1 764	-	1 764	-	-
Materials and bulk purchases	67 096	79 624	84 322	4 201	10 119	53 082	(42 964)	-81%	-
Transfers and grants	22 093	41 863	44 356	1 565	8 429	27 200	(18 771)	-	-
Other expenditure	63 340	88 941	94 149	5 971	14 426	54 455	(40 029)	-74%	-
Total Expenditure	353 345	382 010	404 550	25 572	137 681	246 181	(108 500)	-44%	-
Surplus/(Deficit)	(49 070)	(0)	(1)	(5 286)	29 318	(1 069)	30 387	-2843%	-
Transfers recognised - capital	21 302	65 296	48 928	-	-	1 073	(1 073)	-100%	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(27 767)	65 296	48 927	(5 286)	29 318	4	29 314	735792%	-
Share of surplus/ (deficit) of associates	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(27 767)	65 296	48 927	(5 286)	29 318	4	29 314	735792%	-
Capital expenditure & funds sources									
Capital expenditure	(1 664)	-	-	169	2 592	-	2 592	-	-
Capital transfers recognised	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	-	-	-	-	-	-	-	-
Financial position									
Total current assets	172 319	-	189 782	-	226 719	-	-	-	-
Total non current assets	1 064 793	-	284 928	-	1 069 641	-	-	-	-
Total current liabilities	183 116	-	5 594	-	161 913	-	-	-	-
Total non current liabilities	115 220	-	2 232	-	114 816	-	-	-	-
Community wealth/Equity	938 776	(1 007)	466 884	-	1 019 632	-	-	-	-
Cash flows									
Net cash from (used) operating	54 632	27 081	(39 900)	(2 690)	31 183	18 058	13 125	73%	(55 842)
Net cash from (used) investing	(69 538)	-	(3 904)	(203)	(74 386)	(59 191)	(15 195)	26%	-
Net cash from (used) financing	30 861	-	(4 672)	34	30 494	-	30 494	-	(56 707)
Cash/cash equivalents at the month/year end	25 788	27 081	(63 534)	-	(9 012)	(41 133)	32 121	-78%	(108 853)
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	-	-	-	-	-	-	-	-	-
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

4.1.2 Table C2: Monthly Budget Statement – Financial Performance (standard classification)

This table reflects the operating budget (Financial Performance) in the standard classifications which are the Government Finance Statistics Functions and Sub-functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures 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.

EC104 Makana - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M08 February

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									
Revenue - Standard										
<i>Governance and administration</i>		77 277	98 790	104 613	4 709	40 726	63 011	(22 285)	-35%	-
Executive and council		3 858	7 183	7 607	(5)	2 039	3 246	(1 208)	-37%	-
Budget and treasury office		68 737	87 983	93 178	4 630	38 209	57 648	(19 439)	-34%	-
Corporate services		4 682	3 624	3 827	83	478	2 117	(1 638)	-77%	-
<i>Community and public safety</i>		8 971	8 055	8 537	4 070	4 789	3 743	1 046	28%	-
Community and social services		2 682	2 974	3 156	4 030	4 225	1 984	2 242	113%	-
Sport and recreation		3 784	11	12	0	11	12	(1)	-8%	-
Public safety		711	3 654	3 869	38	101	803	(703)	-87%	-
Housing		-	-	-	-	-	-	-	-	-
Health		1 793	1 416	1 500	1	452	944	(492)	-52%	-
<i>Economic and environmental services</i>		13 097	11 185	11 846	(1 083)	16	3 446	(3 430)	-100%	-
Planning and development		2 455	9 092	9 630	14	500	435	66	15%	-
Road transport		9 620	1 350	1 430	(1 300)	(694)	2 530	(3 224)	-127%	-
Environmental protection		1 022	742	786	202	209	481	(272)	-56%	-
<i>Trading services</i>		226 212	263 964	279 538	12 587	119 836	175 976	(56 140)	-32%	-
Electricity		100 108	144 242	152 753	6 855	63 284	96 162	(32 878)	-34%	-
Water		72 354	68 093	72 110	3 462	28 641	45 395	(16 754)	-37%	-
Waste water management		37 692	34 924	36 984	1 448	18 608	23 282	(4 675)	-20%	-
Waste management		16 057	16 706	17 691	822	9 303	11 137	(1 834)	-16%	-
<i>Other</i>	4	3	15	16	-	-	10	(10)	-100%	-
Total Revenue - Standard	2	325 560	382 010	404 549	20 282	165 367	246 185	(80 818)	-33%	-
Expenditure - Standard										
<i>Governance and administration</i>		112 266	110 096	116 591	6 984	64 232	67 231	(2 998)	-4%	-
Executive and council		23 560	30 725	32 538	1 624	8 179	15 393	(7 214)	-47%	-
Budget and treasury office		54 090	36 792	38 963	2 201	44 873	24 568	20 304	83%	-
Corporate services		34 617	42 578	45 090	3 160	11 181	27 270	(16 089)	-59%	-
<i>Community and public safety</i>		36 345	31 326	33 174	3 231	15 003	24 740	(9 737)	-39%	-
Community and social services		9 599	12 998	13 764	980	3 954	6 345	(2 392)	-38%	-
Sport and recreation		8 685	4 490	4 755	743	3 450	6 060	(2 610)	-43%	-
Public safety		15 768	11 413	12 087	1 321	6 654	10 684	(4 029)	-38%	-
Housing		45	-	-	2	8	34	(26)	-77%	-
Health		2 249	2 425	2 569	186	937	1 617	(680)	-42%	-
<i>Economic and environmental services</i>		26 514	42 209	44 700	1 979	7 932	14 668	(6 736)	-46%	-
Planning and development		9 675	16 721	17 709	487	2 345	4 701	(2 357)	-50%	-
Road transport		12 399	18 665	19 766	1 261	4 401	6 898	(2 496)	-36%	-
Environmental protection		4 440	6 823	7 226	231	1 186	3 069	(1 883)	-61%	-
<i>Trading services</i>		177 967	198 055	209 740	13 365	50 429	1 801	48 628	2700%	-
Electricity		86 155	103 184	109 272	6 125	18 686	(68 789)	87 475	-127%	-
Water		53 585	56 174	59 488	3 731	16 331	37 449	(21 118)	-56%	-
Waste water management		21 801	26 840	28 424	2 098	9 154	20 475	(11 321)	-55%	-
Waste management		16 426	11 857	12 556	1 411	6 259	12 667	(6 408)	-51%	-
<i>Other</i>		252	325	344	12	84	163	(79)	-49%	-
Total Expenditure - Standard	3	353 344	382 010	404 549	25 572	137 681	108 603	29 078	27%	-
Surplus/ (Deficit) for the year		(27 785)	0	(0)	(5 290)	27 686	137 582	(109 896)	-80%	-

