



REPORT TO: BUDGET STEERING COMMITTEE

File ref (9/1/2/3)

Collaborator/Item no ( )

Date: 13 MARCH 2017

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

**REPORT DATED 13 MARCH 2017 FROM THE CHIEF FINANCIAL OFFICER TO BUDGET STEERING COMMITTEE**

## **PURPOSE**

The purpose of this item is to submit a financial report for the month ending February 2017 to the Budget Steering.

## **LEGAL REQUIREMENTS**

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

## **STATUTORY AUTHORITY**

Chapter 24 of the MFMA No. 56 of 2003

## **BACKGROUND AND REASONING**

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

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

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

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

## 1. FINANCIAL IMPLICATIONS

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

Description	Original Budget R'000	Adjustment Budget R'000	Actual R'000	Annual Budget %
Operating Revenue (billed)	486 191	422 210	297 929	71%
Operating Expenditure (accrued/actual mix)	486 191	422 210	314 808	76%
Capital Expenditure	58 608	43 168	15 720	36%

### 1.2 Revenue by Source

Year-to-date Operating Revenue amounts to **71% or R297 929 million** of the adjusted operating budget of **R422 210 million**.

The year-to-date Operating Revenue reflects an achievement of **70% or R297 929 million** of the adjusted budget of R422 210 million, and Operating Expenditure is **63% or R264 455 million** of the adjusted budget of **R422 210 million**.

Actual revenue billed has drop as compared to the previous month by R37 955 million and the main reasons are as follow:

- Incorrect billing that relates to previous months were only corrected in February month.
- Data Cleansing – Corrections of debtors accounts due to incorrect readings

Total operating expenditure is more by R16 879 as compared to total operating revenue.

#### 1.2.1 Operating Revenue

Major contributors of Operating Revenue to date amounting to R297 929 million are:

- Service Charges-Electricity at R97 700 million or 33%
- Operational Transfers recognised at R67 678 million or 23%.
- Property Rates at R49 826 million or 17%.
- Service Charges-Water R36 281 million or 12%

### 1.3 Operating expenditure by type

Year-to-date expenditure amounts to **63% or R314 808 million** of the operating budget of **R422 210 million**.

#### 1.3.1 Operating Expenditure

Major contributors of Operating Expenditure to date amounting to **R314 808 million** are:

- Employee-related costs at R103 492 million or 33%
- Remuneration of councillors at R6 424 million or 2%.
- Bulk Purchases at R79 636 million or 25%
- Repairs & maintenance at R13 361 million or 4%

### 1.4 Capital expenditure

Year-to-date expenditure on capital project amounts to **36% or R15 720 million** of the capital budget of **R43 168 million**.

Capital Expenditure of **R43 168 million** disclosed in below table reflects expenditure of grants allocated to the municipality and internally funded projects.

The Municipal Capital Budget is funded from the following Grants:

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

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

### 1.4.1 The below table summaries roll- over expenditure - MIG allocation

Project Title	Budgeted MIG Funds (2015/16)	Current FY - Total Actual Expenditure on MIG funds in the 2015/16 FY	Dec-16	Jan-17	Feb-17
MIG 1 or PMU	As per IP				
Vukani Taxi Road - A Street extending to B Street	R 3,148,915.89	R 3,098,752.12	R 0.00	R 0.00	R 0.00
Multi-purpose Centre in Ward 7	R 9,403,688.00	R 9,403,688.00	R 0.00	R 0.00	R 0.00
Replacement of Asbestos Pipes in Grahamstown	R 4,547,476.67	R 4,250,983.74	R 99,430.82	R 0.00	R 0.00
Construction of 11 High Mast Lights in Mayfield Housing Project	R 2,912,422.91	R 2,912,422.91	R 385,271.77	R 0.00	R 0.00
Upgrading of Roads in Joza Street	R 122,059.87	R 122,059.87	R 0.00	R 0.00	R 0.00
Budget Maintenance: Upgrade of Surfaced Road - Sani Street Grahamstown	R 1,178,375.82	R 883,976.83	R 0.00	R 0.00	R 0.00
Alicedale Sewerage Reticulation	R 1,197,313.17	R 1,197,313.17	R 0.00	R 0.00	R 0.00
PMU: ADMIN	R 1,184,747.67	R 1,184,747.67	R 0.00	R 0.00	R 0.00
	<b>R 23,695,000.00</b>	<b>R 23,053,944.31</b>	<b>R 484,702.59</b>	<b>R 0.00</b>	<b>R 0.00</b>

