



MAKANA
MUNICIPALITY | EASTERN CAPE
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Report To: **FINANCE ADMINISTRATION AND EVALUATION PORTFOLIO COMMITTEE**

File ref : _____

Collaborator/Item no: FAME B.1 (F)

Date: **11 September 2015**

SUBJECT: MONTHLY REPORT: JULY 2015

**REPORT DATED 11 SEPTEMBER 2015 FROM THE ACTING CHIEF FINANCIAL OFFICER TO THE
FINANCE ADMINISTRATION AND EVALUATION PORTFOLIO COMMITTEE**

PURPOSE:

The purpose of this item is to submit a financial report for the month ending JULY 2015 to the Finance Administration and Evaluation 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 JULY

DISCUSSION:

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

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

Annexure 3 – 12 Supporting Documents

RECOMMENDATIONS:

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

COMMENTS FROM THE EXECUTIVE MANAGEMENT:

- 1.1.1. TECHNICAL AND INFRASTRUCTURE SERVICES: None Required
- 1.1.2. COMMUNITY AND SOCIAL SERVICES: None Required
- 1.1.3. CORPORATE SERVICES: None Required
- 1.1.4. BUDGET AND TREASURY SERVICES:
- 1.1.5. LOCAL ECONOMIC DEVELOPMENT: None Required
- 1.1.6. MUNICIPAL MANAGER: None Required

FOR FURTHER DETAILS CONTACT:

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.....
ACTING CHIEF FINANCIAL OFFICER
MS. B KHUMALO


.....
PORTFOLIO CHAIR FAME
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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 JULY 2015

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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 July 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 are to be submitted to the Auditor General on 31 August 2015.

1.1.1 Financial problems or risks facing the municipality

The municipality continues to experience challenges regarding liquidity. This is mainly due to the under-collection of revenue and large outstanding debt owed to creditors carried over from previous financial years. These financial challenges continue to persist but some headway has been made in ensuring financial stability. A revenue enhancement strategy has been formulated and presented to council for approval. As a result a debt collection company (REVCO) was appointed and commenced work on 01 February 2015. The scope of work for work entails debt collection and data cleansing. The implementation of these functions should improve the debtors' information used to bill customers and the revenue collection rate thus reducing the liquidity challenges. The REVCO performance report is included under section 5 of this report.

1.1.2 Relevant information

As at 30 June 2015, the municipality had an amount of R13 461 200.00 unspent on the Municipal Infrastructure Grant (MIG). Since these funds were under the control of Sara Baartman District Municipality, the District Municipality has applied for the grant roll-over on Makana Municipality's behalf. The roll-over application outcome is pending.

Section 2 – IN-YEAR REPORTS 2015/2016

RECOMMENDATION:

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

Section 3 – Executive Summary

3.1 Introduction

The Annual Financial Statements for the 2014/15 year are to be submitted to the Auditor General on 31 August 2015.

3.2 Consolidated performance

3.2.1 Against annual budget (original approved and latest adjustments)

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

| | Original Budget R'000 | Adjustment Budget R'000 | Actual R'000 | Annual Budget % |
|-----------------------|--------------------------|-------------------------------|-----------------|-----------------------|
| Operating Revenue | 418 312 | - | 82 289 | 20% |
| Operating Expenditure | 417 484 | - | 6 778 | 10% |
| Capital Expenditure | 190 292 | - | 6 998 | 10% |

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 30% of their total respective annual budgets. The table above summarizes the overall position on the capital and operating budgets

Year-to-date revenue realised 20%, R19 867 000.00 more when compared to year-to-date budget projections for July 2015.

Operating expenditure by type

Year-to-date adjusted expenditure is 10% or R28 012 000.00 less when compared to the year-to-date budget as at 31 July 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 R6 998 million of the adjusted capital budget of R190 292 million.

Refer to Section 4 – Table C5 for more detail.

Cash flows

The financial month commenced with a negative cash & cash equivalents balance but has since improved to end in a positive balance of R28 563 000.00.

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 - M01 July

| Description | 2015/16 | Budget Year 2016/17 | | | | |
|--|------------------|---------------------|-------------------|--------------------|--------------------|--------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget |
| R thousands | | | | | | |
| Financial Performance | | | | | | |
| Property rates | 49 813 | 52 695 | - | 19 374 | 19 374 | 4 391 |
| Service charges | 197 214 | 261 544 | - | 29 404 | 29 404 | 21 795 |
| Investment revenue | 12 392 | 11 893 | - | 828 | 828 | 991 |
| Transfers recognised - operational | 81 144 | 82 734 | - | 32 427 | 32 427 | 34 556 |
| Other own revenue | 5 400 | 8 262 | - | 256 | 256 | 688 |
| contributions) | 345 963 | 417 127 | - | 82 289 | 82 289 | 62 422 |
| Employee costs | 129 931 | 121 519 | - | 10 813 | 10 813 | 10 126 |
| Remuneration of Councillors | 9 458 | 9 721 | - | 719 | 719 | 810 |
| Depreciation & asset impairment | 55 486 | 32 538 | - | 1 876 | 1 876 | 2 712 |
| Finance charges | 8 707 | 1 | - | - | - | 0 |
| Materials and bulk purchases | 79 094 | 88 002 | - | (191) | (191) | 7 333 |
| Transfers and grants | 25 328 | 74 434 | - | (658) | (658) | 6 203 |
| Other expenditure | 55 757 | 91 268 | - | (5 931) | (5 931) | 7 605 |
| Total Expenditure | 363 763 | 417 484 | - | 6 628 | 6 628 | 34 790 |
| Surplus/(Deficit) | (17 799) | (357) | - | 75 661 | 75 661 | 27 632 |
| Transfers recognised - capital | 215 | 1 185 | - | - | - | 395 |
| Contributions & Contributed assets | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | (17 585) | 827 | - | 75 661 | 75 661 | 28 027 |
| Share of surplus/ (deficit) of associate | - | - | - | - | - | - |
| Surplus/ (Deficit) for the year | (17 585) | 827 | - | 75 661 | 75 661 | 28 027 |
| Capital expenditure & funds sources | | | | | | |
| Capital expenditure | 36 197 | 191 857 | - | (6 998) | 29 199 | 15 988 |
| Capital transfers recognised | - | - | - | - | - | - |
| Public contributions & donations | - | - | - | - | - | - |
| Borrowing | - | - | - | - | - | - |
| Internally generated funds | - | - | - | - | - | - |
| Total sources of capital funds | - | - | - | - | - | - |
| Financial position | | | | | | |
| Total current assets | 211 810 | - | - | | 267 879 | |
| Total non current assets | 1 111 381 | 191 857 | - | | 1 104 384 | |
| Total current liabilities | 247 697 | (903) | - | | 261 251 | |
| Total non current liabilities | 114 816 | - | - | | 114 816 | |
| Community wealth/Equity | 960 678 | (250) | - | | 996 196 | |
| Cash flows | | | | | | |
| Net cash from (used) operating | 102 194 | 32 463 | - | 64 044 | 60 678 | 30 663 |
| Net cash from (used) investing | (43 844) | (191 857) | - | 6 997 | (36 825) | (36 855) |
| Net cash from (used) financing | 23 | - | - | 35 | 56 | - |
| Cash/cash equivalents at the month/year end | 44 502 | (159 394) | - | - | 52 473 | (6 192) |
| Debtors & creditors analysis | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121-150 Dys | 151-180 Dys |
| 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) - M01 July