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

The operating expenditure budget is approved by Council on the municipal vote level.

The municipal votes reflect the organisational structure of the municipality which is made up of the following directorates: Technical and Infrastructure; Corporate Services; Financial Services; Community and Social Services; Executive Mayor; Municipal Manager; Local Economic Development; Housing; Electricity; Water.

EC104 Makana - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08 February										
Vote 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									%	
Revenue by Vote	1									
Vote 1 - TECHNICAL SERVICES		48 698	46 627	49 372	1 545	19 132	24 372	(5 240)	-21.5%	-
Vote 2 - CORPORATE SERVICES		306	1 238	940	4	375	692	(316)	-45.7%	-
Vote 3 - FINANCIAL SERVICES		68 737	87 990	93 178	4 630	38 209	57 648	(19 439)	-33.7%	-
Vote 4 - COMMUNITY & SOCIAL SERVICES		29 435	26 620	28 200	3 786	13 591	17 810	(4 218)	-23.7%	-
Vote 5 - EXECUTIVE & COUNCIL		2 427	4 827	5 112	-	1 294	3 218	(1 924)	-59.8%	-
Vote 6 - MUNICIPALITY MANAGER		1 449	2 315	2 823	-	740	1	738	51859.1%	-
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		2 015	-	-	-	100	850	(750)	-88.2%	-
Vote 8 - HOUSING		-	-	-	-	-	-	-	-	-
Vote 9 - ELECTRICITY		100 108	144 242	152 753	6 855	63 284	96 162	(32 878)	-34.2%	-
Vote 10 - WATER		72 354	68 093	72 110	3 462	28 641	45 395	(16 754)	-36.9%	-
Vote 11 - DOG TAX		-	1	2	-	-	1	(1)	-100.0%	-
Vote 12 - PARKING METERS		32	56	59	-	-	37	(37)	-100.0%	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	325 560	382 010	404 549	20 282	165 367	246 185	(80 818)	-32.8%	-
Expenditure by Vote	1									
Vote 1 - TECHNICAL SERVICES		44 373	59 109	62 596	3 951	16 956	32 454	(15 497)	-47.8%	-
Vote 2 - CORPORATE SERVICES		26 979	27 449	25 554	2 486	11 207	18 166	(6 958)	-38.3%	-
Vote 3 - FINANCIAL SERVICES		54 090	32 433	34 077	2 200	44 872	24 568	20 303	82.6%	-
Vote 4 - COMMUNITY & SOCIAL SERVICES		59 415	66 909	71 127	5 048	23 075	43 178	(20 103)	-46.6%	-
Vote 5 - EXECUTIVE & COUNCIL		14 257	16 235	17 193	1 357	3 481	10 823	(7 343)	-67.8%	-
Vote 6 - MUNICIPALITY MANAGER		7 961	10 856	15 012	321	1 658	3 163	(1 505)	-47.6%	-
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		6 485	9 610	10 177	349	1 405	7 556	(6 151)	-81.4%	-
Vote 8 - HOUSING		45	51	54	2	8	34	(26)	-76.7%	-
Vote 9 - ELECTRICITY		86 155	103 183	109 272	6 125	18 686	68 789	(50 103)	-72.8%	-
Vote 10 - WATER		53 585	56 177	59 488	3 731	16 331	37 449	(21 118)	-56.4%	-
Vote 11 - DOG TAX		-	1	-	-	-	1	(1)	-100.0%	-
Vote 12 - PARKING METERS		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	353 344	382 013	404 549	25 571	137 680	246 181	(108 502)	-44.1%	-
Surplus/ (Deficit) for the year	2	(27 785)	(2)	(0)	(5 289)	27 687	4	27 683	694857.5%	-