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

Project Title	Budgeted MIG Funds (2016/17)	Current FY - Total Actual Expenditure on MIG funds in the 2016/17 FY	Dec-16	Jan-17	Feb-17
MIG 1 or PMU	As per IP				
Alicedale Roads and Improvements Transrivier and Mandela Park	R 6,255,838.84	R 335,405.94	R 0.00	R 335,405.94	R 0.00
Multi-purpose Centre in Ward 7	R 5,250,544.02	R 3,209,250.59	R 1,608,716.48	R 443,990.16	R 269,725.66
Construction of 11 High Mast Lights in Mayfield Housing Project	R 1,297,187.47	R 306,368.87	R 306,368.87	R 0.00	R 0.00
Alicedale Sewerage Reticulation	R 1,091,787.43	R 262,760.95	R 135,379.21	R 0.00	R 45,710.48
Multi-purpose Indoor Sport Centre: Gymnasium	R 13,000,000.00	R 0.00	R 0.00	R 0.00	R 0.00
Waainek Bulk Water Supply Refurbishment	R 1,939,000.00	R 0.00	R 0.00	R 0.00	R 0.00
Alicedale Roads and Improvements Phase 2	R 4,525,138.80	R 0.00	R 0.00	R 0.00	R 0.00
Construction of Football facilities: Foley's Ground	R 1,000,000.00	R 0.00	R 0.00	R 0.00	R 0.00
Alicedale Waste Water Treatment Works	R 114,103.44	R 0.00	R 0.00	R 0.00	R 0.00
PMU: ADMIN	R 1,814,400.00	R 1,022,140.17	R 179,211.74	R 120,559.99	R 146,403.62
	<b>R 36,288,000.00</b>	<b>R 5,135,926.52</b>	<b>R 2,229,676.30</b>	<b>R 899,956.09</b>	<b>R 461,839.76</b>

## Section 4 – Allocations for Grant Receipts and Expenditure

### 5.1 Summary of Grants Received

<b>GRANT</b>	<b>BUDGET</b>	<b>AMOUNT RECEIVED</b>	<b>EXPENDITURE</b>	<b>EXPENDITURE TO DATE</b>
MIG	R36 288 000	R5 458 889.10	R779 396.10	R5 458 889.10
MIG – Roll- Over	R8 100 000	R7 973 325.58	R0.00	R 7 489 538.62
INEP	R3 782 000	R4 000 000.00	R0.00	R0.00
FMG	R1 810 000	R1 810 000.00	R33 359.00	R1 634 637.00
EPWP	R1 000 000	R700 000.00	R37 800.00	R737 800.00
DWA	R5 000 000	R3 853 078.78	R440 806.26	R3 853 078.78
<b>TOTAL</b>	<b>R55 980 000</b>	<b>R23 795 293.46</b>	<b>R1 291 361.36</b>	<b>R19 173 943.50</b>

Year-to-date Grant Expenditure amounts to **34% or R19 174 million** of the Grants budget of **R55 980 million**.