| Description | Ref | 2015/16 | Budget Year 2016/17 | | | | |
|---|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget |
| R thousands | 1 | | | | | | |
| Revenue - Standard | | | | | | | |
| <i>Governance and administration</i> | | 89 764 | 105 973 | – | 25 432 | 25 432 | 22 998 |
| Executive and council | | 4 937 | 6 091 | – | 1 426 | 1 426 | 2 196 |
| Budget and treasury office | | 83 700 | 97 170 | – | 23 908 | 23 908 | 20 280 |
| Corporate services | | 1 127 | 2 712 | – | 97 | 97 | 522 |
| <i>Community and public safety</i> | | 6 484 | 5 908 | – | 95 | 95 | 492 |
| Community and social services | | 4 509 | 3 128 | – | 85 | 85 | 261 |
| Sport and recreation | | 31 | 18 | – | 1 | 1 | 1 |
| Public safety | | 204 | 1 255 | – | 9 | 9 | 105 |
| Housing | | – | – | – | – | – | – |
| Health | | 1 740 | 1 507 | – | 1 | 1 | 126 |
| <i>Economic and environmental services</i> | | 4 291 | 4 059 | – | 33 | 33 | 430 |
| Planning and development | | 641 | 403 | – | 12 | 12 | 125 |
| Road transport | | 3 172 | 3 634 | – | 19 | 19 | 303 |
| Environmental protection | | 478 | 23 | – | 2 | 2 | 2 |
| <i>Trading services</i> | | 245 769 | 302 356 | – | 56 728 | 56 728 | 38 895 |
| Electricity | | 116 556 | 174 087 | – | 12 916 | 12 916 | 16 374 |
| Water | | 76 715 | 73 098 | – | 23 124 | 23 124 | 12 152 |
| Waste water management | | 34 102 | 37 277 | – | 14 047 | 14 047 | 6 852 |
| Waste management | | 18 396 | 17 893 | – | 6 641 | 6 641 | 3 517 |
| <i>Other</i> | 4 | – | 15 | – | – | – | 1 |
| Total Revenue - Standard | 2 | 346 308 | 418 312 | – | 82 289 | 82 289 | 62 817 |
| Expenditure - Standard | | | | | | | |
| <i>Governance and administration</i> | | 109 057 | 133 666 | – | (3 312) | (3 312) | 11 139 |
| Executive and council | | 19 612 | 25 083 | – | (6 738) | (6 738) | 2 090 |
| Budget and treasury office | | 60 708 | 64 096 | – | 1 483 | 1 483 | 5 341 |
| Corporate services | | 28 737 | 44 487 | – | 1 943 | 1 943 | 3 707 |
| <i>Community and public safety</i> | | 38 208 | 37 681 | – | 2 983 | 2 983 | 3 140 |
| Community and social services | | 10 159 | 9 772 | – | 914 | 914 | 814 |
| Sport and recreation | | 8 925 | 9 527 | – | 526 | 526 | 794 |
| Public safety | | 16 661 | 15 225 | – | 1 368 | 1 368 | 1 269 |
| Housing | | 48 | 53 | – | 2 | 2 | 4 |
| Health | | 2 415 | 3 104 | – | 174 | 174 | 259 |
| <i>Economic and environmental services</i> | | 22 290 | 24 564 | – | 1 656 | 1 656 | 2 047 |
| Planning and development | | 6 931 | 9 649 | – | 531 | 531 | 804 |
| Road transport | | 12 404 | 11 757 | – | 822 | 822 | 980 |
| Environmental protection | | 2 955 | 3 158 | – | 303 | 303 | 263 |
| <i>Trading services</i> | | 193 954 | 221 414 | – | 5 289 | 5 289 | (1 488) |
| Electricity | | 106 402 | 119 634 | – | 341 | 341 | (9 969) |
| Water | | 48 304 | 52 203 | – | 2 284 | 2 284 | 4 350 |
| Waste water management | | 23 455 | 29 900 | – | 1 801 | 1 801 | 2 492 |
| Waste management | | 15 793 | 19 677 | – | 863 | 863 | 1 640 |
| <i>Other</i> | | 253 | 160 | – | 12 | 12 | 139 |
| Total Expenditure - Standard | 3 | 363 762 | 417 484 | – | 6 628 | 6 628 | 14 851 |
| Surplus/ (Deficit) for the year | | (17 454) | 827 | – | 75 661 | 75 661 | 47 966 |

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) - M01 July | | | | | | | |
|---|----------|-----------------|---------------------|-----------------|----------------|---------------|---------------|
| Vote Description | Ref | 2015/16 | Budget Year 2016/17 | | | | |
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget |
| R thousands | | | | | | | |
| Revenue by Vote | 1 | | | | | | |
| Vote 1 - TECHNICAL SERVICES | | 35 407 | 38 563 | – | 14 143 | 14 143 | 7 255 |
| Vote 2 - CORPORATE SERVICES | | 403 | 729 | – | 42 | 42 | 152 |
| Vote 3 - FINANCIAL SERVICES | | 83 700 | 98 172 | – | 23 908 | 23 908 | 20 364 |
| Vote 4 - COMMUNITY & SOCIAL SERVICES | | 28 469 | 27 317 | – | 6 715 | 6 715 | 4 302 |
| Vote 5 - EXECUTIVE & COUNCIL | | 4 209 | 5 066 | – | 1 429 | 1 429 | 2 111 |
| Vote 6 - MUNICIPALITY MANAGER | | 740 | 3 | – | – | – | 0 |
| Vote 7 - LOCAL ECONOMIC DEVELOPMENT | | 109 | 1 275 | – | 11 | 11 | 106 |
| Vote 8 - HOUSING | | – | – | – | – | – | – |
| Vote 9 - ELECTRICITY | | 116 556 | 174 087 | – | 12 916 | 12 916 | 16 374 |
| Vote 10 - WATER | | 76 715 | 73 098 | – | 23 124 | 23 124 | 12 152 |
| Vote 11 - DOG TAX | | – | 1 | – | – | – | 0 |
| Vote 12 - PARKING METERS | | – | – | – | – | – | – |
| Total Revenue by Vote | 2 | 346 308 | 418 312 | – | 82 289 | 82 289 | 62 817 |
| Expenditure by Vote | 1 | | | | | | |
| Vote 1 - TECHNICAL SERVICES | | 44 396 | 49 829 | – | 3 317 | 3 317 | 4 152 |
| Vote 2 - CORPORATE SERVICES | | 25 738 | 31 262 | – | 1 339 | 1 339 | 2 605 |
| Vote 3 - FINANCIAL SERVICES | | 60 708 | 64 653 | – | 1 483 | 1 483 | 5 388 |
| Vote 4 - COMMUNITY & SOCIAL SERVICES | | 58 543 | 64 645 | – | 4 216 | 4 216 | 5 387 |
| Vote 5 - EXECUTIVE & COUNCIL | | 11 099 | 16 824 | – | 995 | 995 | 1 402 |
| Vote 6 - MUNICIPALITY MANAGER | | 4 158 | 5 244 | – | (7 680) | (7 680) | 437 |
| Vote 7 - LOCAL ECONOMIC DEVELOPMENT | | 4 866 | 13 136 | – | 481 | 481 | 1 095 |
| Vote 8 - HOUSING | | 48 | 53 | – | 2 | 2 | 4 |
| Vote 9 - ELECTRICITY | | 106 402 | 119 634 | – | 341 | 341 | 9 969 |
| Vote 10 - WATER | | 48 304 | 52 203 | – | 2 284 | 2 284 | 4 350 |
| Vote 11 - DOG TAX | | – | 1 | – | – | – | 0 |
| Vote 12 - PARKING METERS | | – | – | – | – | – | – |
| Total Expenditure by Vote | 2 | 364 262 | 417 484 | – | 6 778 | 6 778 | 34 790 |
| Surplus/ (Deficit) for the year | 2 | (17 954) | 827 | – | 75 511 | 75 511 | 28 027 |