4.1.4 Table C4: Monthly Budget Statement – Financial Performance (revenue and expenditure)

EC104 Makana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February										
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		46 135	45 925	48 635	2 998	29 366	30 617	(1 251)	-4%	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		95 766	144 242	152 753	6 855	62 433	92 282	(29 849)	-32%	-
Service charges - water revenue		59 346	50 837	53 837	4 808	28 384	49 847	(21 462)	-43%	-
Service charges - sanitation revenue		-	24 217	25 644	-	-	-	-	-	-
Service charges - refuse revenue		6 363	10 908	11 551	822	4 230	7 256	(3 025)	-42%	-
Service charges - other		90	-	-	41	62	189	(127)	-67%	-
Rental of facilities and equipment		789	4 323	4 578	96	516	102	414	405%	-
Interest earned - external investments		11 221	100	106	1 606	6 311	6 400	(89)	-1%	-
Interest earned - outstanding debtors		-	9 500	10 061	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-
Fines		656	1 041	1 103	2	38	694	(656)	-95%	-
Licences and permits		2 597	3 372	3 571	4	213	1 620	(1 407)	-87%	-
Agency services		877	-	-	(1 300)	(898)	897	(1 793)	-200%	-
Transfers recognised - operational		73 127	78 153	80 872	4 287	34 245	53 405	(19 160)	-36%	-
Other revenue		7 309	9 391	11 838	67	2 097	1 804	293	16%	-
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-
and contributions)		304 275	382 010	404 549	20 286	166 999	245 113	(78 113)	-32%	-
Expenditure By Type										
Employee related costs		126 902	135 188	143 186	10 199	52 768	87 184	(34 415)	-39%	-
Remuneration of councillors		8 337	9 313	9 858	699	4 141	6 207	(2 065)	-33%	-
Debt impairment		-	-	-	-	-	-	-	-	-
Depreciation & asset impairment		59 239	27 081	28 679	1 876	46 034	18 054	27 980	155%	-
Finance charges		6 337	-	-	1 061	1 764	-	1 764	-	-
Bulk purchases		67 096	79 624	84 322	4 201	10 119	53 082	(42 964)	-81%	-
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		6 469	6 341	6 715	180	235	2 438	(2 203)	-90%	-
Transfers and grants		22 093	41 863	44 356	1 565	8 429	27 200	(18 771)	-69%	-
Other expenditure		56 871	82 601	87 434	5 791	14 192	52 017	(37 826)	-73%	-
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Expenditure		353 345	382 010	404 550	25 572	137 681	246 181	(108 500)	-44%	-
Surplus/(Deficit)		(49 070)	(0)	(1)	(5 286)	29 318	(1 069)	30 387	(0)	-
Transfers recognised - capital		21 302	65 296	48 928	-	-	1 073	(1 073)	(0)	-
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(27 767)	65 296	48 927	(5 286)	29 318	4			-
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(27 767)	65 296	48 927	(5 286)	29 318	4			-
Attributable to minorities		-	-	-	-	-	-	-	-	-
municipality		(27 767)	65 296	48 927	(5 286)	29 318	4			-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(27 767)	65 296	48 927	(5 286)	29 318	4			-

The Annual budget is approved for 'Total Revenue by Source'.

The year-to-date actual reflects an achievement of **68%** of the year-to-date budget and **68%** of the annual budget of **R382 010.00**.

Current expenditure is **36%**, **R108 500.00** below year-to-date budget projections for FEBRUARY 2015.

4.1.5 Table C5: Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)

EC104 Makana - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M08 February

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								%	
Multi-Year expenditure appropriation	2									
Vote 1 - TECHNICAL SERVICES		1	-	-	153	3 076	-	3 076		-
Vote 2 - CORPORATE SERVICES		-	-	-	-	-	-	-		-
Vote 3 - FINANCIAL SERVICES		(3)	-	-	-	(3)	-	(3)		-
Vote 4 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	100	-	100		-
Vote 5 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-		-
Vote 6 - MUNICIPALITY MANAGER		-	-	-	-	-	-	-		-
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		-	-	-	15	92	-	92		-
Vote 8 - HOUSING		-	-	-	-	-	-	-		-
Vote 9 - ELECTRICITY		(1 662)	-	-	-	(1 662)	-	(1 662)		-
Vote 10 - WATER		-	-	-	1	990	-	990		-
Vote 11 - DOG TAX		-	-	-	-	-	-	-		-
Vote 12 - PARKING METERS		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 -		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	(1 664)	-	-	169	2 592	-	2 592		-
Single Year expenditure appropriation	2									
Vote 1 - TECHNICAL SERVICES		-	-	-	-	-	-	-		-
Vote 2 - CORPORATE SERVICES		(0)	-	-	-	(0)	-	(0)		-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-		-
Vote 4 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-		-
Vote 5 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-		-
Vote 6 - MUNICIPALITY MANAGER		-	-	-	-	-	-	-		-
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-		-
Vote 8 - HOUSING		-	-	-	-	-	-	-		-
Vote 9 - ELECTRICITY		-	-	-	-	-	-	-		-
Vote 10 - WATER		-	-	-	-	-	-	-		-
Vote 11 - DOG TAX		-	-	-	-	-	-	-		-
Vote 12 - PARKING METERS		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 -		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	(0)	-	-	-	(0)	-	(0)		-
Total Capital Expenditure		(1 664)	-	-	169	2 592	-	2 592		-
Capital Expenditure - Standard Classification										
Governance and administration		(3)	-	-	-	(3)	-	(3)		-
Executive and council		-	-	-	-	-	-	-		-
Budget and treasury office		(3)	-	-	-	(3)	-	(3)		-
Corporate services		(0)	-	-	-	(0)	-	(0)		-
Community and public safety		-	-	-	-	100	-	100		-
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		-	-	-	-	100	-	100		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		1	-	-	15	2 792	-	2 792		-
Planning and development		-	-	-	15	106	-	106		-
Road transport		1	-	-	-	2 686	-	2 686		-
Environmental protection		-	-	-	-	-	-	-		-
Trading services		(1 662)	-	-	708	426	-	426		-
Electricity		(1 662)	-	-	-	(1 662)	-	(1 662)		-
Water		(0)	-	-	1	991	-	991		-
Waste water management		-	-	-	707	1 096	-	1 096		-
Waste management		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Standard Classification	3	(1 664)	-	-	723	3 315	-	3 315		-

