



REPORT TO: BUDGET STEERING COMMITTEE

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Collaborator/Item no ()

Date: 7 APRIL 2017

SUBJECT: BUDGET IMPLEMENTATION REPORT FOR THE MONTH OF MARCH 2017

REPORT DATED 12 APRIL 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 March 2017 to the Budget Steering Committee.

LEGAL REQUIREMENTS

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

STATUTORY AUTHORITY

Chapter 24 of the MFMA No. 56 of 2003

BACKGROUND AND REASONING

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

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

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

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

1. FINANCIAL IMPLICATIONS

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

Description	Original Budget R'000	Adjustment Budget R'000	Actual R'000	Annual Budget %
Operating Revenue (billed)	486 191	422 210	331 763	79%
Operating Expenditure (accrued/actual mix)	486 191	422 210	291 966	69%
Capital Expenditure	58 608	43 168	17 862	41%

1.2 Revenue by Source

Year-to-date Operating Revenue amounts to **79% or R331, 7 million** of the adjusted operating budget of **R422, 2 million**.

The year-to-date Operating Revenue reflects an achievement of **79% or R331,7 million** of the adjusted budget of R422 210 million, and Operating Expenditure is **69% or R291, 9 million** of the adjusted budget of **R422, 2 million**.

1.2.1 Operating Revenue

Major contributors of Operating Revenue to date amounting to R331, 7 million are:

- Service Charges-Electricity at R79,1 million or 24%
- Operational Transfers recognised at R85, 1 million or 26%.
- Property Rates at R53, 6 million or 16%.
- Service Charges-Water R18,4 million or 6%

1.3 Operating expenditure by type

Year-to-date expenditure amounts to **69% or R291, 9 million** of the operating budget of **R422, 2 million**.

1.3.1 Operating Expenditure

In March actual expenditure was adjusted downwards by R22, 8 million due to incorrect recording of Amatole expenditure and double recording of salaries expenditure. Corrections were only processed in March 2017.

Major contributors of Operating Expenditure to date amounting to **R291, 9** million are:

- Employee-related costs at R115,3 million or 39%
- Remuneration of councillors at R7, 2 million or 2%.
- Bulk Purchases at R113,3 million or 30%
- Repairs & maintenance at R7,2 million or 2%

1.4 Capital expenditure

Year-to-date expenditure on capital project amounts to **41% or R17, 8 million** of the capital budget of **R43, 1 million**.

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

The Municipal Capital Budget is funded from the following Grants:

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

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

1.4.1 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	Jan-17	Feb-17	Mar-17
MIG 1 or PMU	As per IP				
Alicedale Roads and Improvements Transrivier and Mandela Park	R 6,255,838.84	R 623,831.64	R 335,405.94	R 0.00	R 288,425.70
Multi-purpose Centre in Ward 7	R 5,250,544.02	R 4,465,752.05	R 443,990.16	R 269,725.66	R 1,256,501.46
Construction of 11 High Mast Lights in Mayfield Housing Project	R 1,297,187.47	R 306,368.87	R 0.00	R 0.00	R 0.00
Alicedale Sewerage Reticulation	R 1,091,787.43	R 262,760.95	R 0.00	R 45,710.48	R 0.00
Multi-purpose Indoor Sport Centre: Gymnasium	R 13,000,000.00	R 728,997.20	R 0.00	R 0.00	R 728,997.20
Waainek Bulk Water Supply Refurbishment	R 1,939,000.00	R 867,079.20	R 0.00	R 0.00	R 867,079.20
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 114,103.44	R 0.00	R 0.00	R 114,103.44
PMU: ADMIN	R 1,814,400.00	R 1,144,491.65	R 120,559.99	R 146,403.62	R 122,351.48
	R 36,288,000.00	R 8,513,385.00	R 899,956.09	R 461,839.76	R 3,377,458.48