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) - M01 July

| Description | Ref | 2015/16 | Budget Year 2016/17 | | | | |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget |
| R thousands | | | | | | | |
| Revenue By Source | | | | | | | |
| Property rates | | 49 813 | 52 695 | - | 19 374 | 19 374 | 4 391 |
| Property rates - penalties & collection charges | | - | - | - | - | - | - |
| Service charges - electricity revenue | | 112 430 | 168 523 | - | 12 015 | 12 015 | 14 044 |
| Service charges - water revenue | | 53 344 | 54 900 | - | 8 864 | 8 864 | 4 575 |
| Service charges - sanitation revenue | | 21 525 | 26 037 | - | 7 577 | 7 577 | 2 170 |
| Service charges - refuse revenue | | 9 813 | 11 783 | - | 943 | 943 | 982 |
| Service charges - other | | 102 | 301 | - | 5 | 5 | 25 |
| Rental of facilities and equipment | | 1 012 | 155 | - | 139 | 139 | 13 |
| Interest earned - external investments | | 12 392 | 11 893 | - | 828 | 828 | 991 |
| Interest earned - outstanding debtors | | - | - | - | - | - | - |
| Dividends received | | - | - | - | - | - | - |
| Fines | | 55 | 1 089 | - | 0 | 0 | 91 |
| Licences and permits | | 2 344 | 2 293 | - | 21 | 21 | 191 |
| Agency services | | 850 | 1 300 | - | - | - | 108 |
| Transfers recognised - operational | | 81 144 | 82 734 | - | 32 427 | 32 427 | 34 556 |
| Other revenue | | 1 138 | 3 424 | - | 96 | 96 | 285 |
| Gains on disposal of PPE | | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | | 345 963 | 417 127 | - | 82 289 | 82 289 | 62 422 |
| Expenditure By Type | | | | | | | |
| Employee related costs | | 129 931 | 121 519 | - | 10 813 | 10 813 | 10 126 |
| Remuneration of councillors | | 9 458 | 9 721 | - | 719 | 719 | 810 |
| Debt impairment | | - | - | - | - | - | - |
| Depreciation & asset impairment | | 55 486 | 32 538 | - | 1 876 | 1 876 | 2 712 |
| Finance charges | | 8 707 | 1 | - | - | - | 0 |
| Bulk purchases | | 79 094 | 88 002 | - | (191) | (191) | 7 333 |
| Other materials | | - | - | - | - | - | - |
| Contracted services | | 4 302 | 4 569 | - | 780 | 780 | 381 |
| Transfers and grants | | 25 328 | 74 434 | - | (658) | (658) | 6 203 |
| Other expenditure | | 51 455 | 86 699 | - | (6 711) | (6 711) | 7 225 |
| Loss on disposal of PPE | | - | - | - | - | - | - |
| Total Expenditure | | 363 763 | 417 484 | - | 6 628 | 6 628 | 34 790 |
| Surplus/(Deficit) | | (17 799) | (357) | - | 75 661 | 75 661 | 27 632 |
| Transfers recognised - capital | | 215 | 1 185 | - | - | - | 395 |
| Contributions recognised - capital | | - | - | - | - | - | - |
| Contributed assets | | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | | (17 585) | 827 | - | 75 661 | 75 661 | 28 027 |
| Taxation | | - | - | - | - | - | - |
| Surplus/(Deficit) after taxation | | (17 585) | 827 | - | 75 661 | 75 661 | 28 027 |
| Attributable to minorities | | - | - | - | - | - | - |
| Surplus/(Deficit) attributable to municipality | | (17 585) | 827 | - | 75 661 | 75 661 | 28 027 |
| Share of surplus/ (deficit) of associate | | - | - | - | - | - | - |
| Surplus/ (Deficit) for the year | | (17 585) | 827 | - | 75 661 | 75 661 | 28 027 |

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

The year-to-date actual reflects an achievement of 20% of the annual budget.

Current expenditure is 10%, R28 012 000.00 below year-to-date budget projections for July 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) - M01 July

| Vote Description | Ref | 2015/16 | Budget Year 2016/17 | | | | |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearID actual | YearID budget |
| R thousands | 1 | | | | | | |
| Multi-Year expenditure appropriation | 2 | | | | | | |
| Vote 1 - TECHNICAL SERVICES | | 20 937 | 153 683 | - | (6 999) | 13 938 | 12 807 |
| Vote 2 - CORPORATE SERVICES | | 915 | 600 | - | - | 915 | 50 |
| Vote 3 - FINANCIAL SERVICES | | (3) | - | - | - | (3) | - |
| Vote 4 - COMMUNITY & SOCIAL SERVICES | | 1 078 | 14 286 | - | - | 1 078 | 1 190 |
| Vote 5 - EXECUTIVE & COUNCIL | | - | - | - | - | - | - |
| Vote 6 - MUNICIPALITY MANAGER | | - | - | - | - | - | - |
| Vote 7 - LOCAL ECONOMIC DEVELOPMENT | | 344 | - | - | - | 344 | - |
| Vote 8 - HOUSING | | - | - | - | - | - | - |
| Vote 9 - ELECTRICITY | | 1 904 | 6 724 | - | - | 1 904 | 560 |
| Vote 10 - WATER | | 10 804 | 15 000 | - | 1 | 10 805 | 1 250 |
| Vote 11 - DOG TAX | | - | - | - | - | - | - |
| Vote 12 - PARKING METERS | | - | - | - | - | - | - |
| Total Capital Multi-year expenditure | 4,7 | 35 980 | 190 292 | - | (6 998) | 28 982 | 15 858 |
| Single Year expenditure appropriation | 2 | | | | | | |
| Vote 1 - TECHNICAL SERVICES | | - | - | - | - | - | - |
| Vote 2 - CORPORATE SERVICES | | (0) | 600 | - | - | (0) | 50 |
| Vote 3 - FINANCIAL SERVICES | | 218 | - | - | - | 218 | - |
| Vote 4 - COMMUNITY & SOCIAL SERVICES | | - | 15 | - | - | - | 1 |
| Vote 5 - EXECUTIVE & COUNCIL | | - | - | - | - | - | - |
| Vote 6 - MUNICIPALITY MANAGER | | - | - | - | - | - | - |
| Vote 7 - LOCAL ECONOMIC DEVELOPMENT | | - | - | - | - | - | - |
| Vote 8 - HOUSING | | - | - | - | - | - | - |
| Vote 9 - ELECTRICITY | | - | 950 | - | - | - | 79 |
| Vote 10 - WATER | | - | - | - | - | - | - |
| Vote 11 - DOG TAX | | - | - | - | - | - | - |
| Vote 12 - PARKING METERS | | - | - | - | - | - | - |
| Total Capital single-year expenditure | 4 | 218 | 1 565 | - | - | 218 | 130 |
| Total Capital Expenditure | | 36 197 | 191 857 | - | (6 998) | 29 199 | 15 988 |
| Capital Expenditure - Standard Classification | | | | | | | |
| Governance and administration | | 1 130 | 1 200 | - | - | 1 130 | 100 |
| Executive and council | | - | - | - | - | - | - |
| Budget and treasury office | | 215 | - | - | - | 215 | - |
| Corporate services | | 915 | 1 200 | - | - | 915 | 100 |
| Community and public safety | | 1 080 | 13 983 | - | 1 | 1 081 | 1 165 |
| Community and social services | | - | 3 574 | - | - | - | 298 |
| Sport and recreation | | 1 078 | 10 409 | - | - | 1 078 | 867 |
| Public safety | | 2 | - | - | 1 | 3 | - |
| Housing | | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - |
| Economic and environmental services | | 18 174 | 14 801 | - | (6 999) | 11 175 | 1 233 |
| Planning and development | | 344 | - | - | - | 344 | - |
| Road transport | | 17 830 | 14 683 | - | (6 999) | 10 831 | 1 224 |
| Environmental protection | | - | 118 | - | - | - | 10 |
| Trading services | | 15 815 | 161 674 | - | 1 | 15 817 | 13 473 |
| Electricity | | 1 904 | 7 674 | - | - | 1 904 | 639 |
| Water | | 10 804 | 15 000 | - | 1 | 10 805 | 1 250 |
| Waste water management | | 3 107 | 139 000 | - | - | 3 107 | 11 583 |
| Waste management | | - | - | - | - | - | - |
| Other | | - | 200 | - | - | - | 17 |
| Total Capital Expenditure - Standard Classification | 3 | 36 199 | 191 857 | - | (6 997) | 29 202 | 15 988 |