4.1.6 Table C6: Monthly Budget Statement - Financial Position

EC104 Makana - Table C6 Monthly Budget Statement - Financial Position - M08 February

Description	Ref	2013/14	Budget Year 2014/15			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		1 595	-	4 643	21 430	-
Call investment deposits		-	-	6 429	-	-
Consumer debtors		128 393	-	138 458	152 470	-
Other debtors		29 209	-	30 469	39 586	-
Current portion of long-term receivables		-	-	-	-	-
Inventory		13 122	-	9 782	13 235	-
Total current assets		172 319	-	189 782	226 719	-
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		25 587	-	-	25 667	-
Investment property		227 072	-	254 925	227 072	-
Investments in Associate		-	-	-	-	-
Property, plant and equipment		811 186	-	-	815 954	-
Agricultural		-	-	-	-	-
Biological assets		-	-	-	-	-
Intangible assets		948	-	503	948	-
Other non-current assets		-	-	29 500	-	-
Total non current assets		1 064 793	-	284 928	1 069 641	-
TOTAL ASSETS		1 237 112	-	474 710	1 296 360	-
LIABILITIES						
Current liabilities						
Bank overdraft		15 062	-	-	-	-
Borrowing		4 293	-	-	3 888	-
Consumer deposits		2 298	-	2 479	2 395	-
Trade and other payables		158 098	-	-	152 264	-
Provisions		3 365	-	3 115	3 365	-
Total current liabilities		183 116	-	5 594	161 913	-
Non current liabilities						
Borrowing		50 117	-	-	50 117	-
Provisions		65 103	-	2 232	64 699	-
Total non current liabilities		115 220	-	2 232	114 816	-
TOTAL LIABILITIES		298 336	-	7 826	276 729	-
NET ASSETS	2	938 776	-	466 884	1 019 632	-
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		933 349	(1 007)	466 884	1 014 196	-
Reserves		5 428	-	-	5 435	-
TOTAL COMMUNITY WEALTH/EQUITY	2	938 776	(1 007)	466 884	1 019 632	-

4.1.7 Table C7: Monthly Budget Statement - Cash Flow

EC104 Makana - Table C7 Monthly Budget Statement - Cash Flow - M08 February										
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		227 576	277 962	219 305	10 085	91 990	185 307	(93 317)	-50%	157 602
Government - operating		73 127	80 108	80 872	4 287	34 245	53 405	(19 160)	-36%	-
Government - capital		21 302	1 609	48 928	-	-	1 073	(1 073)	-100%	-
Interest		11 221	9 600	10 166	1 606	6 311	6 400	(89)	-1%	-
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(250 164)	(301 398)	(354 815)	(16 042)	(91 171)	(200 928)	(109 757)	55%	(213 445)
Finance charges		(6 337)	-	-	(1 061)	(1 764)	-	1 764		-
Transfers and Grants		(22 093)	(40 799)	(44 356)	(1 565)	(8 429)	(27 200)	(18 771)	69%	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		54 632	27 081	(39 900)	(2 690)	31 183	18 058	13 125	73%	(55 842)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	148	-	(512)	(512)	-		-
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		(15 115)	-	625	(35)	(15 195)	-	(15 195)		-
Payments										
Capital assets		(54 423)	-	(4 677)	(169)	(58 680)	(58 680)	0	0%	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		(69 538)	-	(3 904)	(203)	(74 386)	(59 191)	15 195	-26%	-
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		30 770	-	-	-	30 365	-	30 365		-
Increase (decrease) in consumer deposits		91	-	-	34	128	-	128		(2 298)
Payments										
Repayment of borrowing		-	-	(4 672)	-	-	-	-		(54 410)
NET CASH FROM/(USED) FINANCING ACTIVITIES		30 861	-	(4 672)	34	30 494	-	(30 494)		(56 707)
NET INCREASE/ (DECREASE) IN CASH HELD		15 955	27 081	(48 476)	(2 860)	(12 709)	(41 133)			(112 550)
Cash/cash equivalents at beginning:		9 833	-	(15 058)		3 697	-			3 697
Cash/cash equivalents at month/year end:		25 788	27 081	(63 534)		(9 012)	(41 133)			(108 853)

4.1.8 Supporting Table SC9: Monthly Budget Statement – Actual and revised targets for cash receipts and cashflows

This supporting table gives a detailed breakdown of information summarised in Table C7.