Section 4 – Allocations for Grant Receipts and Expenditure

5.1 Summary of Grants Received

GRANT	BUDGET	AMOUNT RECEIVED	EXPENDITURE	EXPENDITURE TO DATE
MIG	R36 288 000	R7 927 165.10	R3 377 458 .48	R8 513 385.00
MIG – Roll- Over	R8 100 000	R7 973 325.58	R0.00	R7 973 325.58
INEP	R3 782 000	R4 000 000.00	R0.00	R0.00
FMG	R1 810 000	R1 810 000.00	R33 359.00	R1 667 996.00
EPWP	R1 000 000	R1 000 000.00	R67 680.00	R455 364.00
DWA	R5 000 000	R3 853 078.78	R0.00	R3 853 078.78
TOTAL	R55 980 000	R23 795 293.46	R2 569 315.10	R22 163 149.36

Year-to-date Grant Expenditure amounts to **40% or R22, 1 million** of the Grants budget of **R55, 9 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 - M09 March

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	56,832	65,215	65,215	3,946	65,253	65,253	-		65,215
Service charges	263,893	306,690	242,709	38,384	145,873	182,032	(36,159)	-20%	242,709
Investment revenue	17,569	700	700	3	381	525	(144)	-27%	700
Transfers recognised - operational	83,931	91,292	91,292	19,253	91,292	91,292	-		91,292
Other own revenue	21,803	22,294	22,295	7,766	28,965	16,721	12,245	73%	22,295
Total Revenue (excluding capital transfers and contributions)	444,029	486,191	422,210	69,352	331,763	355,822	(24,059)	-7%	422,210
Employee costs	117,988	144,631	165,268	11,916	116,024	123,951	(7,927)	-6%	165,268
Remuneration of Councillors	9,367	10,497	10,497	803	8,967	7,873	1,094	14%	10,497
Depreciation & asset impairment	21,227	31,639	31,639	-	-	23,729	(23,729)	-100%	31,639
Finance charges	8,344	-	9,700	10	1,158	7,275	(6,117)	-84%	9,700
Materials and bulk purchases	203,200	105,926	72,625	26,930	113,944	54,469	59,475	109%	72,625
Transfers and grants	5,237	50,515	50,515	-	3,970	37,886	(33,916)	-90%	50,515
Other expenditure	78,127	142,983	81,966	22,459	50,282	61,474	(11,192)	-18%	81,966
Total Expenditure	443,492	486,191	422,210	62,119	294,346	316,658	(22,312)	-7%	422,210
Surplus/(Deficit)	537	-	(0)	7,233	37,418	39,165	(1,747)	-4%	(0)
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	537	-	(0)	7,233	37,418	39,165	(1,747)	-4%	(0)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	537	-	(0)	7,233	37,418	39,165	(1,747)	-4%	(0)
Capital expenditure & funds sources									
Capital expenditure	21,008	170,043	-	779	15,720	13,219	2,500	19%	-
Capital transfers recognised	-	-	43,168	2,142	17,862	32,376	(14,514)	-45%	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	-	43,168	2,142	17,862	32,376	(14,514)	-45%	-
Financial position									
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
Community wealth/Equity	962,051	1,043,057	1,043,057		915,933				1,043,057
Cash flows									
Net cash from (used) operating	123,329	181,064	57,188	2,211	21,663	42,891	21,228	49%	57,188
Net cash from (used) investing	2,893	170,043	(43,168)	(2,142)	(17,862)	(32,376)	(14,514)	45%	(43,168)
Net cash from (used) financing	64	(5,500)	(4,000)	-	(1,054)	(3,000)	(1,946)	65%	(4,000)
Cash/cash equivalents at the month/year end	133,206	348,216	12,629	-	3,929	10,124	6,195	61%	11,202
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	5,097	15,806	10,103	11,268	290,646	-	-	-	332,919
Creditors Age Analysis									
Total Creditors	8	29,755	16,801	17,203	62,311	-	-	-	126,078