4.1.6 Table C6: Monthly Budget Statement - Financial Position

EC104 Makana - Table C6 Monthly Budget Statement - Financial Position - M01 July

| 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 | | 10 391 | - | - | 39 447 | - |
| Call investment deposits | | - | - | - | - | - |
| Consumer debtors | | 153 086 | - | - | 162 906 | - |
| Other debtors | | 34 256 | - | - | 50 823 | - |
| Current portion of long-term receivables | | - | - | - | - | - |
| Inventory | | 14 078 | - | - | 14 703 | - |
| Total current assets | | 211 810 | - | - | 267 879 | - |
| Non current assets | | | | | | |
| Long-term receivables | | - | - | - | - | - |
| Investments | | 25 579 | - | - | 25 579 | - |
| Investment property | | 230 233 | - | - | 230 233 | - |
| Investments in Associate | | - | - | - | - | - |
| Property, plant and equipment | | 847 533 | 190 292 | - | 840 536 | 190 292 |
| Agricultural | | - | - | - | - | - |
| Biological assets | | - | - | - | - | - |
| Intangible assets | | 4 357 | 1 565 | - | 4 357 | 1 565 |
| Other non-current assets | | 3 679 | - | - | 3 679 | - |
| Total non current assets | | 1 111 381 | 191 857 | - | 1 104 384 | 191 857 |
| TOTAL ASSETS | | 1 323 191 | 191 857 | - | 1 372 263 | 191 857 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Bank overdraft | | - | - | - | - | - |
| Borrowing | | 3 888 | - | - | 3 888 | - |
| Consumer deposits | | 2 321 | - | - | 2 356 | - |
| Trade and other payables | | 238 122 | - | - | 251 642 | - |
| Provisions | | 3 365 | (903) | - | 3 365 | (903) |
| Total current liabilities | | 247 697 | (903) | - | 261 251 | (903) |
| Non current liabilities | | | | | | |
| Borrowing | | 50 117 | - | - | 50 117 | - |
| Provisions | | 64 699 | - | - | 64 699 | - |
| Total non current liabilities | | 114 816 | - | - | 114 816 | - |
| TOTAL LIABILITIES | | 362 513 | (903) | - | 376 067 | (903) |
| NET ASSETS | 2 | 960 678 | 192 760 | - | 996 196 | 192 760 |
| COMMUNITY WEALTH/EQUITY | | | | | | |
| Accumulated Surplus/(Deficit) | | 955 232 | (250) | - | 990 748 | (250) |
| Reserves | | 5 447 | - | - | 5 448 | - |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | 960 678 | (250) | - | 996 196 | (250) |

4.1.7 Table C7: Monthly Budget Statement - Cash Flow

| EC104 Makana - Table C7 Monthly Budget Statement - Cash Flow - M01 July | | | | | | | |
|---|-----|-----------------|---------------------|-----------------|----------------|-----------------|-----------------|
| Description | Ref | 2015/16 | Budget Year 2016/17 | | | | |
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget |
| R thousands | 1 | | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | |
| Receipts | | | | | | | |
| Ratepayers and other | | 222 670 | 322 501 | - | 22 647 | 22 647 | 26 875 |
| Government - operating | | 81 144 | 82 734 | - | 32 427 | 32 427 | 34 556 |
| Government - capital | | 215 | 1 185 | - | - | - | 395 |
| Interest | | 12 392 | 11 893 | - | 828 | 828 | 991 |
| Dividends | | - | - | - | - | - | - |
| Payments | | | | | | | |
| Suppliers and employees | | (180 191) | (311 413) | - | 7 485 | 4 119 | (25 951) |
| Finance charges | | (8 707) | (1) | - | - | - | (0) |
| Transfers and Grants | | (25 328) | (74 434) | - | 658 | 658 | (6 203) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 102 194 | 32 463 | - | 64 044 | 60 678 | 30 663 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Receipts | | | | | | | |
| Proceeds on disposal of PPE | | (5 054) | - | - | - | (5 054) | (5 054) |
| Decrease (Increase) in non-current debtors | | - | - | - | - | - | - |
| Decrease (increase) other non-current receivables | | - | - | - | - | - | - |
| Decrease (increase) in non-current investments | | 8 | - | - | - | 30 | - |
| Payments | | | | | | | |
| Capital assets | | (38 799) | (191 857) | - | 6 997 | (31 801) | (31 801) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (43 844) | (191 857) | - | 6 997 | (36 825) | (36 855) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Receipts | | | | | | | |
| Short term loans | | - | - | - | - | - | - |
| Borrowing long term/refinancing | | - | - | - | - | - | - |
| Increase (decrease) in consumer deposits | | 23 | - | - | 35 | 56 | - |
| Payments | | | | | | | |
| Repayment of borrowing | | - | - | - | - | - | - |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | 23 | - | - | 35 | 56 | - |
| NET INCREASE/ (DECREASE) IN CASH HELD | | 58 374 | (159 394) | - | 71 076 | 23 910 | (6 192) |
| Cash/cash equivalents at beginning: | | (13 872) | - | - | | 28 563 | - |
| Cash/cash equivalents at month/year end: | | 44 502 | (159 394) | - | | 52 473 | (6 192) |