EC104 Makana - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M08 February

Description	Ref	Budget Year 2014/15											
		July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget
R thousands	1												
Cash Receipts By Source													
Property rates		3 827	3 827	3 827	3 827	3 827	3 827	3 827	3 827	3 827	3 827	3 827	3 827
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		11 535	11 535	11 535	11 535	11 535	11 535	11 535	11 535	11 535	11 535	11 535	11 535
Service charges - water revenue		6 231	6 231	6 231	6 231	6 231	6 231	6 231	6 231	6 231	6 231	6 231	6 231
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse		907	907	907	907	907	907	907	907	907	907	907	907
Service charges - other		24	24	24	24	24	24	24	24	24	24	24	24
Rental of facilities and equipment		13	13	13	13	13	13	13	13	13	13	13	13
Interest earned - external investments		800	800	800	800	800	800	800	800	800	800	800	800
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-
Fines		87	87	87	87	87	87	87	87	87	87	87	87
Licences and permits		203	203	203	203	203	203	203	203	203	203	203	203
Agency services		112	112	112	112	112	112	112	112	112	112	112	112
Transfer receipts - operating		6 676	6 676	6 676	6 676	6 676	6 676	6 676	6 676	6 676	6 676	6 676	6 676
Other revenue		225	225	225	225	225	225	225	225	225	225	225	226
Cash Receipts by Source		30 639	30 639	30 639	30 639	30 639	30 639	30 639	30 639	30 639	30 639	30 639	30 640
Other Cash Flows by Source													
Transfer receipts - capital		134	134	134	134	134	134	134	134	134	134	134	134
Contributions & Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits		-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current debtors		-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments		-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source		30 773	30 773	30 773	30 773	30 773	30 773	30 773	30 773	30 773	30 773	30 773	30 774
Cash Payments by Type													
Employee related costs		10 898	10 898	10 898	10 898	10 898	10 898	10 898	10 898	10 898	10 898	10 898	10 901
Remuneration of councillors		776	776	776	776	776	776	776	776	776	776	776	776
Interest paid		-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity		6 356	6 356	6 356	6 356	6 356	6 356	6 356	6 356	6 356	6 356	6 356	6 356
Bulk purchases - Water & Sewer		280	280	280	280	280	280	280	280	280	280	280	280
Other materials		-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		305	305	305	305	305	305	305	305	305	305	305	305
Grants and subsidies paid - other municipalities		3 400	3 400	3 400	3 400	3 400	3 400	3 400	3 400	3 400	3 400	3 400	3 400
Grants and subsidies paid - other		-	-	-	-	-	-	-	-	-	-	-	-
General expenses		6 502	6 502	6 502	6 502	6 502	6 502	6 502	6 502	6 502	6 502	6 502	6 505
Cash Payments by Type		28 516	28 516	28 516	28 516	28 516	28 516	28 516	28 516	28 516	28 516	28 516	28 522
Other Cash Flows/Payments by Type													
Capital assets		-	-	-	-	-	-	-	-	-	-	-	-
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments		-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type		28 516	28 516	28 516	28 516	28 516	28 516	28 516	28 516	28 516	28 516	28 516	28 522
NET INCREASE/(DECREASE) IN CASH HELD		2 257	2 257	2 257	2 257	2 257	2 257	2 257	2 257	2 257	2 257	2 257	2 251
Cash/cash equivalents at the month/year beginning:			2 257	4 515	6 772	9 029	11 286	13 544	15 801	18 058	20 315	22 573	24 830
Cash/cash equivalents at the month/year end:		2 257	4 515	6 772	9 029	11 286	13 544	15 801	18 058	20 315	22 573	24 830	27 081

PART 2 – SUPPORTING DOCUMENTATION

Section 5 – Debtors' analysis

Debtors' analysis per service rendered

<u>Analysis of Debt</u>	<u>Current</u>	<u>30 Days</u>	<u>60 Days</u>	<u>90 Days</u>	<u>120 Days +</u>	<u>Total</u>
Water	16 157 147.09	2 722 868.31	2 250 625.58	2 722 868.31	33 530 143.43	57 383 652.72
Electricity	18 652 040.76	5 310 776.56	5 804 771.33	5 462 682.95	30 558 027.48	65 788 299.08
Sewerage	65 099.88	598.40	598.40	541.53	51 854.47	118 692.68
Refuse	2 651 312.00	484 341.47	424 720.30	391 315.00	14 141 841.59	18 093 530.36
Rates	57 302 894.82	4 374 533.56	3 739 695.55	5 081 812.46	87 406 163.70	157 905 100.09
Other	1 130 903.24	85 440.40	274 581.93	349 081.66	9 792 717 92	11 632 725.15
Total	95 959 397.79	12 978 558.70	12 494 993.09	14 008 301.91	175 480 748.59	310 922 000.08

The financial position includes the total annual billing to date and some debtor classifications which do not form part of the consumer debtors, whereas the age analysis only includes those consumer amounts which have become due and not the 'future' amounts which will only fall due in coming months for consumers who pay for their accounts by 30 September annually or monthly on an instalment basis.