EC104 Makana - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March

Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - TECHNICAL SERVICES	1	35,256	53,842	43,202	4,475	32,560	32,402	158	0.5%	38,563
Vote 2 - CORPORATE SERVICES		384	915	665	7	94	499	(404)	-81.1%	729
Vote 3 - FINANCIAL SERVICES		96,999	126,200	119,700	12,822	75,994	89,775	(13,781)	-15.4%	98,172
Vote 4 - COMMUNITY & SOCIAL SERVICES		25,926	25,437	17,778	3,497	17,672	13,334	4,338	32.5%	27,317
Vote 5 - EXECUTIVE & COUNCIL		4,363	7,657	7,658	1,287	3,432	5,743	(2,311)	-40.2%	5,066
Vote 6 - MUNICIPALITY MANAGER		-	2	2	-	-	1	(1)	-100.0%	3
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		319	1,032	1,032	671	714	774	(60)	-7.8%	1,275
Vote 8 - HOUSING		-	-	-	-	-	-	-	-	-
Vote 9 - ELECTRICITY		120,646	195,461	161,961	15,185	116,891	121,470	(4,579)	-3.8%	174,087
Vote 10 - WATER		61,458	75,645	70,213	31,408	84,404	52,660	31,745	60.3%	73,098
Vote 11 - DOG TAX		-	1	1	-	1	1	0	11.1%	1
Vote 12 - PARKING METERS		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	345,351	486,191	422,210	69,352	331,762	316,658	15,105	4.8%	418,312
Expenditure by Vote										
Vote 1 - TECHNICAL SERVICES	1	46,026	59,362	47,897	2,906	19,277	35,923	(16,646)	-46.3%	49,829
Vote 2 - CORPORATE SERVICES		36,332	37,843	37,593	2,358	7,276	28,195	(20,919)	-74.2%	31,262
Vote 3 - FINANCIAL SERVICES		36,492	79,443	72,943	2,331	5,282	54,707	(49,425)	-90.3%	64,653
Vote 4 - COMMUNITY & SOCIAL SERVICES		59,552	77,120	69,461	4,566	29,097	52,096	(22,999)	-44.1%	64,645
Vote 5 - EXECUTIVE & COUNCIL		14,313	23,444	23,444	1,404	4,163	17,583	(13,420)	-76.3%	16,824
Vote 6 - MUNICIPALITY MANAGER		2,073	8,418	8,418	201	579	6,313	(5,734)	-90.8%	5,244
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		4,099	13,877	13,877	590	2,018	10,408	(8,390)	-80.6%	13,136
Vote 8 - HOUSING		43	56	56	-	3	42	(39)	-92.8%	53
Vote 9 - ELECTRICITY		79,381	129,734	96,234	36,935	132,650	72,175	60,475	83.8%	119,634
Vote 10 - WATER		10,714	56,891	52,284	10,828	91,620	39,213	52,407	133.6%	52,203
Vote 11 - DOG TAX		-	1	1	-	-	1	(1)	-100.0%	1
Vote 12 - PARKING METERS		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	289,025	486,191	422,210	62,119	291,966	316,658	(24,692)	-7.8%	417,484
Surplus/ (Deficit) for the year	2	56,326	(0)	0	7,233	39,797	0	39,797	#####	827

EC104 Makana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		56,832	65,215	65,215	3,946	65,253	65,253	-		65,215
Property rates - penalties & collection charges		-	-	-	-	-	-	-		-
Service charges - electricity revenue		276,009	191,033	129,683	15,112	53,944	97,262	(43,318)	-45%	129,683
Service charges - water revenue		(39,526)	63,277	71,059	20,581	60,363	53,294	7,069	13%	71,059
Service charges - sanitation revenue		20,350	44,075	33,662	1,619	23,276	25,247	(1,970)	-8%	33,662
Service charges - refuse revenue		7,225	8,305	8,305	1,072	8,289	6,229	2,060	33%	8,305
Service charges - other		(165)	-	-	-	-	-	-		-
Rental of facilities and equipment		1,167	811	811	104	1,212	608	604	99%	811
Interest earned - external investments		17,569	700	700	3	381	525	(144)	-27%	700
Interest earned - outstanding debtors		-	16,059	16,059	1,552	10,063	12,045	(1,981)	-16%	16,059
Dividends received		-	-	-	-	-	-	-		-
Fines		49	1,092	1,092	32	583	819	(236)	-29%	1,092
Licences and permits		1,857	1,647	1,647	-	566	1,236	(670)	-54%	1,647
Agency services		223	500	500	394	629	375	254	68%	500
Transfers recognised - operational		83,931	91,292	91,292	19,253	91,292	91,292	-		91,292
Other revenue		18,507	2,185	2,185	5,685	15,913	1,639	14,274	871%	2,185
Gains on disposal of PPE		-	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		444,029	486,191	422,210	69,352	331,763	355,822	(24,059)	-7%	422,210
Expenditure By Type										
Employee related costs		117,988	144,631	165,268	11,916	116,024	123,951	(7,927)	-6%	165,268
Remuneration of councillors		9,367	10,497	10,497	803	8,967	7,873	1,094	14%	10,497
Debt impairment		-	-	-	-	-	-	-		-
Depreciation & asset impairment		21,227	31,639	31,639	-	-	23,729	(23,729)	-100%	31,639
Finance charges		8,344	-	9,700	10	1,158	7,275	(6,117)	-84%	9,700
Bulk purchases		203,200	104,404	71,103	26,914	113,345	53,327	60,018	113%	71,103
Other materials		-	1,522	1,522	15	600	1,142	(542)	-47%	1,522
Contracted services		7,855	28,408	28,408	1,235	16,648	21,306	(4,658)	-22%	28,408
Transfers and grants		5,237	50,515	50,515	-	3,970	37,886	(33,916)	-90%	50,515
Other expenditure		70,272	114,575	53,558	21,224	33,634	40,169	(6,535)	-16%	53,558
Loss on disposal of PPE		-	-	-	-	-	-	-		-
Total Expenditure		443,492	486,191	422,210	62,119	294,346	316,658	(22,312)	-7%	422,210
Surplus/(Deficit)		537	-	(0)	7,233	37,418	39,165	(1,747)	(0)	(0)
Transfers recognised - capital		-	-	-	-	-	-	-		-
Contributions recognised - capital		-	-	-	-	-	-	-		-
Contributed assets		-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		537	-	(0)	7,233	37,418	39,165			(0)
Taxation		-	-	-	-	-	-	-		-
Surplus/(Deficit) after taxation		537	-	(0)	7,233	37,418	39,165			(0)
Attributable to minorities		-	-	-	-	-	-	-		-
Surplus/(Deficit) attributable to municipality		537	-	(0)	7,233	37,418	39,165			(0)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year		537	-	(0)	7,233	37,418	39,165			(0)

EC104 Makana - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M09 March

Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital Expenditure - Standard Classification										
Governance and administration		1,296	1,100	1,644	-	-	-	-	-	1,644
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-
Corporate services		1,296	1,100	1,644	-	-	-	-	-	1,644
Community and public safety		6,352	9,541	20,334	1,518	13,821	15,251	(1,430)	-9%	20,334
Community and social services		807	-	1,084	90	90	813	(723)	-89%	1,084
Sport and recreation		5,536	9,541	19,251	1,428	13,731	14,438	(707)	-5%	19,251
Public safety		8	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		8,437	13,567	12,860	291	3,186	9,645	(6,459)	-67%	12,860
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		8,437	13,459	12,860	291	3,186	9,645	(6,459)	-67%	12,860
Environmental protection		-	108	-	-	-	-	-	-	-
Trading services		4,924	148,353	8,331	332	856	6,248	(5,392)	-86%	8,331
Electricity		1,062	7,035	5,079	-	306	3,809	(3,503)	-92%	5,079
Water		2,099	13,750	2,160	232	232	1,620	(1,388)	-86%	2,160
Waste water management		1,763	127,568	1,092	100	317	819	(502)	-61%	1,092
Waste management		-	-	-	-	-	-	-	-	-
Other		-	183	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	3	21,008	172,745	43,168	2,142	17,862	31,144	(13,282)	-43%	43,168
Funded by:										
National Government		-	-	42,085	2,052	17,772	31,563	(13,791)	-44%	42,085
Provincial Government		-	-	1,084	90	90	813	(723)	-89%	1,084
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	0	-	-	-	-	-	0
Transfers recognised - capital		-	-	43,168	2,142	17,862	32,376	(14,514)	-45%	43,168
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-
Total Capital Funding		-	-	43,168	2,142	17,862	32,376	(14,514)	-45%	43,168

EC104 Makana - Table C6 Monthly Budget Statement - Financial Position - M09 March

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

EC104 Makana - Table C7 Monthly Budget Statement - Cash Flow - M09 March

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		507,870	304,319	304,319	31,694	298,584	228,239	70,345	31%	304,319
Government - operating		83,931	89,475	89,475	-	65,179	67,106	(1,927)	-3%	89,475
Government - capital		1,541	170,043	43,168	19,253	34,973	32,376	2,597	8%	43,168
Interest		17,569	12,100	12,100	-	1,255	9,075	(7,820)	-86%	12,100
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(474,002)	(351,972)	(348,973)	(48,735)	(359,719)	(261,730)	97,989	-37%	(348,973)
Finance charges		(8,344)	(5,000)	(5,000)	-	-	(3,750)	(3,750)	100%	(5,000)
Transfers and Grants		(5,237)	(37,901)	(37,901)	-	(18,609)	(28,426)	(9,817)	35%	(37,901)
NET CASH FROM/(USED) OPERATING ACTIVITIES		123,329	181,064	57,188	2,211	21,663	42,891	21,228	49%	57,188
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		(1,079)	-	-	-	-	-	-		-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables		1,070	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		25,766	-	-	-	-	-	-		-
Payments										
Capital assets		(22,863)	170,043	(43,168)	(2,142)	(17,862)	(32,376)	(14,514)	45%	(43,168)
NET CASH FROM/(USED) INVESTING ACTIVITIES		2,893	170,043	(43,168)	(2,142)	(17,862)	(32,376)	(14,514)	45%	(43,168)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		6,395	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		(2,321)	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		(4,010)	(5,500)	(4,000)	-	(1,054)	(3,000)	(1,946)	65%	(4,000)
NET CASH FROM/(USED) FINANCING ACTIVITIES		64	(5,500)	(4,000)	-	(1,054)	(3,000)	(1,946)	65%	(4,000)
NET INCREASE/ (DECREASE) IN CASH HELD		126,286	345,607	10,020	70	2,748	7,515			10,020
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		3,929	10,124			11,202

EC104 Makana - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M09 March

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:										
Operating Transfers and Grants										
National Government:		77,754	77,632	77,632	101	62,891	58,224	3,594	6.2%	77,632
Local Government Equitable Share		74,637	73,008	73,008	-	57,755	54,756	2,999	5.5%	73,008
Finance Management		-	1,810	1,810	33	2,375	1,358	-	-	1,810
Municipal Systems Improvement		930	-	-	-	-	-	-	-	-
EPWP Incentive		1,002	1,000	1,000	68	805	750	-	-	1,000
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
MIG OPERATIONAL		1,185	1,814	1,814	-	1,955	1,361	595	43.7%	1,814
Provincial Government:		2,581	2,901	2,901	-	2,901	2,176	725	33.3%	2,901
Sport and Recreation		2,581	2,901	2,901	-	2,901	2,176	725	33.3%	2,901
Health subsidy		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		1,500	1,917	1,917	-	1,600	1,438	162	11.3%	1,917
Health Subsidy		1,500	1,917	1,917	-	1,600	1,438	162	11.3%	1,917
Fire Subsidy		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	81,835	82,450	82,450	101	67,392	61,838	4,481	7.2%	82,450
Capital Transfers and Grants										
National Government:		42,510	152,790	39,032	2,468	10,927	26,021	(15,094)	-58.0%	152,790
Municipal Infrastructure Grant (MIG)		22,510	34,474	35,251	2,468	7,927	23,501	(15,573)	-66.3%	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
Provincial Government:		996	1,084	1,084	90	1,084	723	361	50.0%	1,084
Sports & Recreation		996	1,084	1,084	90	1,084	723	361	50.0%	1,084
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		-	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
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	43,506	170,043	43,168	2,558	15,796	28,779	(12,983)	-45.1%	170,043
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	125,341	252,493	125,619	2,659	83,188	90,617	(8,502)	-9.4%	252,493