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 - M01 July

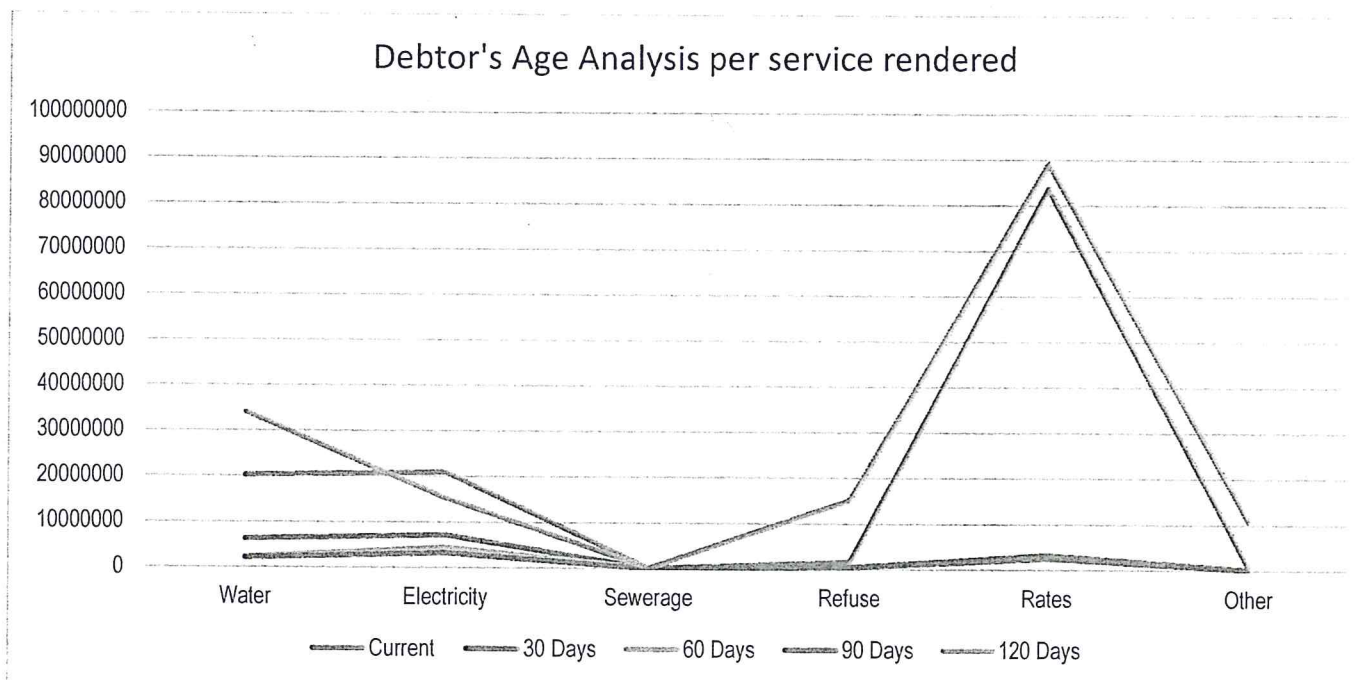
| Description | Ref | Budget Year 2016/17 | | | | | | | | | | | |
|--|-----|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|-----------|
| | | July | August | Sept | October | Nov | Dec | January | Feb | March | April | May | June |
| R thousands | 1 | Outcome | Outcome | Outcome | Outcome | Outcome | Outcome | Budget | Budget | Budget | Budget | Budget | Budget |
| Cash Receipts By Source | | | | | | | | | | | | | |
| Property rates | | 4 391 | 4 391 | 4 391 | 4 391 | 4 391 | 4 391 | 4 391 | 4 391 | 4 391 | 4 391 | 4 391 | 4 391 |
| Property rates - penalties & collection charges | | - | - | - | - | - | - | - | - | - | - | - | - |
| Service charges - electricity revenue | | 14 044 | 14 044 | 14 044 | 14 044 | 14 044 | 14 044 | 14 044 | 14 044 | 14 044 | 14 044 | 14 044 | 14 044 |
| Service charges - water revenue | | 4 575 | 4 575 | 4 575 | 4 575 | 4 575 | 4 575 | 4 575 | 4 575 | 4 575 | 4 575 | 4 575 | 4 575 |
| Service charges - sanitation revenue | | 2 170 | 2 170 | 2 170 | 2 170 | 2 170 | 2 170 | 2 170 | 2 170 | 2 170 | 2 170 | 2 170 | 2 170 |
| Service charges - refuse | | 982 | 982 | 982 | 982 | 982 | 982 | 982 | 982 | 982 | 982 | 982 | 982 |
| Service charges - other | | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 |
| Rental of facilities and equipment | | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Interest earned - external investments | | 991 | 991 | 991 | 991 | 991 | 991 | 991 | 991 | 991 | 991 | 991 | 991 |
| Interest earned - outstanding debtors | | - | - | - | - | - | - | - | - | - | - | - | - |
| Dividends received | | - | - | - | - | - | - | - | - | - | - | - | - |
| Fines | | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 91 |
| Licences and permits | | 191 | 191 | 191 | 191 | 191 | 191 | 191 | 191 | 191 | 191 | 191 | 191 |
| Agency services | | 108 | 108 | 108 | 108 | 108 | 108 | 108 | 108 | 108 | 108 | 108 | 108 |
| Transfer receipts - operating | | 34 556 | 382 | 382 | 382 | 25 030 | 382 | 382 | 382 | 19 713 | 382 | 382 | 382 |
| Other revenue | | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 285 | 286 |
| Cash Receipts by Source | | 62 422 | 28 248 | 28 248 | 28 248 | 52 896 | 28 248 | 28 248 | 28 248 | 47 579 | 28 248 | 28 248 | 28 248 |
| Other Cash Flows by Source | | | | | | | | | | | | | |
| Transfer receipts - capital | | 395 | - | - | - | 395 | - | - | - | 395 | - | - | - |
| 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 | | 62 817 | 28 248 | 28 248 | 28 248 | 53 291 | 28 248 | 28 248 | 28 248 | 47 974 | 28 248 | 28 248 | 28 248 |
| Cash Payments by Type | | | | | | | | | | | | | |
| Employee related costs | | 10 126 | 10 126 | 10 126 | 10 126 | 10 126 | 10 126 | 10 126 | 10 126 | 10 126 | 10 126 | 10 126 | 10 129 |
| Remuneration of councillors | | 810 | 810 | 810 | 810 | 810 | 810 | 810 | 810 | 810 | 810 | 810 | 810 |
| Interest paid | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Bulk purchases - Electricity | | 7 167 | 7 167 | 7 167 | 7 167 | 7 167 | 7 167 | 7 167 | 7 167 | 7 167 | 7 167 | 7 167 | 7 167 |
| Bulk purchases - Water & Sewer | | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 | 167 |
| Other materials | | - | - | - | - | - | - | - | - | - | - | - | - |
| Contracted services | | 381 | 381 | 381 | 381 | 381 | 381 | 381 | 381 | 381 | 381 | 381 | 381 |
| Grants and subsidies paid - other municipalities | | 6 203 | 6 203 | 6 203 | 6 203 | 6 203 | 6 203 | 6 203 | 6 203 | 6 203 | 6 203 | 6 203 | 6 203 |
| Grants and subsidies paid - other | | - | - | - | - | - | - | - | - | - | - | - | - |
| General expenses | | 7 225 | 7 225 | 7 225 | 7 225 | 7 225 | 7 225 | 7 225 | 7 225 | 7 225 | 7 225 | 7 225 | 7 228 |
| Cash Payments by Type | | 32 078 | 32 078 | 32 078 | 32 078 | 32 078 | 32 078 | 32 078 | 32 078 | 32 078 | 32 078 | 32 078 | 32 085 |
| Other Cash Flows/Payments by Type | | | | | | | | | | | | | |
| Capital assets | | 15 988 | 15 988 | 15 988 | 15 988 | 15 988 | 15 988 | 15 988 | 15 988 | 15 988 | 15 988 | 15 988 | 15 988 |
| Repayment of borrowing | | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Cash Flows/Payments | | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Cash Payments by Type | | 48 066 | 48 066 | 48 066 | 48 066 | 48 066 | 48 066 | 48 066 | 48 066 | 48 066 | 48 066 | 48 066 | 48 073 |
| NET INCREASE/(DECREASE) IN CASH HELD | | | | | | | | | | | | | |
| | | 14 750 | (19 819) | (19 819) | (19 819) | 5 224 | (19 819) | (19 819) | (19 819) | (93) | (19 819) | (19 819) | (19 825) |
| Cash/cash equivalents at the monthly/year beginning: | | | 14 750 | (5 068) | (24 887) | (44 706) | (39 481) | (59 300) | (79 119) | (98 937) | (99 030) | (118 848) | (138 667) |
| Cash/cash equivalents at the monthly/year end: | | 14 750 | (5 068) | (24 887) | (44 706) | (39 481) | (59 300) | (79 119) | (98 937) | (99 030) | (118 848) | (138 667) | (158 492) |