Credit Control Statistics

<u>DESCRIPTION</u>	<u>ELECTRICITY</u>	<u>WATER</u>	<u>LEGAL ACTION</u>
Warning notice issued: business	4	-	-
Warning notice issued: domestic	12	19	-
Warning notice issued: schools	-	-	-
Disconnection: business	11	-	-
Disconnection: domestic	18	-	-
Restrictions	-	14	-
Reconnection: business	10	-	-
Reconnection: domestic	17	3	-
Not reconnected: business	1	-	-
Not reconnected: domestic	1	-	-
Arrangements	-	2	-
Handovers	-	-	-
Summons issued	-	-	-
Judgement obtained	-	10	-
Letter of demand	-	-	-
Tracer instructed	-	6	-

Section 6 – Creditors' analysis

6.1 Supporting Table SC4

Summary of all creditor's paid at 28 FEBRUARY2015

<u>DESCRIPTION</u>	<u>TOTAL PAID IN DECEMBER</u>	<u>TOTAL PAID IN JANUARY</u>	<u>TOTAL PAID IN FEBRUARY</u>
Total payments	R22 375 445.65	R13 294 405.14	R11 937 594.06

Top 10 Payments made in FEBRUARY2015

<u>DESCRIPTION</u>	<u>AMOUNT PAID</u>
Department of Transport	R1557 193.02
SARS	R1 428 794.25
Royal Haskoning	R895 097.87
Cape Retirement Fund	R843 370.58
Setplan	R623 659.14
Landis + Gyr (Pty) Ltd	R615 600.00
Hi-Tech Security	R586 087.78
Eskom	R416 001.28
Muncomp Systems (Pty) Ltd	R269 464.64
Ngelethu Construction	R207 332.87
TOTAL	R7 442 601.43

Summary of payables at 28 FEBRUARY2015

Age analysis

<u>TOTAL</u>	<u>CURRENT</u>	<u>30 DAYS</u>	<u>60 DAYS</u>	<u>90 DAYS</u>	<u>120 DAYS</u>
R84 212 041.27	R7 978 026.87	R6 398 608.27	R929 983.12	R3 313.80	R68 902 109.21

Top 10 Creditors

<u>COMPANY NAME</u>	<u>CURRENT</u>	<u>30 DAYS</u>	<u>60 DAYS</u>	<u>90 DAYS</u>	<u>120 DAYS</u>
ESKOM	R6 673 014.36	R6 208 606.98			R61 893 062.84
Department of Water Affairs			R226 485.83		R3 772 438.00
Department of Transport					R1 256 493.15
Ducharme Consulting					R798 000.63
Royal Haskoning			R585 369.80		
Auditor General					R426 429.45
Afrisec Strategic Solutions					R358 667.80
Business Connexions	R318 852.02				
North & Robertson EL	R113 570.60		R105 089.92		R14 224.92
National English Literary Museum					R150 000.00
TOTAL	R7 105 436.98	R6 208 606.98	R916 945.55	R0.00	R68 669 316.16

The outstanding creditors have increased by 10% from the previous month to **R84 212 041.27**. It was discovered that various invoices were not captured on the financial system which led to the understatement of the municipality's total debt. To mitigate against further invoices resurfacing, creditors' reconciliations are being performed. Although the municipality has entered into payment arrangements with all major creditors, it is imperative that austerity measures be strictly adhered to in order not to incur further debt.

Section 7 – Investment portfolio analysis

<u>ACCOUNT NAME</u>	<u>BANK NAME</u>	<u>INVESTMENT TYPE</u>	<u>BALANCE AT 31 FEBRUARY 2015</u>
Health Development fund	FNB	Call Account	R1 026.89
Saambou	FNB	Call Account	R17 352 105.29
Water: Fort Brown	FNB	Call Account	R15 004.14
Alicedale Funds	STD Bank	12 Month Deposit	R169 830.06
IDP	STD Bank	12 Month Deposit	R368 048.55
Disaster Fund	STD Bank	Call Account	R7 406 499.13
Kings Flats	STD Bank	12 Months Deposit	R75 010.71
Lower Makaanaskop	STD Bank	12 Months Deposit	R165 655.01
Makana (ex Children)	GBS Mutual	32 Days Notice	R201 572.73
Nat Peace Arboretum	GBS Mutual	12 Month Deposit	R159 388.31
Rini Mun House Coll	GBS Mutual	12 Month Deposit	R166 217.87
Prima/Unibank	ABSA	Call Account	R125 333.14
Disaster	Nedbank	Call Account	R76 612.08
TOTAL			R26 282 303.91