# Supporting Documents

## Section 2 – In-year budget statement tables

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

EC104 Makana - Table C1 Monthly Budget Statement Summary - M08 February

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	56,832	65,215	65,215	3,896	72,885	43,477	29,408	68%	65,215
Service charges	263,893	306,690	242,709	35,673	143,007	174,806	(31,800)	-18%	306,690
Investment revenue	17,569	700	700	23	378	467	(89)	-19%	700
Transfers recognised - operational	83,931	91,292	91,292	1,790	68,882	69,750	(868)	-1%	91,292
Other own revenue	21,803	22,294	22,295	2,487	12,778	14,863	(2,085)	-14%	22,294
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>444,029</b>	<b>486,191</b>	<b>422,210</b>	<b>43,869</b>	<b>297,929</b>	<b>303,362</b>	<b>(5,433)</b>	<b>-2%</b>	<b>486,191</b>
Employee costs	117,988	144,631	165,268	12,175	104,108	110,179	(6,071)	-6%	144,631
Remuneration of Councillors	9,367	10,497	10,497	925	8,164	6,998	1,166	17%	10,497
Depreciation & asset impairment	21,227	31,639	31,639	-	-	21,093	(21,093)	-100%	31,639
Finance charges	8,344	-	9,700	94	1,148	6,467	(5,319)	-82%	-
Materials and bulk purchases	203,200	105,926	72,625	6,961	87,014	48,417	38,598	80%	105,926
Transfers and grants	5,237	50,515	50,515	1,891	3,970	33,677	(29,706)	-88%	50,515
Other expenditure	78,127	142,983	81,966	23,564	123,372	66,458	56,914	86%	142,983
<b>Total Expenditure</b>	<b>443,492</b>	<b>486,191</b>	<b>422,210</b>	<b>45,610</b>	<b>327,776</b>	<b>293,288</b>	<b>34,488</b>	<b>12%</b>	<b>486,191</b>
<b>Surplus/(Deficit)</b>	<b>537</b>	<b>-</b>	<b>(0)</b>	<b>(1,740)</b>	<b>(29,847)</b>	<b>10,074</b>	<b>(39,921)</b>	<b>-396%</b>	<b>-</b>
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>537</b>	<b>-</b>	<b>(0)</b>	<b>(1,740)</b>	<b>(29,847)</b>	<b>10,074</b>	<b>(39,921)</b>	<b>-396%</b>	<b>-</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>537</b>	<b>-</b>	<b>(0)</b>	<b>(1,740)</b>	<b>(29,847)</b>	<b>10,074</b>	<b>(39,921)</b>	<b>-396%</b>	<b>-</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>21,008</b>	<b>170,043</b>	<b>-</b>	<b>779</b>	<b>15,720</b>	<b>13,219</b>	<b>2,500</b>	<b>19%</b>	<b>-</b>
Capital transfers recognised	-	-	43,168	2,559	-	28,779	(28,779)	-100%	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funds</b>	<b>-</b>	<b>-</b>	<b>43,168</b>	<b>2,559</b>	<b>-</b>	<b>28,779</b>	<b>(28,779)</b>	<b>-100%</b>	<b>-</b>
<b>Financial position</b>									
Total current assets	40,656	278,678	278,677	-	230,336	-	-	-	278,678
Total non current assets	1,106,575	920,961	920,961	-	906,751	-	-	-	920,961
Total current liabilities	188,320	281,004	281,005	-	123,034	-	-	-	281,004
Total non current liabilities	107,827	109,841	109,841	-	98,120	-	-	-	109,841
<b>Community wealth/Equity</b>	<b>962,051</b>	<b>1,043,057</b>	<b>1,043,057</b>	<b>-</b>	<b>915,933</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,043,057</b>
<b>Cash flows</b>									
Net cash from (used) operating	123,329	181,064	57,188	9,278	19,452	4,727	(14,725)	-312%	57,188
Net cash from (used) investing	2,893	170,043	(43,168)	(779)	(15,720)	13,219	28,939	219%	(43,168)
Net cash from (used) financing	64	(5,500)	(4,000)	(575)	(1,054)	(1,054)	-	-	(4,000)
<b>Cash/cash equivalents at the month/year end</b>	<b>133,206</b>	<b>348,216</b>	<b>12,629</b>	<b>-</b>	<b>3,859</b>	<b>19,501</b>	<b>15,642</b>	<b>80%</b>	<b>11,202</b>
<b>Debtors &amp; creditors analysis</b>									
	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	5,097	15,806	10,103	11,268	290,646	-	-	-	332,919
<b>Creditors Age Analysis</b>									
Total Creditors	27,546	18,789	149	82,158	-	-	-	-	128,641

**EC104 Makana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February**

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue By Source</b>									
Property rates	56,832	65,215	65,215	3,896	72,885	43,476	72,841	167544%	65,215
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	276,009	191,033	129,683	31,156	74,350	99,455	(25,105)	-25%	129,683
Service charges - water revenue	(39,526)	63,277	71,059	1,833	39,783	47,373	(7,590)	-16%	71,059
Service charges - sanitation revenue	20,350	44,075	33,662	1,635	21,657	22,441	(785)	-3%	33,662
Service charges - refuse revenue	7,225	8,305	8,305	1,050	7,217	5,537	1,680	30%	8,305
Service charges - other	(165)	-	-	-	-	-	-	-	-
Rental of facilities and equipment	1,167	811	811	96	1,108	541	567	105%	811
Interest earned - external investments	17,569	700	700	23	378	467	(89)	-19%	700
Interest earned - outstanding debtors	-	16,059	16,059	1,930	8,511	10,706	(2,195)	-21%	16,059
Dividends received	-	-	-	-	-	-	-	-	-
Fines	49	1,092	1,092	35	551	728	(177)	-24%	1,092
Licences and permits	1,857	1,647	1,647	0	566	1,098	(532)	-48%	1,647
Agency services	223	500	500	(446)	235	333	(99)	-30%	500
Transfers recognised - operational	83,931	91,292	91,292	1,790	68,882	69,750	68,812	98656%	91,292
Other revenue	18,507	2,185	2,185	871	1,807	1,457	350	24%	2,185
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>444,029</b>	<b>486,191</b>	<b>422,210</b>	<b>43,869</b>	<b>297,929</b>	<b>190,249</b>	<b>107,680</b>	<b>57%</b>	<b>422,210</b>
<b>Expenditure By Type</b>									
Employee related costs	117,988	144,631	165,268	12,175	104,108	110,179	(6,071)	-6%	165,268
Remuneration of councillors	9,367	10,497	10,497	925	8,164	6,998	1,166	17%	10,497
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	21,227	31,639	31,639	-	-	21,093	(21,093)	-100%	31,639
Finance charges	8,344	-	9,700	94	1,148	6,467	(5,319)	-82%	9,700
Bulk purchases	203,200	104,404	71,103	6,942	86,430	47,402	39,028	82%	71,103
Other materials	-	1,522	1,522	18	584	1,015	(431)	-42%	1,522
Contracted services	7,855	28,408	28,408	160	15,413	18,938	(3,525)	-19%	28,408
Transfers and grants	5,237	50,515	50,515	1,891	3,970	33,677	(29,706)	-88%	50,515
Other expenditure	70,272	114,575	53,558	23,404	107,959	47,520	60,439	127%	53,558
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>443,492</b>	<b>486,191</b>	<b>422,210</b>	<b>45,610</b>	<b>327,776</b>	<b>293,288</b>	<b>34,488</b>	<b>12%</b>	<b>422,210</b>
<b>Surplus/(Deficit)</b>	<b>537</b>	<b>-</b>	<b>(0)</b>	<b>(1,740)</b>	<b>(29,847)</b>	<b>(103,039)</b>	<b>73,192</b>	<b>(0)</b>	<b>(0)</b>
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>537</b>	<b>-</b>	<b>(0)</b>	<b>(1,740)</b>	<b>(29,847)</b>	<b>(103,039)</b>			<b>(0)</b>
Taxation	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>	<b>537</b>	<b>-</b>	<b>(0)</b>	<b>(1,740)</b>	<b>(29,847)</b>	<b>(103,039)</b>			<b>(0)</b>
Attributable to minorities	-	-	-	-	-	-			-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>537</b>	<b>-</b>	<b>(0)</b>	<b>(1,740)</b>	<b>(29,847)</b>	<b>(103,039)</b>			<b>(0)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-			-
<b>Surplus/ (Deficit) for the year</b>	<b>537</b>	<b>-</b>	<b>(0)</b>	<b>(1,740)</b>	<b>(29,847)</b>	<b>(103,039)</b>			<b>(0)</b>

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

Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - TECHNICAL SERVICES		9,435	89,671	-	335	3,372	1,252	2,120	169%	-
Vote 2 - CORPORATE SERVICES		909	6,350	-	-	-	650	(650)	-100%	-
Vote 3 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY & SOCIAL SERVICES		6,343	17,878	-	444	8,574	16,454	(7,881)	-48%	-
Vote 5 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-
Vote 6 - MUNICIPALITY MANAGER		-	-	-	-	-	-	-	-	-
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-
Vote 8 - HOUSING		-	-	-	-	-	-	-	-	-
Vote 9 - ELECTRICITY		1,062	9,079	-	-	3,774	3,774	(0)	0%	-
Vote 10 - WATER		2,099	47,065	-	-	-	-	-	-	-
Vote 11 - DOG TAX		-	-	-	-	-	-	-	-	-
Vote 12 - PARKING METERS		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	<b>19,848</b>	<b>170,043</b>	<b>-</b>	<b>779</b>	<b>15,720</b>	<b>22,130</b>	<b>(6,411)</b>	<b>-29%</b>	<b>-</b>
<b>Capital Expenditure - Standard Classification</b>										
<b>Governance and administration</b>		<b>1,296</b>	<b>1,100</b>	<b>1,644</b>	<b>(54)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>600</b>
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-
Corporate services		1,296	1,100	1,644	(54)	-	0	-	-	600
<b>Community and public safety</b>		<b>6,352</b>	<b>9,541</b>	<b>20,334</b>	<b>1,335</b>	<b>12,303</b>	<b>13,556</b>	<b>(1,254)</b>	<b>-9%</b>	<b>5,204</b>
Community and social services		807	-	1,084	(30)	-	722	(722)	-100%	-
Sport and recreation		5,536	9,541	19,251	1,365	12,303	12,834	(531)	-4%	5,204
Public safety	8	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>8,437</b>	<b>13,567</b>	<b>12,860</b>	<b>708</b>	<b>2,894</b>	<b>8,573</b>	<b>(5,679)</b>	<b>-66%</b>	<b>7,400</b>
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		8,437	13,459	12,860	708	2,894	8,573	(5,679)	-66%	7,341
Environmental protection		-	108	-	-	-	-	-	-	59
<b>Trading services</b>		<b>4,924</b>	<b>148,353</b>	<b>8,331</b>	<b>570</b>	<b>523</b>	<b>-</b>	<b>523</b>	<b>#DIV/0!</b>	<b>81,146</b>
Electricity		1,062	7,035	5,079	66	306	-	306	#DIV/0!	3,837
Water		2,099	13,750	2,160	464	-	-	-	-	7,500
Waste water management		1,763	127,568	1,092	40	217	-	217	#DIV/0!	69,809
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		<b>-</b>	<b>183</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100</b>
<b>Total Capital Expenditure - Standard Classification</b>	3	<b>21,008</b>	<b>172,745</b>	<b>43,168</b>	<b>2,559</b>	<b>15,720</b>	<b>22,130</b>	<b>(6,409)</b>	<b>-29%</b>	<b>94,451</b>
<b>Funded by:</b>										
National Government		-	-	42,085	2,589	-	28,056	(28,056)	-100%	-
Provincial Government		-	-	1,084	(30)	-	722	(722)	-100%	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	0	-	-	0	(0)	-100%	-
<b>Transfers recognised - capital</b>		<b>-</b>	<b>-</b>	<b>43,168</b>	<b>2,559</b>	<b>-</b>	<b>28,779</b>	<b>(28,779)</b>	<b>-100%</b>	<b>-</b>
<b>Public contributions &amp; donations</b>	5	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Borrowing</b>	6	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Funding</b>		<b>-</b>	<b>-</b>	<b>43,168</b>	<b>2,559</b>	<b>-</b>	<b>28,779</b>	<b>(28,779)</b>	<b>-100%</b>	<b>-</b>



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

Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		16,901	7,533	7,533	7,924	7,533
Call investment deposits		(4,769)	12,940	12,940	538	12,940
Consumer debtors		(23,446)	189,260	189,260	182,152	189,260
Other debtors		45,446	52,347	52,347	29,672	52,347
Current portion of long-term receivables		–	30	30	–	30
Inventory		6,525	16,568	16,568	10,050	16,568
<b>Total current assets</b>		<b>40,656</b>	<b>278,678</b>	<b>278,677</b>	<b>230,336</b>	<b>278,678</b>
<b>Non current assets</b>						
Long-term receivables		–	–	–	–	–
Investments		3,930	–	–	–	–
Investment property		219,050	–	–	–	–
Investments in Associate		652	151	151	–	151
Property, plant and equipment		878,387	908,810	908,810	904,251	908,810
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		1,947	12,000	12,000	2,500	12,000
Other non-current assets		2,609	–	–	–	–
<b>Total non current assets</b>		<b>1,106,575</b>	<b>920,961</b>	<b>920,961</b>	<b>906,751</b>	<b>920,961</b>
<b>TOTAL ASSETS</b>		<b>1,147,231</b>	<b>1,199,639</b>	<b>1,199,638</b>	<b>1,137,087</b>	<b>1,199,639</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		6,442	–	–	–	–
Borrowing		(122)	4,400	4,400	–	4,400
Consumer deposits		–	2,474	2,474	3,853	2,474
Trade and other payables		178,634	263,776	263,776	108,155	263,776
Provisions		3,365	10,354	10,354	11,026	10,354
<b>Total current liabilities</b>		<b>188,320</b>	<b>281,004</b>	<b>281,005</b>	<b>123,034</b>	<b>281,004</b>
<b>Non current liabilities</b>						
Borrowing		56,512	60,534	60,534	60,534	60,534
Provisions		51,315	49,307	49,307	37,586	49,307
<b>Total non current liabilities</b>		<b>107,827</b>	<b>109,841</b>	<b>109,841</b>	<b>98,120</b>	<b>109,841</b>
<b>TOTAL LIABILITIES</b>		<b>296,147</b>	<b>390,845</b>	<b>390,846</b>	<b>221,154</b>	<b>390,845</b>
<b>NET ASSETS</b>	2	<b>851,084</b>	<b>808,794</b>	<b>808,793</b>	<b>915,933</b>	<b>808,794</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		962,051	1,037,308	1,037,308	915,933	1,037,308
Reserves		–	5,749	5,749	–	5,749
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>962,051</b>	<b>1,043,057</b>	<b>1,043,057</b>	<b>915,933</b>	<b>1,043,057</b>

EC104 Makana - Table C7 Monthly Budget Statement - Cash Flow - M08 February

Description	Ref	Budget Year 2016/17								
		2015/16 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Ratepayers and other		507,870	304,319	304,319	23,582	266,890	278,253	(11,362)	-4%	304,319
Government - operating		83,931	89,475	89,475	-	65,179	70,500	(5,321)	-8%	89,475
Government - capital		1,541	170,043	43,168	779	15,720	18,500	(2,780)	-15%	43,168
Interest		17,569	12,100	12,100	-	1,255	7,500	(6,245)	-83%	12,100
Dividends		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		(474,002)	(351,972)	(348,973)	(12,333)	(310,984)	(350,500)	(39,516)	11%	(348,973)
Finance charges		(8,344)	(5,000)	(5,000)	-	-	(2,000)	(2,000)	100%	(5,000)
Transfers and Grants		(5,237)	(37,901)	(37,901)	(2,750)	(18,609)	(17,525)	1,083	-6%	(37,901)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>123,329</b>	<b>181,064</b>	<b>57,188</b>	<b>9,278</b>	<b>19,452</b>	<b>4,727</b>	<b>(14,725)</b>	<b>-312%</b>	<b>57,188</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		(1,079)	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		1,070	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		25,766	-	-	-	-	-	-	-	-
<b>Payments</b>										
Capital assets		(22,863)	170,043	(43,168)	(779)	(15,720)	13,219	28,939	219%	(43,168)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>2,893</b>	<b>170,043</b>	<b>(43,168)</b>	<b>(779)</b>	<b>(15,720)</b>	<b>13,219</b>	<b>28,939</b>	<b>219%</b>	<b>(43,168)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		6,395	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		(2,321)	-	-	-	-	-	-	-	-
<b>Payments</b>										
Repayment of borrowing		(4,010)	(5,500)	(4,000)	(575)	(1,054)	(1,054)	-	-	(4,000)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>64</b>	<b>(5,500)</b>	<b>(4,000)</b>	<b>(575)</b>	<b>(1,054)</b>	<b>(1,054)</b>	<b>-</b>	<b>-</b>	<b>(4,000)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>126,286</b>	<b>345,607</b>	<b>10,020</b>	<b>7,924</b>	<b>2,678</b>	<b>16,892</b>			<b>10,020</b>
Cash/cash equivalents at beginning:		6,920	2,609	2,609		1,182	2,609			1,182
Cash/cash equivalents at month/year end:		133,206	348,216	12,629		3,859	19,501			11,202

EC104 Makana - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February

Description	NT Code	Budget Year 2016/17									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		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			
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	(5,035)	3,584	2,416	2,830	37,329	-	-	-	41,124	40,159	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	337	5,384	2,396	3,329	27,666	-	-	-	39,111	30,994	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	3,372	2,794	2,027	1,718	109,286	-	-	-	119,197	111,004	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	54	-	-	-	54	54	-	-
Receivables from Exchange Transactions - Waste Management	1600	636	472	418	397	12,018	-	-	-	13,941	12,415	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	1,988	1,971	1,872	1,827	78,484	-	-	-	86,143	80,311	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	3,798	1,602	974	1,167	25,809	-	-	-	33,349	26,976	-	-
<b>Total By Income Source</b>	<b>2000</b>	<b>5,097</b>	<b>15,806</b>	<b>10,103</b>	<b>11,268</b>	<b>290,646</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>332,919</b>	<b>301,913</b>	<b>-</b>	<b>-</b>

EC104 Makana - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February

Description	NT Code	Budget Year 2016/17								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
<b>R thousands</b>										
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100	8,219	-	-	54,017	-	-	-	-	62,236
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	19,232	16,223	149	18,390	-	-	-	-	53,994
Auditor General	0800	94	2,565	-	9,751	-	-	-	-	12,411
Other	0900	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>1000</b>	<b>27,546</b>	<b>18,789</b>	<b>149</b>	<b>82,158</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128,641</b>

EC104 Makana - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M08 February

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		77,754	77,632	77,632	711	62,790	51,755	9,829	19.0%	77,632
Local Government Equitable Share		74,637	73,008	73,008	-	57,755	48,672	9,083	18.7%	73,008
Finance Management		-	1,810	1,810	531	2,341	1,207	-	-	1,810
Municipal Systems Improvement		930	-	-	-	-	-	-	-	-
EPWP Incentive		1,002	1,000	1,000	38	738	667	-	-	1,000
	3	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
MIG OPERATIONAL		1,185	1,814	1,814	141	1,955	1,210	746	61.7%	1,814
<b>Provincial Government:</b>		2,581	2,901	2,901	-	2,901	1,934	967	50.0%	2,901
Sport and Recreation		2,581	2,901	2,901	-	2,901	1,934	967	50.0%	2,901
Health subsidy		-	-	-	-	-	-	-	-	-
	4	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		1,500	1,917	1,917	-	1,600	1,278	322	25.2%	1,917
Health Subsidy		1,500	1,917	1,917	-	1,600	1,278	322	25.2%	1,917
Fire Subsidy		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	81,835	82,450	82,450	711	67,291	54,967	11,118	20.2%	82,450
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		42,510	152,790	39,032	779	8,459	26,021	(17,562)	-67.5%	152,790
Municipal Infrastructure Grant (MIG)		22,510	34,474	35,251	779	5,459	23,501	(18,042)	-76.8%	34,474
Regional Bulk Infrastructure		20,000	86,000	-	-	-	-	-	-	86,000
Neighbourhood Development Partnership		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Bucket Eradication		-	24,893	-	-	-	-	-	-	24,893
INEP		-	7,423	3,781	-	3,000	2,521	479	19.0%	7,423
<b>Provincial Government:</b>		996	1,084	1,084	-	1,084	723	361	50.0%	1,084
Sports & Recreation		996	1,084	1,084	-	1,084	723	361	50.0%	1,084
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	16,169	3,053	-	3,785	2,035	1,750	86.0%	16,169
Externally Funding- Unconditional Grants		-	16,169	3,053	-	3,785	2,035	1,750	86.0%	16,169
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	43,506	170,043	43,168	779	13,328	28,779	(15,451)	-53.7%	170,043
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	125,341	252,493	125,619	1,490	80,618	83,746	(4,333)	-5.2%	252,493

EC104 Makana - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M08 February

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		77,754	77,632	77,632	711	62,790	51,755	11,035	21.3%	77,632
Local Government Equitable Share		74,637	73,008	73,008	-	57,755	48,672	9,083	18.7%	73,008
Finance Management		-	1,810	1,810	531	2,341	1,207	1,135	94.0%	1,810
Municipal Systems Improvement		930	-	-	-	-	-	-	-	-
EPWP Incentive		1,002	1,000	1,000	38	738	667	71	10.7%	1,000
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
MIG OPERATIONAL		1,185	1,814	1,814	141	1,955	1,210	746	61.7%	1,814
<b>Provincial Government:</b>		2,581	2,901	2,901	-	2,901	1,934	967	50.0%	2,901
Sport and Recreation		2,581	2,901	2,901	-	2,901	1,934	967	50.0%	2,901
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		1,500	1,917	1,917	-	1,600	1,278	322	25.2%	1,917
		-	-	-	-	-	-	-	-	-
Health Subsidy		1,500	1,917	1,917	-	1,600	1,278	322	25.2%	1,917
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		81,835	82,450	82,450	711	67,291	54,967	12,324	22.4%	82,450
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		42,510	152,790	39,032	779	8,459	26,021	(17,562)	-67.5%	152,790
Municipal Infrastructure Grant (MIG)		22,510	34,474	35,251	779	5,459	23,501	(18,042)	-76.8%	34,474
		20,000	86,000	-	-	-	-	-	-	86,000
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Bucket Eradication		-	24,893	-	-	-	-	-	-	24,893
INEP		-	7,423	3,781	-	3,000	2,521	479	19.0%	7,423
<b>Provincial Government:</b>		996	1,084	1,084	-	1,084	723	361	50.0%	1,084
		996	1,084	1,084	-	1,084	723	361	50.0%	1,084
		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	16,169	3,053	-	3,785	2,035	1,750	86.0%	16,169
		-	16,169	3,053	-	3,785	2,035	1,750	86.0%	16,169
		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		43,506	170,043	43,168	779	13,328	28,779	(15,451)	-53.7%	170,043
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		125,341	252,493	125,619	1,490	80,618	83,746	(3,127)	-3.7%	252,493

**OTHER PARTIES CONSULTED**

There were no other parties consulted.

**RESOLVED TO RECOMMEND**

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

**FOR FURTHER DETAILS CONTACT:**

<b>NAME</b>	<b>N. SIWAHLA</b>
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<b>DIRECTORATE</b>	<b>Budget and Treasury</b>

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CHIEF FINANCIAL OFFICER  
MS. N.F. SIWAHLA