PART 2 – SUPPORTING DOCUMENTATION

Section 5 – Debtors' analysis

Debtors' analysis per service rendered

| Analysis of Debt | Current (plus interest) | 30 Days | 60 Days | 90 Days | 120 Days + | Total |
|------------------|-------------------------|-----------------------|----------------------|----------------------|------------------------|------------------------|
| Water | R20 271 257.49 | R6 254 213.32 | R2 260 654.99 | R2 063 782.28 | R34 068 365.64 | R64 918 273.72 |
| Electricity | R20 937 524.26 | R7 146 184.93 | R4 449 695.20 | R3 193 265.41 | R15 214 455.74 | R50 941 125.54 |
| Sewerage | R64 967.62 | R598.40 | R598.40 | R598.40 | R53 664.60 | R120 427.42 |
| Refuse | R1 556 54.62 | R475 033.56 | R431 100.15 | R394 984.46 | R15 099 661.98 | R17 957 534.77 |
| Rates | R83 708 006.22 | R3 196 852.63 | R2 450 034.00 | R2 527 321.97 | R89 138 826.06 | R181 021 040.88 |
| Other | R653 249.24 | R178 239.80 | R222 421.34 | R126 661.53 | R10 761 938.69 | R11 942 510.60 |
| Total | R127 191 759.45 | R17 251 122.64 | R9 814 504.08 | R8 306 614.05 | R164 336 912.71 | R326 900 912.93 |



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.

REVCO Performance Report

| Average Payment Value Per Month | | | | | |
|---------------------------------|-------------------------|-------------------|-------------------------|--------------------------------|-----------------------|
| Month | Active Accounts Balance | Actual Collection | Number of Accounts Paid | % Yield Achieved on Collection | Average Payment Value |
| July | R134 846 307.00 | R6 464 294.00 | 7 162 | 4.79% | R903.00 |
| | | | | | |

| 2 Month Activation Analysis | | | | | | |
|-----------------------------|--------------------------------|-------------------------------|-------------------------|----------------------------|---------------------------------|----------------------------|
| Month | Number of Accounts Handed Over | Value of Accounts Handed Over | Number of Accounts Paid | Value of Payments Received | Average Payment Amount Received | & of Rand Value Activation |
| July | 125 | R111 828.00 | 40 | 9 548 | 239 | 8.54% |
| | | | | | | |



Section 6 – Creditors' analysis

6.1 Supporting Table SC4

Summary of all creditor's paid at 31JULY 2015

| <u>DESCRIPTION</u> | <u>TOTAL PAID IN JULY</u> |
|--------------------|---------------------------|
| Total payments | R30 254 243.02 |

Top 10 Payments made in JULY 2015

| <u>DESCRIPTION</u> | <u>AMOUNT PAID</u> |
|-------------------------|-----------------------|
| Eskom Bulk Accounts | R16 157 874.43 |
| B.R.O Civils | R2 587 818.45 |
| SARS | R1 375 295.21 |
| Maqadi Ayanda Transport | R1 267 009.77 |
| Revenue Consulting | R763 857.00 |
| Izana Civils | R508 620.77 |
| Department of Transport | R459 671.65 |
| MBB Consulting | R316 176.72 |
| Weaving & Weaving Inc | R300 000.00 |
| Aurecon | R250 000.00 |
| TOTAL | R23 986 324.00 |

Summary of payables at 31 JULY 2015

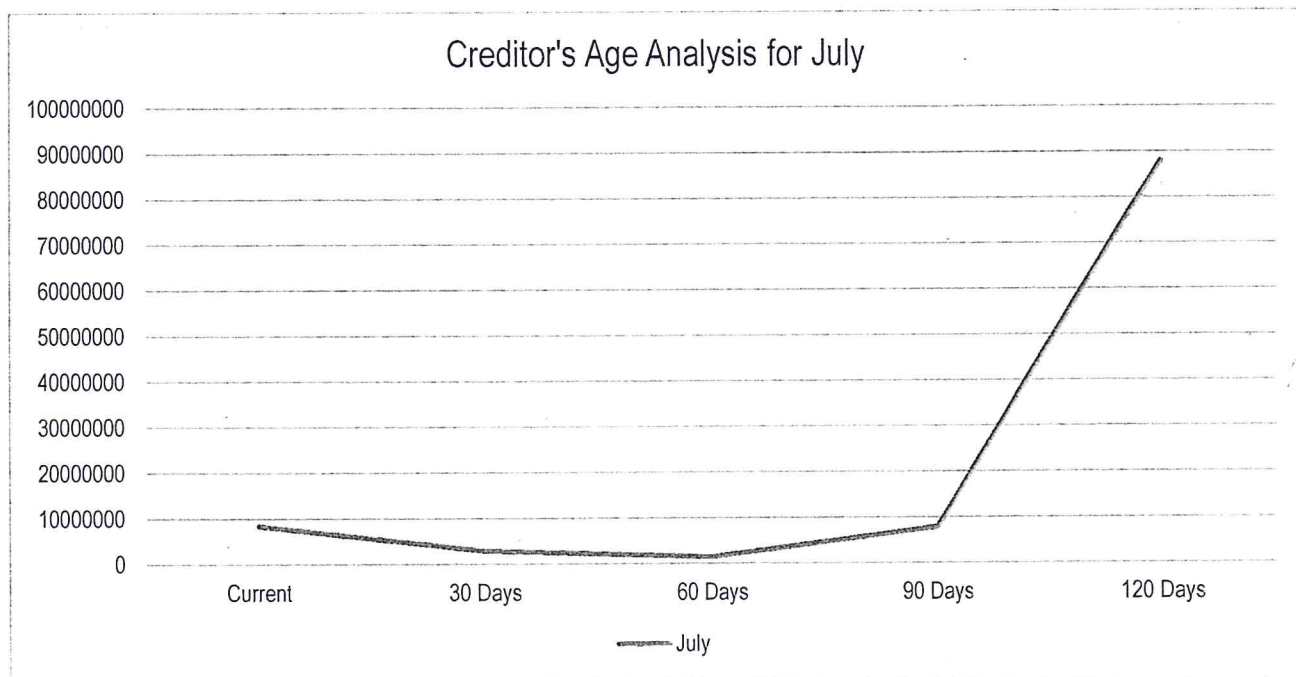
Age analysis

| <u>TOTAL</u> | <u>CURRENT</u> | <u>30 DAYS</u> | <u>60 DAYS</u> | <u>90 DAYS</u> | <u>120 DAYS</u> |
|-----------------|----------------|----------------|----------------|----------------|-----------------|
| R108 267 658.16 | R8 332 254.16 | R2 829 462.47 | R1 392 154.80 | R7 796 939.03 | R87 916 847.70 |

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 | | R7 710 252.42 | R572 329.57 | R6 673 014.36 | R67 312 053.28 |
| Department of Water Affairs | | | | | R5 597 937.40 |
| North & Robertson | | R941 285.78 | | | |
| MBB Consulting | | | | | R931 658.92 |
| Siya Green Village | R9 800.00 | R585 000.00 | | | |
| National Arts Festival | | | | R500 000.00 | |
| SALGA | | | | | R313 957.75 |
| Royal Haskoning DHV | | | | | R290 344.43 |

| | | | | | |
|---------------------|------------------|----------------------|--------------------|----------------------|-----------------------|
| Power Construction | | R268 687.92 | | | |
| SMV Civil Engineers | | | | | R263 288.17 |
| TOTAL | R9 800.00 | R9 505 226.12 | R572 329.57 | R7 173 014.36 | R74 709 239.95 |