Section 8 – Allocations, grant receipts and expenditure

Summary of grants received

<u>GRANT</u>	<u>BUDGET</u>	<u>AMOUNT RECEIVED TO DATE</u>	<u>EXPENDITURE IN FEBRUARY</u>	<u>EXPENDITURE YEAR-TO-DATE</u>
MIG	R23 289 000	R4 290 000.00	R43 550.36	R877 043.25
MSIG	R934 000	R934 000.00	R3 400.00	R587 808.87
FMG	R1 600 000	R1 600 000.00	R46 899.06	R1 149 287.95
EPWP	R1 070 000	R705 000.00	R326 525.00	R780 222.20
DWA	R3 000 000	R1 966 361.36	R154 000.00	R2 873 781.92
TOTAL	R29 893 000.00	R9 495 361.36	R574 374.42	R6 268 144.19

It should be noted that no provincial or national grants should be received during April to June of any year. This is to prevent confusion from the overlap of the national government and the local government financial years and the negative impact this has previously had on reporting.

Analysis of revenue collected

<u>DESCRIPTION</u>	<u>OPENING BALANCE</u>	<u>AMOUNT BILLED</u>	<u>AMOUNT RECEIVED</u>	<u>CLOSING BALANCE</u>
Rates	R28 496 644.00	R3 741 904.00	R2 706 670.00	R31 203 314.00
Water Connection	R10 601 291.00	R1 791 505.00	R1 227 443.00	R11 828 734.00
Sewer Connection	R36 572 189.00	R1 542 032.00	R1 080 041.00	R37 652 230.00
Refuse Availability	R7 741 970.00	R938 952.00	R850 119.00	R8 592 089.00
Electricity Sales	R52 300 853.00	R7 811 813.00	R5 119 104.00	R57 419 957.00
Water Sales	R54 506 875.00	R2 311 254.00	R1 027 442.00	R55 534 317.00
Refuse Removal	R126 119.00	R0	R1 119.00	R127 238.00
Infrastructure Levy	R2 082 960.00	R0	R4 264.00	R2 087 224.00
Housing Rentals & Leases	R388 619.00	R95 453.00	R26 456.00	R415 075.00
Non-recurring Sundry	R267 820.00	R0	R38 830.00	R306 650.00
TOTAL	R193 085 340.00	R18 231 913.00	R12 081 488.00	R205 166 828.00

For the month of February the municipality collected 70% of electricity charges which is a drop of 10% from the January collection. The municipality managed to collect 50% on water sales, marking a 10% increase from the previous month. The collection of municipal rates currently sits at 80% for February. The municipality continues to struggle to collect at the rate of 95% as recommended. However, with the appointment of Revco Debt Collectors, the municipality could see a remarkable increase in revenue collection on service charges.

Section 9 – Expenditure on councillor allowances and employee benefits

Employee related costs per vote

<u>ITEM DESCRIPTION</u>	<u>BUDGET</u>	<u>ACTUAL FOR FEBRUARY</u>	<u>YEAR-TO- DATE EXPENDITURE</u>	<u>% EXPENDITURE TO DATE</u>
Salaries	R102 820 300	R7 138 188	R63 736 240	61.99%
Overtime	R3 034 572	R533 707	R4 671 987	153.96%
All: Housing	R536 148	R20 039	R164 469	30.68%
All: Telephone	R215 375	R15 949	R103 289	47.96%
All: Transport	R3 666 903	R275 273	R2 237 539	61.02%
All: Inconvenience	R927 490	R90 706	R768 818	82.89%
Pension/Provide nt Fund	R13 134 932	R1 118 805	R9 138 716	69.58%
Medical Aid Fund	R5 815 157	R537 221	R4 067 954	69.95%

Group Life Assurance	R598 753	R49 049	R398 255	66.51%
Total	R130 749 630	R9 778 937	R85 287 267	65.23%

Councillor remuneration

<u>ITEM DESCRIPTION</u>	<u>BUDGET</u>	<u>ACTUAL FOR FEBRUARY</u>	<u>YEAR-TO-DATE EXPENDITURE</u>	<u>% EXPENDITURE TO DATE</u>
Councillor Allowance	R6 433 830	R489 300	R4 560 474	70.88%
Telephone Allowance	R731 628	R46 953	R373 321	51.03%
Travelling Allowance	R2 144 610	R163 093	R1 304 744	60.84%
Total	R9 310 068	R699 346	R6 238 539	60.92%

Section 10 – Capital programme performance

Capital expenditure per department

CAPITAL EXPENDITURE AS AT 28 FEBRUARY 2015					
DEPARTMENT/SECTION	BUDGET 2014/15	ADJUSTMENT BUDGET	CURRENT MONTH ACTUAL	EXPENDITURE TO DATE	
				INTERNAL SOURCES	GRANTS/LOANS
TECH. & INFRASTRUCT. SERVICES					
Electricity Administration					
Electricity Distribution	5 707 900				0
Water Related Infrastructure (DBSA Loan)					
Water Pumping and Purification	3 000 000		1 200		1 783 373
Water Reticulation	300 000				0
	9 007 900	0	1 200	0	1 783 373
COMMUNITY & SOCIAL SERVICES					
Libraries	1 550 392				0
	1 550 392	0	0	0	0
Local Economic Development/NDPG	893 000				0
	893 000	0	0	0	0
PDOHS/NDOHS Projects	20 548 000				0
INEP					
INNOWIND Wind Farm Project					
ECDC Projects					
RBIG Projects	10 000 000				0
CDM Disaster Recovery Project					
Water Conservation and demand management					
MIG Projects	21 679 688		0		351 582
TOTAL BUDGETED CAPEX	63 678 980	0	1 200	0	2 134 955