EC104 Makana - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M09 March

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		77,754	77,632	77,632	101	62,891	58,224	4,666	8.0%	77,632
Local Government Equitable Share		74,637	73,008	73,008	-	57,755	54,756	2,999	5.5%	73,008
Finance Management		-	1,810	1,810	33	2,375	1,358	1,017	74.9%	1,810
Municipal Systems Improvement		930	-	-	-	-	-	-	-	-
EPWP Incentive		1,002	1,000	1,000	68	805	750	55	7.4%	1,000
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
MIG OPERATIONAL		1,185	1,814	1,814	-	1,955	1,361	595	43.7%	1,814
Provincial Government:		2,581	2,901	2,901	-	2,901	2,176	725	33.3%	2,901
Sport and Recreation		2,581	2,901	2,901	-	2,901	2,176	725	33.3%	2,901
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		1,500	1,917	1,917	-	1,600	1,438	162	11.3%	1,917
		-	-	-	-	-	-	-	-	-
Health Subsidy		1,500	1,917	1,917	-	1,600	1,438	162	11.3%	1,917
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		81,835	82,450	82,450	101	67,392	61,838	5,554	9.0%	82,450
Capital expenditure of Transfers and Grants										
National Government:		42,510	152,790	39,032	2,468	10,927	29,274	(18,347)	-62.7%	152,790
Municipal Infrastructure Grant (MIG)		22,510	34,474	35,251	2,468	7,927	26,438	(18,511)	-70.0%	34,474
		20,000	86,000	-	-	-	-	-	-	86,000
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Bucket Eradication		-	24,893	-	-	-	-	-	-	24,893
INEP		-	7,423	3,781	-	3,000	2,836	164	5.8%	7,423
Provincial Government:		996	1,084	1,084	90	1,084	813	271	33.3%	1,084
		996	1,084	1,084	90	1,084	813	271	33.3%	1,084
		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Other grant providers:		-	16,169	3,053	-	3,785	2,289	1,496	65.3%	16,169
		-	16,169	3,053	-	3,785	2,289	1,496	65.3%	16,169
		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		43,506	170,043	43,168	2,558	15,796	32,376	(16,580)	-51.2%	170,043
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		125,341	252,493	125,619	2,659	83,188	94,214	(11,026)	-11.7%	252,493

EC104 Makana - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

Description	NT Code	Budget Year 2016/17								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	8,162	-	-	35,000	-	-	-	43,162
Bulk Water	0200	-	17,283	1,197	1,198	6,453	-	-	-	26,131
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	8	4,187	15,604	13,983	11,304	-	-	-	45,087
Auditor General	0800	-	123	-	2,022	9,553	-	-	-	11,699
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	8	29,755	16,801	17,203	62,311	-	-	-	126,078

OTHER PARTIES CONSULTED

There were no other parties consulted.

RESOLVED TO RECOMMEND

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

FOR FURTHER DETAILS CONTACT:

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CHIEF FINANCIAL OFFICER
MS. N.F. SIWAHLA