The outstanding creditors have increased by **R6 431 684.47** from the previous month to **R108 267 658.16**. 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 – Allocations, grant receipts and expenditure

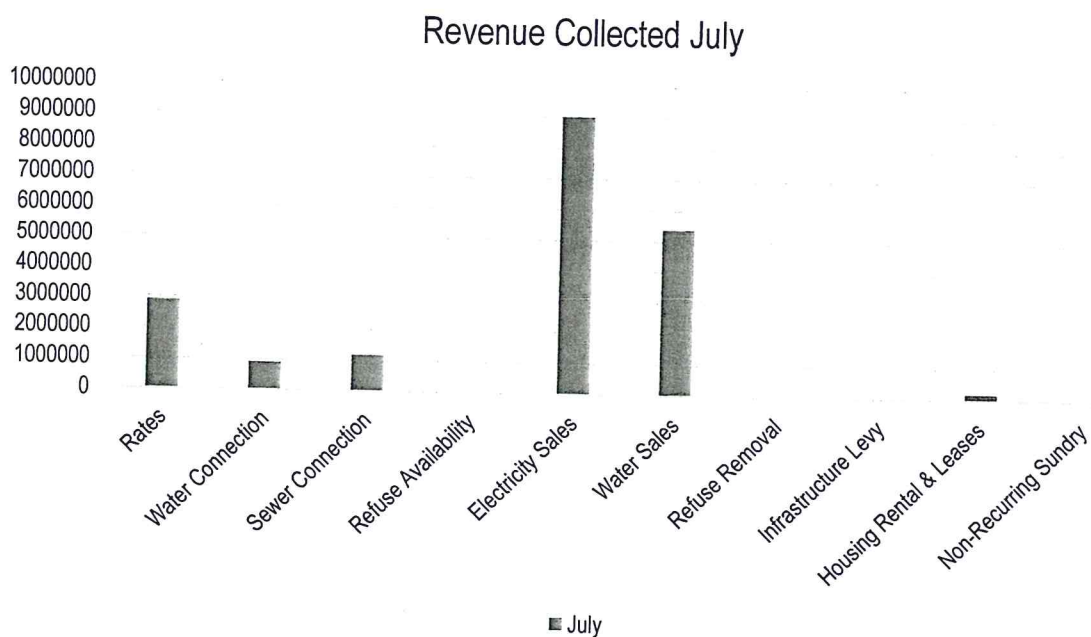
Summary of grants received

| <u>GRANT</u> | <u>BUDGET</u> | <u>AMOUNT RECEIVED TO DATE</u> | <u>EXPENDITURE IN JULY</u> | <u>EXPENDITURE YEAR-TO-DATE</u> |
|--------------|-----------------------|--------------------------------|----------------------------|---------------------------------|
| MIG | R23 270 948.00 | R0.00 | R98 729.00 | R98 729.00 |
| MSIG | R930 000.00 | R930 000.00 | R0.00 | R0.00 |
| FMG | R1 675 000.00 | R1 675 000.00 | R107 788.00 | R107 788.00 |
| EPWP | R1 002 000.00 | R0.00 | R48 165.00 | R48 165.00 |
| TOTAL | R26 877 948.00 | R2 605 000.00 | R254 682.00 | R254 682.00 |

It should be noted that no provincial or national grants should be received during May 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

| DESCRIPTION | OPENING BALANCE | AMOUNT BILLED | AMOUNT RECEIVED | CLOSING BALANCE |
|--------------------------|--------------------|-----------------------|-----------------------|-----------------------|
| Rates | R0.00 | R19 839 144.00 | R2 882 271.00 | R2 882 271.00 |
| Water Connection | R0.00 | R6 271 207.00 | R890 635.00 | R890 635.00 |
| Sewer Connection | R0.00 | R9 349 820.00 | R1 171 036.00 | R1 171 036.00 |
| Refuse Availability | R0.00 | R1 477 835.00 | R12 416.00 | R12 416.00 |
| Electricity Sales | R0.00 | R11 278 855.00 | R 9 004 183.00 | R 9 004 183.00 |
| Water Sales | R0.00 | R6 134 597.00 | R5 378 658.00 | R5 378 658.00 |
| Refuse Removal | R0.00 | R153 930.00 | R6 880.00 | R6 880.00 |
| Infrastructure Levy | R0.00 | R0.00 | R141.00 | R141.00 |
| Housing Rentals & Leases | R0.00 | R107 476.00 | R185 517.00 | R185 517.00 |
| Non-recurring Sundry | R0.00 | R0.00 | R8 058.00 | R8 058.00 |
| TOTAL | R0.00 | R54 612 864.00 | R19 539 795.00 | R19 539 795.00 |



In overall the municipality has collected 35.78% of its revenue for the month of July, however, 80%, 90% and 20% was collected for electricity charges, water sales and rates respectively. These below average collection rates, when compared to billed amounts are attributed to the annual rate payers billed in July in adherence to our policy and generally pay the municipality in September based on historical events.

Section 8 – Expenditure on councillor allowances and employee benefits

Employee related costs per vote

| <u>ITEM DESCRIPTION</u> | <u>BUDGET</u> | <u>ACTUAL FOR JULY</u> | <u>YEAR-TO-DATE EXPENDITURE</u> | <u>% EXPENDITURE TO DATE</u> |
|-------------------------|---------------------|------------------------|---------------------------------|------------------------------|
| Salaries | R91 473 408 | R7 373 850 | R7 373 850 | 8.06% |
| Overtime | R3 235 230 | R834 656 | R834 656 | 25.80% |
| All: Housing | R264 678 | R22 749 | R22 749 | 8.59% |
| All: Telephone | R359 609 | R12 585 | R12 585 | 3.50% |
| All: Transport | R3 804 270 | R298 377 | R298 377 | 7.84% |
| All: Inconvenience | R604 509 | R100 447 | R100 447 | 16.62% |
| Pension/Provident Fund | R16 638 221 | R1 164 754 | R1 164 754 | 7.00% |
| Medical Aid Fund | R1 494 818 | R534 291 | R534 291 | 35.74% |
| Group Life Assurance | R865 856 | R50 962 | R50 962 | 5.89% |
| Total | R118 740 599 | R10 392 671 | R10 392 671 | 8.75% |

Councillor remuneration

| <u>ITEM DESCRIPTION</u> | <u>BUDGET</u> | <u>ACTUAL FOR JULY</u> | <u>YEAR-TO-DATE EXPENDITURE</u> | <u>% EXPENDITURE TO DATE</u> |
|-------------------------|-------------------|------------------------|---------------------------------|------------------------------|
| Councillor Allowance | R6 819 680 | R505 191 | R505 191 | 7.41% |
| Telephone Allowance | R628 448 | R44 920 | R44 920 | 7.15% |
| Travelling Allowance | R2 273 137 | R168 397 | R168 397 | 7.41% |
| Total | R9 721 265 | R718 508 | R718 508 | 7.32% |

Section 9 – Capital programme performance

Year-to-date Capital Budget vs. Expenditure

| <u>VOTE NO</u> | <u>DEPARTMENT/SECTION : DETAILS</u> | <u>FUNDING SOURCE</u> | <u>COST 2015/16</u> | <u>ACTUAL 2015/16</u> |
|------------------|--|-----------------------|---------------------|-----------------------|
| 90/10/50 9722 | TECHNICAL & INFRASTRUCTURAL SERVICES Roads & Stormwater Surfacing Existing Gravel Road: Makana Way | AFF | 2 000 000 | |
| | | | 2 000 000 | |
| 90/10/35/ | SEWAGE DISPOSAL Belmont Valley | | | |
| 8595/185 | Belmont Valley WWTW Upgrade | ECDC | 10 000 000 | |
| 8595/186 | Belmont Valley WWTW Upgrade | DWS | 127 000 000 | |

| | | | | | | | |
|--|---|--|--|---------------------------------|--|---|---|
| | | | | | | 137 000 000 | - |
| 90/10/35 8595/187 | Mayfield Mayfield WWTW Upgrade | | | ECDC | | - | |
| | | | | | | - | |
| 90/10/40/ 9723 | SEWERAGE RETICULATION Grahamstown Eluxolweni Plumbing Works | | | AFF | | 2 000 000 | |
| | | | | | | 2 000 000 | - |
| | | | | | | | |
| | TOTAL TECHNICAL & INFRASTRUCTURAL SERVICES | | | | | 141 000 000 | - |
| 90/30/38 9724 9725 9726 | INFORMATION TECHNOLOGY Offsite Backup Solution Backup Generator Computer Equipment | | | AFF AFF AFF | | 600 000 300 000 300 000 | |
| | | | | | | 1 200 000 | - |
| | | | | | | | |
| | TOTAL CORPORATE SERVICES | | | | | 1 200 000 | - |
| 90/50/44/ 8595/188 | LIBRARIES Hill street Office Equipment | | | DSRAC | | 696 100 | |
| | | | | | | 696 100 | - |
| 90/50/38 8595/189 | Fingo Renovation and extension of Library | | | DSRAC | | 300 000 | |
| | | | | | | 300 000 | - |
| 90/50/12 9727 9728 9729 | CEMETERIES Infrastructure - KwaNonzwakazi - New Cemetery Infrastructure - Mayfield Cemetery Waainek Cemetery | | | AFF AFF AFF | | 500 000 500 000 400 000 | |
| | | | | | | 1 400 000 | - |
| 90/50/18 9730 9731 9732 9733 9734 | COMMONAGE 4x Brush Cutters Pole Pruners Chainsaw GPS Pound | | | AFF AFF AFF AFF AFF | | 36 000 7 000 10 000 15 000 50 000 | |
| | | | | | | 118 000 | - |
| 90/50/27 | PARKS TRANSPORT | | | | | | |

| | | | | |
|------------------|--|------|------------------|---|
| 9735 | 7 Ton Water Tanker | AFF | 950 000 | |
| | | | 950 000 | - |
| 90/50/03 | AERODROME | | | |
| 9736 | Runway Lights | AFF | 200 000 | |
| | | | 200 000 | - |
| 90/50/66 | STRET ISLAND & VERGES | | | |
| 9737 | Tractor Drawn Bush Cutter | AFF | 50 000 | |
| 9738 | 4x Weed Eaters - R/East | AFF | 35 000 | |
| 9739 | 2x Weed Eaters - A/Iice | AFF | 35 000 | |
| 9740 | 6x Weed Eaters - GHT | AFF | 70 000 | |
| 9741 | 2x Chainsaws | AFF | 16 000 | |
| 9742 | 2x Pole Pruners | AFF | 15 000 | |
| 9743 | 2x Extension Ladder | AFF | 7 000 | |
| | | | 228 000 | - |
| 90/50/63 | SPORTS GROUNDS | | | |
| 9744 | Construction of Playgrounds - KwaNonzwakazi | AFF | 385 000 | |
| 9745 | Erecting of Fence & Gates - Oval | AFF | 250 000 | |
| 9746 | Cleaning Machine | AFF | 150 000 | |
| 9747 | 20x Tables | AFF | 20 000 | |
| 9748 | 6x Marking Machines | AFF | 200 000 | |
| | | | 1 005 000 | - |
| | | | | |
| | TOTAL COMMUNITY AND SOCIAL SERVICES | | 4 897 100 | - |
| | | | | |
| | TECHNICAL & INFRASTRUCTURAL SERVICES | | | |
| 90/20/10/ | ELECTRICITY DISTRIBUTION | | | |
| | Fleet Management | | | |
| 9749 | 2x 4x2 LDV's | AFF | 400 000 | |
| | | | 400 000 | - |
| | Tools and equipment | | | |
| 9750 | Stamping Machine | AFF | 50 000 | |
| | | | 50 000 | - |
| | Refurbishment & Extension 11KV Overheadlines | | | |
| 9751 | FNB Switching Unit | AFF | 280 000 | |
| | | | 280 000 | - |
| | Substations(Faulty switchgear & Overloaded t/formers) | | | |
| 9752 | Repeater Unit | AFF | 50 000 | |
| | | | 50 000 | - |
| | Electrification | | | |
| 8595/190 | Mayfield | INEP | 1 777 000 | |
| 8595/191 | Ethembeni | INEP | 2 917 000 | |

| | | | | | |
|----------|---|------|--|-------------|---|
| | | | | 4 694 000 | - |
| | Network Protection Upgrade | | | | |
| 9753 | Master Plan | AFF | | 950 000 | |
| 9754 | Replacement Protection Relays | AFF | | 300 000 | |
| 9755 | Battery Tripping Units | AFF | | 150 000 | |
| | | | | 1 400 000 | - |
| | ENERGY MANAGEMENT | | | | |
| 9756 | Remote metering | AFF | | 100 000 | |
| | | | | 100 000 | - |
| | ALICEDALE NETWORK UPGRADE | | | | |
| 9757 | 11 KV underground cable | AFF | | 500 000 | |
| | | | | 500 000 | - |
| | REFURBISHMENT & EXTENTION 11 KV OVERHEAD LINES | | | | |
| 9758 | Stones Hill | AFF | | 200 000 | |
| | | | | 200 000 | - |
| | | | | | |
| | TOTAL ELECTRICITY | | | 7 674 000 | - |
| | WATER | | | | |
| - | | | | | |
| 90/10/65 | JAMES KLEYNHANS | | | | |
| 8595/192 | Upgrading James Kleynhans | RBIG | | 15 000 000 | |
| - | | | | 15 000 000 | - |
| | | | | | |
| | TOTAL WATER | | | 15 000 000 | - |
| | MIG PROJECTS | | | | |
| 8595/174 | Construction of Vukani Road | MIG | | 12 682 510 | |
| 8595/193 | Multipurpose Centre - Foley's Ground Ward 7 | MIG | | 9 403 688 | |
| | TOTAL MIG | | | 22 086 198 | |
| | | | | | |
| | TOTAL CAPITAL BUDGET | | | 191 857 298 | |

Section 10 – Supply Chain Management

Deviations for the month

| <u>COMPANY NAME</u> | <u>DESCRIPTION</u> | <u>DEPARTMENT</u> | <u>REASON</u> | <u>AMOUNT</u> |
|---------------------|--------------------|-------------------|---------------|------------------|
| Soga Enterprise | Portable toilets | DTIS | Service Done | R9 840.00 |
| TOTAL | | | | R9 840.00 |

Tenders awarded for the month

No tenders were awarded in July.

Section 11 – Other supporting documentation

11.1 Other information

Section 12 – Municipal Manager's Quality Certification

I, Riana Meiring, 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: Riana Meiring

SIGNATURE:.....

DATE:10/09/15.....