Year-to-date Capital Budget vs Expenditure

<u>VOTE NO</u>	<u>DEPARTMENT/SECTION :</u> <u>DETAILS</u>	<u>FUNDING</u> <u>SOURCE</u>	<u>COST</u> <u>2014/2015</u>	<u>ACTUAL</u> <u>2014/2015</u>
<u>90/50/44/</u>	COMMUNITY AND SOCIAL SERVICES	DSRAC		
	LIBRARIES			
	Hill street			
	Various Projects		1 550 392	
			1 550 392	-
	TOTAL OF COMMUNITY & SOCIAL SERVICES		1 550 392	-
<u>90/75/05/</u>	LOCAL ECONOMIC DEVELOPMENT	NDPG		
	Technical Assistance		893 000	
	TOTAL LOCAL ECONOMIC DEVELOPMENT		893 000	-
	TECHNICAL & INFRASTRUCTURAL SERVICES	INEP		
	Electrification			
	Mayfield		2 020 000	
	BULK ELECTRICAL SUPPLY UPGRADE (HOWIESON'S POORT)	ECDC		
	Construction of 22kV line to Howieson's Poort		1 311 000	
	Re-Built existing 10.3Km 11kV from Waainek Sub to Pumpstation		2 376 900	
			3 687 900	-
	TOTAL ELECTRICITY		5 707 900	-
<u>90/10/60/</u>	WATER	Amatola		
	PUMPING AND PURIFICATION			
	Alicedale			
	Replace & Installation of ageing valves		100 000	
	Replacement of Old Asbestos Pipes	ECDC	200 000	
			300 000	-
	Water Conservation	DWA	3 000 000	1 783 373
			3 000 000	1 783 373
	TOTAL WATER		3 300 000	1 783 373
<u>90/</u>	MIG PROJECTS	MIG		
	Electrical Component: Grahamstown erection of high -masts		1 106 227.50	

-	Construction of Alicedale Internal Roads - Phase 1	MIG	4 500 000.00	
-	Social Service Component: Foley's Ground Multipurpose - Phases 1	MIG	4 000 000.00	351 582
	LED Component: Construction of Egazini Access Road - Phase 1	MIG	1 106 227.50	
-	Construction of Vukani Taxi Route - Phase 1	MIG	10 967 233.17	
	TOTAL MIG		21 679 688.17	351 582
	Eluxolweni Plumbing Works	PDoHS	548 000	
	Bucket Eradication Programme (NURCHA)	NDoHS	20 000 000	
	Regional Bulk Infrastructure	RBIG	10 000 000	
	TOTAL EXTERNAL FUNDED PROJECTS		30 548 000	0
	TOTAL CAPITAL BUDGET		63 678 980	2 134 955

Section 11 – Supply Chain Management

Deviations for the month

<u>COMPANY NAME</u>	<u>DESCRIPTION</u>	<u>DEPARTMENT</u>	<u>RESPONSIBLE PERSON</u>	<u>REASON</u>	<u>AMOUNT</u>
RHINI DEVELOPERS	DISMANTLING AND REMOVAL OF ZINC TEMPORARY STRUCTURES	DTIS	MR E T MYALATO	URGENCY	R 34 800.00
COPTOEASTC OAST	REPAIRS TO WEIGHBRIDGE	DCSS	MGGIER RE		R 46 341.00
WORKSHOP ELETRONICS	REPAIRS TO VEHICLE TEST EQUIPMENT	DCSS	MR REGGIE	URGENCY/S OLE PROVIDER	R 46 341.00
VALOTONE 181 CC	RE CONSTRUCT THE SUBSTATION ROOF AT FLETCHER SUBSTATION	DTIS	MR M RADU	EMERGENCY	R 26 400.00
SIYA GREEN VILLAGE	WATER TRUCK DELIVERIES	DTIS		EMERGENCY	R 10 800.00
BVQ TRADING	WATER TRUCK DELIVERIES	DTIS		EMERGENCY	R 22 500.00
LAMBCHOPS TRADING	WATER TRUCK DELIVERIES	DTIS		EMERGENCY	R 29 000.00
BVQ TRADING	WATER TREUCK DELIVERIES	DTIS		OTHER	R 26 000.00
BUCO	STANDARDS Y AND WIRE GALV	DTIS	MR D MLENZANE	EMERGENCY	R 1 476.00
TOTAL					R243 658.00

Tenders awarded for the month

No tenders were awarded in FEBRUARY 2015.

Section 12 – Other supporting documentation

12.1 Other information

None.

Section 16 – Municipal Manager’s Quality Certification

I, Mandisi Planga, Acting Municipal Manager of Makana Municipality, hereby certify that the information provided in this report and supporting documents have been prepared to the best of our ability in accordance with the Municipal Finance Management Act and the regulations made under this Act.

NAME: Mandisi Planga

SIGNATURE:

DATE: