



Report To: **BUDGET STEERING COMMITTEE**

File ref : _____

Collaborator/Item no: BSC 5.1

Date: **May 2016**

SUBJECT: MONTHLY REPORT: 30 APRIL 2016

REPORT DATED 16 APRIL 2016 FROM THE ACTING CHIEF FINANCIAL OFFICER TO THE BUDGET STEERING COMMITTEE

PURPOSE:

The purpose of this item is to submit a financial report for the month ending APRIL 2016 to the Budget Steering 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 APRIL.

DISCUSSION:

Annexure 1 - Operating Income and Expenditure as at end APRIL 2016.

Annexure 2 - Capital Expenditure per Vote as at end APRIL 2016.

Annexure 3 - 12 Supporting Documents



MAKANA
MUNICIPALITY | EASTERN CAPE
...a great place to be

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 APRIL 2016

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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 April 2016 has been prepared to meet the legislative requirements of the Municipal Budget and Reporting Regulations.

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. The following strategies were put in place:

- A service provider has been appointed to implement the Revenue Enhancement Plan and data cleansing of Debtors. Based on the appointment, the municipal collection rate for 15/16 financial year is forecasted at 85%. As at 30 April 2016, the collection rate is 80.81%.
- Improving financial sustainability through budget restructuring, Implementation of revenue enhancement initiatives
- Cost containment measures
- Reduction of irregular expenditure and fruitless and wasteful expenditure
- Improving financial data integrity

Section 2 – IN-YEAR REPORTS 2015/2016

RECOMMENDATION:

(a) That Budget Steering Committee notes the monthly budget statement and supporting documentation for APRIL 2016.

Section 3 – Executive Summary

3.1 Introduction

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.

3.2 Consolidated Performance

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.

| | Original Budget R'000 | Adjustment Budget R'000 | Actual R'000 | Annual Budget % |
|---|--------------------------|-------------------------------|-----------------|-----------------------|
| Operating Revenue (billed) | 427 637 | 440 053 | 324 428 | 74% |
| Operating Expenditure (accrued/actual mix) | 427 637 | 437 920 | 254 261 | 58% |
| Capital Expenditure | 191 857 | 62 942 | 16 553 | 26% |

Revenue by Source

Year-to-date Operating Revenue amounts to **74% or R324 428 million** of the adjusted operating budget of **R440, 053 million**.

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

Operating expenditure by type

Year-to-date expenditure amounts to **58% or R252 919 million** of the adjusted operating budget of **R437, 920 million**.

Refer to – 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 **26% or R16, 553 million** of the capital budget of **R62, 942 million**.

Refer to – Table C5 for more detail.

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 - M10 April

| Description | 2014/15 | Budget Year 2015/16 | | | | | | | |
|--|-----------------|---------------------|-----------------|-----------------|------------------|----------------|------------------|----------------|--------------------|
| | 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 | 49,813 | 52,695 | 52,694 | 3,304 | 50,239 | 43,912 | 6,327 | 14% | 52,695 |
| Service charges | 197,214 | 261,748 | 277,532 | 13,556 | 165,133 | 217,953 | (52,820) | -24% | 261,544 |
| Investment revenue | 12,392 | 500 | 500 | 1,603 | 14,134 | 9,910 | 4,224 | 43% | 11,893 |
| Transfers recognised - operational | 81,144 | 84,920 | 80,361 | 19,716 | 83,479 | 81,970 | 1,509 | 2% | 82,734 |
| Other own revenue | 5,400 | 27,774 | 28,966 | 664 | 11,443 | 6,885 | 4,558 | 66% | 8,262 |
| Total Revenue (excluding capital transfers and contributions) | 345,963 | 427,637 | 440,053 | 38,843 | 324,428 | 360,631 | (36,203) | -10% | 417,127 |
| Employee costs | 129,931 | 121,519 | 131,969 | 11,869 | 119,241 | 101,264 | 17,977 | 18% | 121,519 |
| Remuneration of Councillors | 9,458 | 9,723 | 9,723 | 778 | 7,832 | 8,101 | (269) | -3% | 9,721 |
| Depreciation & asset impairment | 55,486 | 31,502 | 31,502 | 1,876 | 18,758 | 27,115 | (8,357) | -31% | 32,538 |
| Finance charges | 8,707 | 478 | 478 | 2,010 | 6,673 | 1 | 6,672 | 803839% | 1 |
| Materials and bulk purchases | 79,094 | 94,427 | 82,857 | 27,647 | 61,332 | 73,335 | (12,002) | -16% | 88,002 |
| Transfers and grants | 25,328 | 48,997 | 48,997 | (25) | 3,667 | 62,028 | (58,362) | -94% | 74,434 |
| Other expenditure | 55,757 | 120,991 | 132,394 | 8,219 | 36,758 | 76,054 | (39,297) | -52% | 91,268 |
| Total Expenditure | 363,763 | 427,637 | 437,920 | 52,376 | 254,261 | 347,898 | (93,637) | -27% | 417,484 |
| Surplus/(Deficit) | (17,799) | 0 | 2,133 | (13,533) | 70,167 | 12,733 | 57,435 | 451% | (357) |
| Transfers recognised - capital | - | 191,857 | 62,942 | 1,185 | 16,553 | 16,553 | - | - | 1,185 |
| Contributions & Contributed assets | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | (17,799) | 191,857 | 65,075 | (12,348) | 86,720 | 29,286 | 57,435 | 196% | 827 |
| Share of surplus/ (deficit) of associate | - | - | - | - | - | - | - | - | - |
| Surplus/ (Deficit) for the year | (17,799) | 191,857 | 65,075 | (12,348) | 86,720 | 29,286 | 57,435 | 196% | 827 |
| Capital expenditure & funds sources | | | | | | | | | |
| Capital expenditure | 36,197 | 191,857 | - | 772 | 14,868 | 159,881 | (145,013) | -91% | 191,857 |
| Capital transfers recognised | - | 179,776 | 57,886 | 772 | 16,577 | 19,164 | (2,587) | -13% | 57,886 |
| Public contributions & donations | - | - | - | - | - | - | - | - | - |
| Borrowing | - | - | - | - | - | - | - | - | - |
| Internally generated funds | - | 12,081 | 5,056 | - | 146 | 3,371 | (3,225) | -96% | 5,056 |
| Total sources of capital funds | - | 191,857 | 62,942 | 772 | 16,723 | 22,535 | (5,812) | -26% | 62,942 |
| Financial position | | | | | | | | | |
| Total current assets | 211,810 | - | - | - | 225,814 | - | - | - | - |
| Total non current assets | 1,111,381 | 191,857 | - | - | 1,100,019 | - | - | - | 191,857 |
| Total current liabilities | 247,697 | (903) | - | - | 196,329 | - | - | - | (903) |
| Total non current liabilities | 114,816 | - | - | - | 118,108 | - | - | - | - |
| Community wealth/Equity | 960,678 | (250) | - | - | 1,014,706 | - | - | - | (250) |
| Cash flows | | | | | | | | | |
| Net cash from (used) operating | 102,194 | 32,463 | 81,233 | (7,502) | 36,208 | 40,280 | 4,072 | 10% | 81,233 |
| Net cash from (used) investing | (43,844) | (191,857) | (62,942) | (772) | (19,880) | (19,880) | 0 | -0% | (62,942) |
| Net cash from (used) financing | 23 | - | - | - | - | - | - | - | - |
| Cash/cash equivalents at the month/year end | 44,502 | (159,394) | 25,211 | - | 44,126 | 27,321 | (16,806) | -62% | 46,089 |

The table above indicates that total municipality's own revenue recognised, consisting of Property Rates at R50,239 million, Service Charges at R165,133 million, interest from outstanding debtors and investments at R14,134 million and other Own Revenue at R11,443 million. The total internally generated revenue amounts to R239 276 million or 80%, while revenue from transfers amounts to R83 479 million or 20% of the total of R324, 428 million to date.

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

EC104 Makana - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M10 April

| Description | Ref | 2014/15 | Budget Year 2015/16 | | | | | | | |
|---|----------|-----------------|---------------------|-----------------|-----------------|----------------|----------------|-----------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | 1 | | | | | | | | | |
| Revenue - Standard | | | | | | | | | | |
| <i>Governance and administration</i> | | 89,764 | 110,328 | 110,328 | 15,258 | 88,181 | 94,713 | (6,533) | -7% | 105,973 |
| Executive and council | | 4,937 | 8,520 | 8,520 | 1,307 | 5,062 | 5,920 | (858) | -14% | 6,091 |
| Budget and treasury office | | 83,700 | 98,799 | 98,799 | 12,513 | 80,527 | 86,336 | (5,809) | -7% | 97,170 |
| Corporate services | | 1,127 | 3,009 | 3,009 | 1,438 | 2,592 | 2,458 | 135 | 5% | 2,712 |
| <i>Community and public safety</i> | | 6,484 | 4,509 | 4,909 | 38 | 6,595 | 4,924 | 1,671 | 34% | 5,908 |
| Community and social services | | 4,509 | 3,242 | 3,642 | 34 | 4,533 | 2,607 | 1,926 | 74% | 3,128 |
| Sport and recreation | | 31 | 12 | 12 | 2 | 20 | 15 | 5 | 34% | 18 |
| Public safety | | 204 | 1,255 | 1,255 | 2 | 682 | 1,046 | (364) | -35% | 1,255 |
| Housing | | - | - | - | - | - | - | - | - | - |
| Health | | 1,740 | - | - | 1 | 1,360 | 1,256 | 104 | 8% | 1,507 |
| <i>Economic and environmental services</i> | | 4,291 | 9,003 | 4,043 | (521) | 792 | 3,399 | (2,608) | -77% | 4,059 |
| Planning and development | | 641 | 7,514 | 2,554 | 9 | 278 | 352 | (74) | -21% | 403 |
| Road transport | | 3,172 | 1,489 | 1,489 | (532) | 118 | 3,028 | (2,911) | -96% | 3,634 |
| Environmental protection | | 478 | - | - | 2 | 396 | 19 | 377 | 1969% | 23 |
| <i>Trading services</i> | | 245,769 | 303,782 | 320,757 | 24,107 | 228,859 | 258,767 | (29,907) | -12% | 302,356 |
| Electricity | | 116,556 | 174,087 | 191,063 | 9,339 | 121,031 | 145,960 | (24,930) | -17% | 174,087 |
| Water | | 76,715 | 73,101 | 73,101 | 8,700 | 60,887 | 63,945 | (3,059) | -5% | 73,098 |
| Waste water management | | 34,102 | 37,254 | 37,254 | 3,960 | 31,428 | 32,937 | (1,509) | -5% | 37,277 |
| Waste management | | 18,396 | 19,340 | 19,340 | 2,108 | 15,514 | 15,924 | (410) | -3% | 17,893 |
| <i>Other</i> | 4 | - | 15 | 15 | 1 | 1 | 13 | (12) | -96% | 15 |
| Total Revenue - Standard | 2 | 346,308 | 427,637 | 440,053 | 38,883 | 324,428 | 361,815 | (37,388) | -10% | 418,312 |
| Expenditure - Standard | | | | | | | | | | |
| <i>Governance and administration</i> | | 109,057 | 132,160 | 129,449 | 9,562 | 64,917 | 111,387 | (46,470) | -42% | 133,666 |
| Executive and council | | 19,612 | 32,474 | 33,831 | 1,369 | 15,239 | 20,902 | (5,663) | -27% | 25,083 |
| Budget and treasury office | | 60,708 | 59,180 | 52,069 | 3,701 | 10,611 | 53,413 | (42,802) | -80% | 64,096 |
| Corporate services | | 28,737 | 40,506 | 43,548 | 4,492 | 39,066 | 37,072 | 1,994 | 5% | 44,487 |
| <i>Community and public safety</i> | | 38,208 | 33,475 | 36,101 | 3,290 | 35,265 | 31,399 | 3,866 | 12% | 37,681 |
| Community and social services | | 10,159 | 12,144 | 14,147 | 895 | 9,588 | 8,142 | 1,446 | 18% | 9,772 |
| Sport and recreation | | 8,925 | 4,852 | 4,876 | 906 | 8,491 | 7,938 | 552 | 7% | 9,527 |
| Public safety | | 16,661 | 16,479 | 17,078 | 1,328 | 15,219 | 12,687 | 2,532 | 20% | 15,225 |
| Housing | | 48 | - | - | 2 | 43 | 44 | (1) | -3% | 53 |
| Health | | 2,415 | - | - | 159 | 1,924 | 2,587 | (663) | -26% | 3,104 |
| <i>Economic and environmental services</i> | | 22,290 | 36,831 | 39,391 | 3,090 | 26,162 | 20,469 | 5,693 | 28% | 24,564 |
| Planning and development | | 6,931 | 15,076 | 13,444 | 1,131 | 7,901 | 8,041 | (140) | -2% | 9,649 |
| Road transport | | 12,404 | 14,597 | 18,907 | 1,664 | 15,325 | 9,797 | 5,527 | 56% | 11,757 |
| Environmental protection | | 2,955 | 7,158 | 7,039 | 295 | 2,937 | 2,632 | 305 | 12% | 3,158 |
| <i>Trading services</i> | | 193,954 | 225,011 | 232,820 | 36,421 | 127,725 | 184,510 | (56,785) | -31% | 221,414 |
| Electricity | | 106,402 | 120,032 | 117,977 | 30,045 | 70,309 | 99,695 | (29,386) | -29% | 119,634 |
| Water | | 48,304 | 52,203 | 55,749 | 3,784 | 28,746 | 43,502 | (14,756) | -34% | 52,203 |
| Waste water management | | 23,455 | 29,996 | 29,739 | 1,619 | 18,146 | 24,916 | (6,770) | -27% | 29,900 |
| Waste management | | 15,793 | 22,781 | 29,354 | 974 | 10,525 | 16,397 | (5,872) | -36% | 19,677 |
| <i>Other</i> | | 253 | 160 | 160 | 12 | 192 | 133 | 59 | 45% | 160 |
| Total Expenditure - Standard | 3 | 363,762 | 427,637 | 437,920 | 52,376 | 254,261 | 347,898 | (93,637) | -27% | 417,484 |
| Surplus/ (Deficit) for the year | | (17,454) | (0) | 2,132 | (13,493) | 70,167 | 13,917 | 56,249 | 404% | 827 |

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.

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) - M10 April

| Vote Description | Ref | 2014/15 | Budget Year 2015/16 | | | | | | | |
|--------------------------------------|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| Revenue by Vote | 1 | | | | | | | | | |
| Vote 1 - TECHNICAL SERVICES | | 35,407 | 38,567 | 38,567 | 5,231 | 32,932 | 34,206 | (1,275) | -3.7% | 38,563 |
| Vote 2 - CORPORATE SERVICES | | 403 | 929 | 929 | 169 | 386 | 624 | (238) | -38.2% | 729 |
| Vote 3 - FINANCIAL SERVICES | | 83,700 | 98,799 | 98,799 | 11,449 | 85,708 | 87,171 | (1,463) | -1.7% | 98,172 |
| Vote 4 - COMMUNITY & SOCIAL SERVICES | | 28,469 | 27,316 | 27,716 | 2,680 | 21,973 | 23,777 | (1,804) | -7.6% | 27,317 |
| Vote 5 - EXECUTIVE & COUNCIL | | 4,209 | 5,069 | 3,988 | 1,307 | 4,363 | 5,066 | (702) | -13.9% | 5,066 |
| Vote 6 - MUNICIPALITY MANAGER | | 740 | 3,431 | 4,508 | - | - | 3 | (3) | -100.0% | 3 |
| Vote 7 - LOCAL ECONOMIC DEVELOPMENT | | 109 | 6,336 | 1,376 | 9 | 142 | 1,063 | (921) | -86.7% | 1,275 |
| Vote 8 - HOUSING | | - | - | - | - | - | - | - | - | - |
| Vote 9 - ELECTRICITY | | 116,556 | 174,087 | 191,063 | 9,339 | 120,909 | 145,960 | (25,051) | -17.2% | 174,087 |
| Vote 10 - WATER | | 76,715 | 73,101 | 73,101 | 8,700 | 58,015 | 63,945 | (5,930) | -9.3% | 73,098 |
| Vote 11 - DOG TAX | | - | 1 | - | - | - | 1 | (1) | -100.0% | 1 |
| Vote 12 - PARKING METERS | | - | - | - | - | - | - | - | - | - |
| Vote 13 - | | - | - | - | - | - | - | - | - | - |
| Vote 14 - | | - | - | - | - | - | - | - | - | - |
| Vote 15 - | | - | - | - | - | - | - | - | - | - |
| Total Revenue by Vote | 2 | 346,308 | 427,637 | 440,048 | 38,883 | 324,428 | 361,815 | (37,388) | -10.3% | 418,312 |
| Expenditure by Vote | 1 | | | | | | | | | |
| Vote 1 - TECHNICAL SERVICES | | 44,396 | 49,834 | 51,054 | 3,821 | 37,835 | 41,523 | (3,688) | -8.9% | 49,829 |
| Vote 2 - CORPORATE SERVICES | | 25,738 | 30,744 | 38,016 | 3,718 | 32,099 | 26,051 | 6,049 | 23.2% | 31,262 |
| Vote 3 - FINANCIAL SERVICES | | 60,708 | 59,180 | 50,605 | 3,820 | 14,253 | 53,877 | (39,625) | -73.5% | 64,653 |
| Vote 4 - COMMUNITY & SOCIAL SERVICES | | 58,543 | 67,402 | 87,102 | 4,707 | 45,828 | 53,869 | (8,040) | -14.9% | 64,645 |
| Vote 5 - EXECUTIVE & COUNCIL | | 11,099 | 16,824 | 20,116 | 1,212 | 15,956 | 14,019 | 1,936 | 13.8% | 16,824 |
| Vote 6 - MUNICIPALITY MANAGER | | 4,158 | 13,193 | 2,973 | 211 | 1,951 | 4,370 | (2,419) | -55.4% | 5,244 |
| Vote 7 - LOCAL ECONOMIC DEVELOPMENT | | 4,866 | 18,197 | 16,433 | 589 | 7,301 | 10,947 | (3,646) | -33.3% | 13,136 |
| Vote 8 - HOUSING | | 48 | 28 | 28 | 2 | 41 | 44 | (3) | -6.7% | 53 |
| Vote 9 - ELECTRICITY | | 106,402 | 120,032 | 116,744 | 30,512 | 70,309 | 99,695 | (29,386) | -29.5% | 119,634 |
| Vote 10 - WATER | | 48,304 | 52,203 | 55,849 | 3,783 | 28,688 | 43,502 | (14,813) | -34.1% | 52,203 |
| Vote 11 - DOG TAX | | - | 1 | - | - | - | 1 | (1) | -100.0% | 1 |
| Vote 12 - PARKING METERS | | - | - | - | - | - | - | - | - | - |
| Vote 13 - | | - | - | - | - | - | - | - | - | - |
| Vote 14 - | | - | - | - | - | - | - | - | - | - |
| Vote 15 - | | - | - | - | - | - | - | - | - | - |
| Total Expenditure by Vote | 2 | 364,262 | 427,639 | 438,921 | 52,376 | 254,261 | 347,898 | (93,637) | -26.9% | 417,484 |
| Surplus/ (Deficit) for the year | 2 | (17,954) | (2) | 1,128 | (13,493) | 70,166 | 13,917 | 56,249 | 404.2% | 827 |

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) - M10 April

| Description | | Ref | 2014/15 | Budget Year 2015/16 | | | | | | | |
|---|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | | | 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 | | | 49,813 | 52,695 | 52,694 | 3,304 | 50,239 | 43,912 | 6,327 | 14% | 52,695 |
| Property rates - penalties & collection charges | | | — | — | — | — | — | — | — | — | — |
| Service charges - electricity revenue | | | 112,430 | 168,727 | 185,703 | 7,897 | 107,057 | 140,436 | (33,379) | -24% | 168,523 |
| Service charges - water revenue | | | 53,344 | 54,900 | 54,900 | 4,009 | 33,918 | 45,750 | (11,831) | -26% | 54,900 |
| Service charges - sanitation revenue | | | 21,525 | 26,037 | 26,016 | 1,060 | 18,201 | 21,698 | (3,496) | -16% | 26,037 |
| Service charges - refuse revenue | | | 9,813 | 11,783 | 10,913 | 587 | 5,937 | 9,819 | (3,883) | -40% | 11,783 |
| Service charges - other | | | 102 | 301 | — | 4 | 19 | 251 | (231) | -92% | 301 |
| Rental of facilities and equipment | | | 1,012 | 3,176 | 3,176 | 89 | 997 | 129 | 868 | 671% | 155 |
| Interest earned - external investments | | | 12,392 | 500 | 500 | 1,603 | 14,134 | 9,910 | 4,224 | 43% | 11,893 |
| Interest earned - outstanding debtors | | | — | 11,893 | 11,393 | — | — | — | — | — | — |
| Dividends received | | | — | — | — | — | — | — | — | — | — |
| Fines | | | 55 | 1,089 | 1,089 | 0 | 30 | 907 | (877) | -97% | 1,089 |
| Licences and permits | | | 2,344 | 3,448 | 3,448 | 2 | 1,003 | 1,911 | (908) | -48% | 2,293 |
| Agency services | | | 850 | 1,300 | — | 532 | 1,020 | 1,083 | (63) | -6% | 1,300 |
| Transfers recognised - operational | | | 81,144 | 84,920 | 80,361 | 19,716 | 83,479 | 81,970 | 1,509 | 2% | 82,734 |
| Other revenue | | | 1,138 | 6,868 | 9,860 | 40 | 8,392 | 2,853 | 5,539 | 194% | 3,424 |
| Gains on disposal of PPE | | | — | — | — | — | — | — | — | — | — |
| Total Revenue (excluding capital transfers and contributions) | | | 345,963 | 427,637 | 440,053 | 38,843 | 324,428 | 360,631 | (36,203) | -10% | 417,127 |
| Expenditure By Type | | | | | | | | | | | |
| Employee related costs | | | 129,931 | 121,519 | 131,969 | 11,869 | 119,241 | 101,264 | 17,977 | 18% | 121,519 |
| Remuneration of councillors | | | 9,458 | 9,723 | 9,723 | 778 | 7,832 | 8,101 | (269) | -3% | 9,721 |
| Debt impairment | | | — | — | — | — | — | — | — | — | — |
| Depreciation & asset impairment | | | 55,486 | 31,502 | 31,502 | 1,876 | 18,758 | 27,115 | (8,357) | -31% | 32,538 |
| Finance charges | | | 8,707 | 478 | 478 | 2,010 | 6,673 | 1 | 6,672 | 803839% | 1 |
| Bulk purchases | | | 79,094 | 87,574 | 81,258 | 27,647 | 61,332 | 73,335 | (12,002) | -16% | 88,002 |
| Other materials | | | — | 6,853 | 1,600 | — | — | — | — | — | — |
| Contracted services | | | 4,302 | 8,734 | 10,128 | 634 | 6,671 | 3,807 | 2,863 | 75% | 4,569 |
| Transfers and grants | | | 25,328 | 48,997 | 48,997 | (25) | 3,667 | 62,028 | (58,362) | -94% | 74,434 |
| Other expenditure | | | 51,455 | 112,257 | 122,265 | 7,586 | 30,087 | 72,247 | (42,160) | -58% | 86,699 |
| Loss on disposal of PPE | | | — | — | — | — | — | — | — | — | — |
| Total Expenditure | | | 363,763 | 427,637 | 437,920 | 52,376 | 254,261 | 347,898 | (93,637) | -27% | 417,484 |
| Surplus/(Deficit) | | | (17,799) | 0 | 2,133 | (13,533) | 70,167 | 12,733 | 57,435 | 0 | (357) |
| Transfers recognised - capital | | | — | 191,857 | 62,942 | 1,185 | 16,553 | 16,553 | — | — | 1,185 |
| Contributions recognised - capital | | | — | — | — | — | — | — | — | — | — |
| Contributed assets | | | — | — | — | — | — | — | — | — | — |
| Surplus/(Deficit) after capital transfers & contributions | | | (17,799) | 191,857 | 65,075 | (12,348) | 86,720 | 29,286 | | | 827 |
| Taxation | | | — | — | — | — | — | — | — | — | — |
| Surplus/(Deficit) after taxation | | | (17,799) | 191,857 | 65,075 | (12,348) | 86,720 | 29,286 | | | 827 |
| Attributable to minorities | | | — | — | — | — | — | — | — | — | — |
| Surplus/(Deficit) attributable to municipality | | | (17,799) | 191,857 | 65,075 | (12,348) | 86,720 | 29,286 | | | 827 |
| Share of surplus/ (deficit) of associate | | | — | — | — | — | — | — | — | — | — |
| Surplus/ (Deficit) for the year | | | (17,799) | 191,857 | 65,075 | (12,348) | 86,720 | 29,286 | | | 827 |

The year-to-date Operating Revenue reflects an achievement of **74%** or **R324,428 million** of the adjusted annual budget of R440, 053 million, and Operating Expenditure is **58%** or **R254,261 million** of the adjusted annual budget of R437, 920 million.

Operating Revenue

Major contributors of Operating Revenue to date amounting to R324, 428 million are:

- Service Charges-Electricity at R107, 057 million or 33%
- Operational Transfers recognised at R83, 479 million or 24%.
- Property Rates at R50, 239 million or 15%.
- Service Charges-Water R33, 918 million or 10%

Operating Expenditure

Major contributors of Operating Expenditure to date amounting to R254 261 million are:

- Employee-related costs at R119, 241 million or 47%
- Bulk purchases at R61, 332 million or 24%.
- Remuneration of councillors at R7, 832 million or 3%.
- Maintenance expenditure at R8, 322 million or 3%

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

Capital Budget Funding Sources

EC104 Makana - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M10 April

| Vote Description | Ref | 2014/15 | Budget Year 2015/16 | | | | | | | Full Year Forecast |
|--|----------|-----------------|---------------------|-----------------|----------------|---------------|---------------|-----------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | |
| R thousands | 1 | | | | | | | | % | |
| Capital Expenditure - Standard Classification | | | | | | | | | | |
| <i>Governance and administration</i> | | 1,130 | 1,200 | 1,150 | (286) | 1,007 | 1,000 | 7 | 1% | 1,000 |
| Executive and council | | - | - | - | - | - | - | - | | - |
| Budget and treasury office | | 215 | - | - | - | (3) | - | (3) | #DIV/0! | - |
| Corporate services | | 915 | 1,200 | 1,150 | (286) | 1,010 | 1,000 | 10 | 1% | 1,000 |
| <i>Community and public safety</i> | | 1,080 | 13,983 | 1,300 | 28 | (3,596) | 11,652 | (15,248) | -131% | 11,652 |
| Community and social services | | - | 3,574 | 996 | 28 | 773 | 2,978 | (2,206) | -74% | 2,978 |
| Sport and recreation | | 1,078 | 10,409 | 304 | - | (4,377) | 8,674 | (13,051) | -150% | 8,674 |
| Public safety | | 2 | - | - | - | 8 | - | 8 | 0% | - |
| Housing | | - | - | - | - | - | - | - | | - |
| Health | | - | - | - | - | - | - | - | | - |
| <i>Economic and environmental services</i> | | 18,174 | 14,801 | 1,201 | 301 | 9,062 | 12,334 | (3,272) | -27% | 12,334 |
| Planning and development | | 344 | - | - | - | - | - | - | | - |
| Road transport | | 17,830 | 14,883 | 1,201 | 301 | 9,062 | 12,235 | (3,174) | -26% | 12,235 |
| Environmental protection | | - | 118 | - | - | - | 98 | (98) | -100% | 98 |
| <i>Trading services</i> | | 15,815 | 161,674 | 59,291 | 729 | 10,250 | 34,728 | (24,478) | -70% | 134,728 |
| Electricity | | 1,904 | 7,674 | 5,114 | 2 | 367 | 6,395 | (6,028) | -94% | 6,395 |
| Water | | 10,804 | 15,000 | 26,000 | 726 | 6,242 | 12,500 | (6,258) | -50% | 12,500 |
| Waste water management | | 3,107 | 139,000 | 28,177 | - | 3,641 | 15,833 | (12,193) | -77% | 115,833 |
| Waste management | | - | - | - | - | - | - | - | | - |
| <i>Other</i> | | - | 200 | - | - | - | 167 | (167) | -100% | 167 |
| Total Capital Expenditure - Standard Classification | 3 | 36,199 | 191,857 | 62,942 | 772 | 16,723 | 59,881 | (43,158) | -72% | 159,881 |
| Funded by: | | | | | | | | | | |
| National Government | | | 178,780 | 56,890 | 772 | 16,137 | 18,500 | (2,363) | -13% | 56,890 |
| Provincial Government | | | 996 | 996 | | 440 | 664 | (224) | -34% | 996 |
| District Municipality | | | | | | | | - | | |
| Other transfers and grants | | | | | | | | - | | |
| Transfers recognised - capital | | - | 179,776 | 57,886 | 772 | 16,577 | 19,164 | (2,587) | -13% | 57,886 |
| Public contributions & donations | 5 | | | | | | | - | | |
| Borrowing | 6 | | | | | | | - | | |
| Internally generated funds | | | 12,081 | 5,056 | | 146 | 3,371 | (3,225) | -96% | 5,056 |
| Total Capital Funding | | - | 191,857 | 62,942 | 772 | 16,723 | 22,535 | (5,812) | -26% | 62,942 |

Capital Expenditure disclosed in Table C5 reflects expenditure of grants transferred directly to municipal bank account and internally funded projects. The year- to date expenditure amount to R16, 778 million.

4.1.6 Table C6: Monthly Budget Statement - Financial Position

EC104 Makana - Table C6 Monthly Budget Statement - Financial Position - M10 April

| Description | Ref | 2014/15 | Budget Year 2015/16 | | | |
|--|-----|------------------|---------------------|------------------|------------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | YearTD actual | Full Year Forecast |
| R thousands | 1 | | | | | |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| Cash | | 10,391 | – | 6,920 | 29,181 | 6,920 |
| Call investment deposits | | – | – | 6,344 | (4,929) | 6,344 |
| Consumer debtors | | 153,086 | – | 353,302 | 135,591 | 353,302 |
| Other debtors | | 34,256 | – | 30,124 | 49,434 | 30,124 |
| Current portion of long-term receivables | | – | – | – | – | – |
| Inventory | | 14,078 | – | 9,671 | 16,538 | 9,671 |
| Total current assets | | 211,810 | – | 406,361 | 225,814 | 406,361 |
| Non current assets | | | | | | |
| Long-term receivables | | – | – | – | – | – |
| Investments | | 25,579 | – | 7,186 | 4,419 | 7,186 |
| Investment property | | 230,233 | – | 252,039 | 219,242 | 252,039 |
| Investments in Associate | | – | – | – | – | – |
| Property, plant and equipment | | 847,533 | 190,292 | 661,804 | 869,812 | 661,804 |
| Agricultural | | – | – | – | – | – |
| Biological assets | | – | – | – | – | – |
| Intangible assets | | 4,357 | 1,565 | 1,004 | 3,739 | 1,004 |
| Other non-current assets | | 3,679 | – | 29,166 | 2,808 | 29,166 |
| Total non current assets | | 1,111,381 | 191,857 | 951,199 | 1,100,019 | 951,199 |
| TOTAL ASSETS | | 1,323,191 | 191,857 | 1,357,560 | 1,325,833 | 1,357,560 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Bank overdraft | | – | – | – | – | – |
| Borrowing | | 3,888 | – | 2,500 | 4,006 | – |
| Consumer deposits | | 2,321 | – | 2,451 | 2,382 | – |
| Trade and other payables | | 238,122 | – | 102,863 | 186,576 | – |
| Provisions | | 3,365 | (903) | 4,118 | 3,365 | (903) |
| Total current liabilities | | 247,697 | (903) | 111,932 | 196,329 | (903) |
| Non current liabilities | | | | | | |
| Borrowing | | 50,117 | – | – | 50,940 | – |
| Provisions | | 64,699 | – | 2,673 | 67,167 | – |
| Total non current liabilities | | 114,816 | – | 2,673 | 118,108 | – |
| TOTAL LIABILITIES | | 362,513 | (903) | 114,606 | 314,437 | (903) |
| NET ASSETS | 2 | 960,678 | 192,760 | 1,242,955 | 1,011,396 | 1,358,463 |
| COMMUNITY WEALTH/EQUITY | | | | | | |
| Accumulated Surplus/(Deficit) | | 955,232 | (250) | 959,325 | 1,008,809 | 959,325 |
| Reserves | | 5,447 | – | 5,428 | 5,896 | 5,428 |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | 960,678 | (250) | 964,753 | 1,014,706 | 964,753 |

Table C6 is consistent with international standards of good financial management practice, and improves understanding for councillors and management of the impact of the budget on the statement of financial position (balance sheet). The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

4.1.7 Table C7: Monthly Budget Statement - Cash Flow

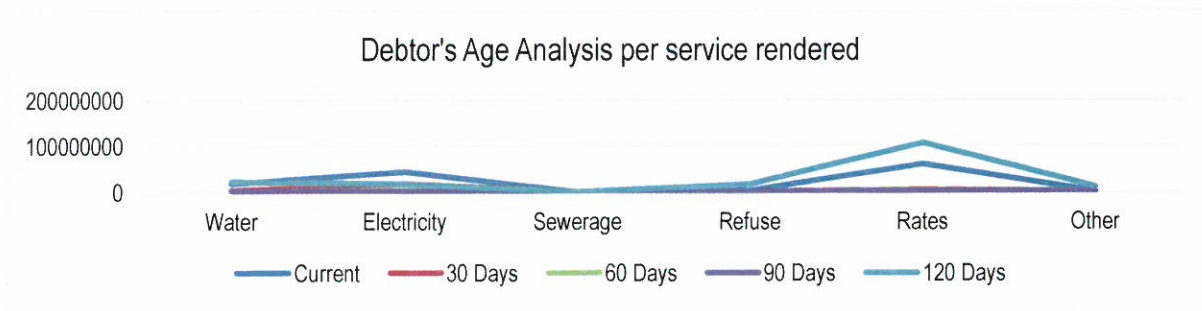
EC104 Makana - Table C7 Monthly Budget Statement - Cash Flow - M10 April

| Description | Ref | 2014/15 | Budget Year 2015/16 | | | | | | | |
|---|-----|-----------------|---------------------|-----------------|----------------|-----------------|-----------------|----------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | 1 | | | | | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Ratepayers and other | | 222,670 | 322,501 | 322,501 | 28,150 | 227,459 | 268,750 | (41,291) | -15% | 322,501 |
| Government - operating | | 81,144 | 82,734 | 82,734 | 19,716 | 83,479 | 81,970 | 1,509 | 2% | 82,734 |
| Government - capital | | 215 | 1,185 | 1,185 | 9,160 | 1,541 | 1,185 | 357 | 30% | 1,185 |
| Interest | | 12,392 | 11,893 | 11,893 | 1,603 | 14,134 | 9,910 | 4,224 | 43% | 11,893 |
| Dividends | | - | - | - | - | - | - | - | | - |
| Payments | | | | | | | | | | |
| Suppliers and employees | | (180,191) | (311,413) | (259,776) | (47,846) | (280,066) | (259,506) | 20,560 | -8% | (259,776) |
| Finance charges | | (8,707) | (1) | (1,713) | (2,010) | (6,673) | (1) | 6,672 | -803839% | (1,713) |
| Transfers and Grants | | (25,328) | (74,434) | (75,589) | (25) | (3,667) | (62,028) | (58,362) | 94% | (75,589) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 102,194 | 32,463 | 81,233 | 8,747 | 36,208 | 40,280 | 4,072 | 10% | 81,233 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Proceeds on disposal of PPE | | (5,054) | - | - | - | (1,079) | (1,079) | - | | - |
| Decrease (Increase) in non-current debtors | | - | - | - | - | - | - | - | | - |
| Decrease (Increase) other non-current receivables | | - | - | - | - | - | - | - | | - |
| Decrease (Increase) in non-current investments | | 8 | - | - | - | - | - | - | | - |
| Payments | | | | | | | | | | |
| Capital assets | | (38,799) | (191,857) | (62,942) | (772) | (16,723) | (18,800) | (2,077) | 11% | (62,942) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (43,844) | (191,857) | (62,942) | (772) | (17,802) | (19,880) | (2,077) | 10% | (62,942) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Short term loans | | - | - | - | - | - | - | - | | - |
| Borrowing long term/refinancing | | - | - | - | - | - | - | - | | - |
| Increase (decrease) in consumer deposits | | 23 | - | - | - | - | - | - | | - |
| Payments | | | | | | | | | | |
| Repayment of borrowing | | - | - | - | - | - | - | - | | - |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | 23 | - | - | - | - | - | - | | - |
| NET INCREASE/ (DECREASE) IN CASH HELD | | 58,374 | (159,394) | 18,291 | 7,975 | 18,406 | 20,401 | | | 18,291 |
| Cash/cash equivalents at beginning: | | (13,872) | - | 6,920 | | 8,877 | 6,920 | | | 8,877 |
| Cash/cash equivalents at monthly year end: | | 44,502 | (159,394) | 25,211 | | 27,283 | 27,321 | | | 27,168 |

The cash flow report shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget with the expected 85% collection rate.

PART 2 – SUPPORTING DOCUMENTATION

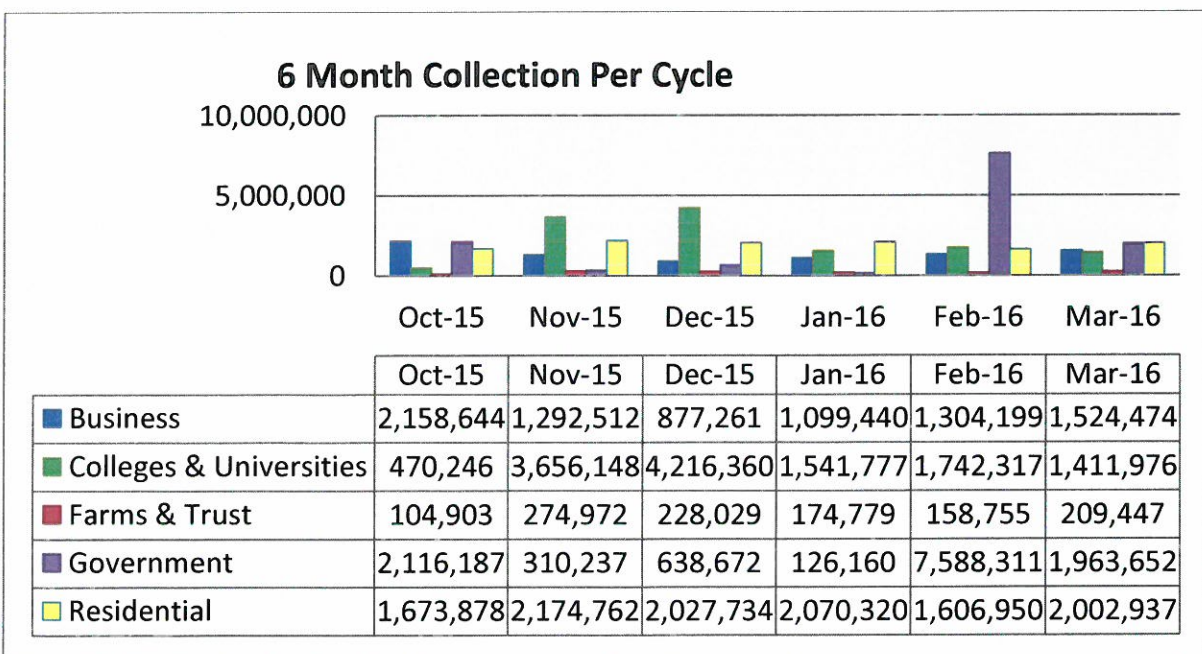
Section 5 – Debtors' Analysis



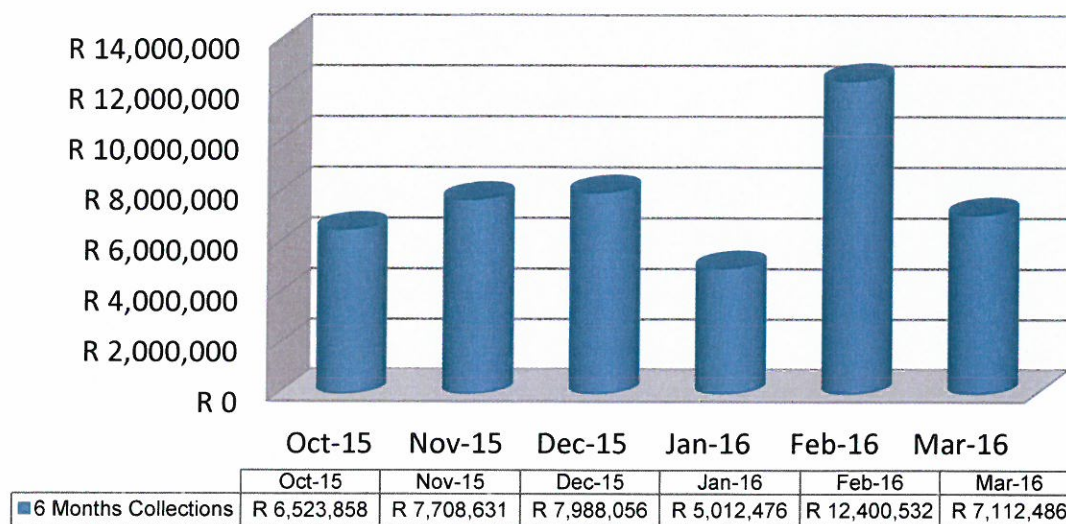
The age analysis for debtors only includes those amounts which are currently or past due. April Age Analysis amounts to R333, 576 million.

5.1 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 |
| August | R114 034 939.00 | R5 165 886.00 | 7 051 | 4.53% | R733.00 |
| September | R106 588 019.00 | R4 569 928.00 | 7 195 | 4.29% | R635.00 |
| October | R106 323 064.00 | R6 523 858.00 | 7 354 | 6.4% | R887.00 |
| November | R109 363 386.00 | R7 708 631.00 | 7 386 | 7.05% | R1 044.00 |
| December | R138 811 075.00 | R7 988 056.00 | 7 280 | 5.75% | R1 097 |
| January | R128 915 320.00 | R5 012 476.00 | 2 645 | 3.89% | R1 895 |
| February | R121 034 958.00 | R12 400 532.00 | 1 773 | 10.25% | R 6 994 |
| March | R126 602 195.00 | R7 112 486.00 | 2 409 | 5.62% | R2 952 |

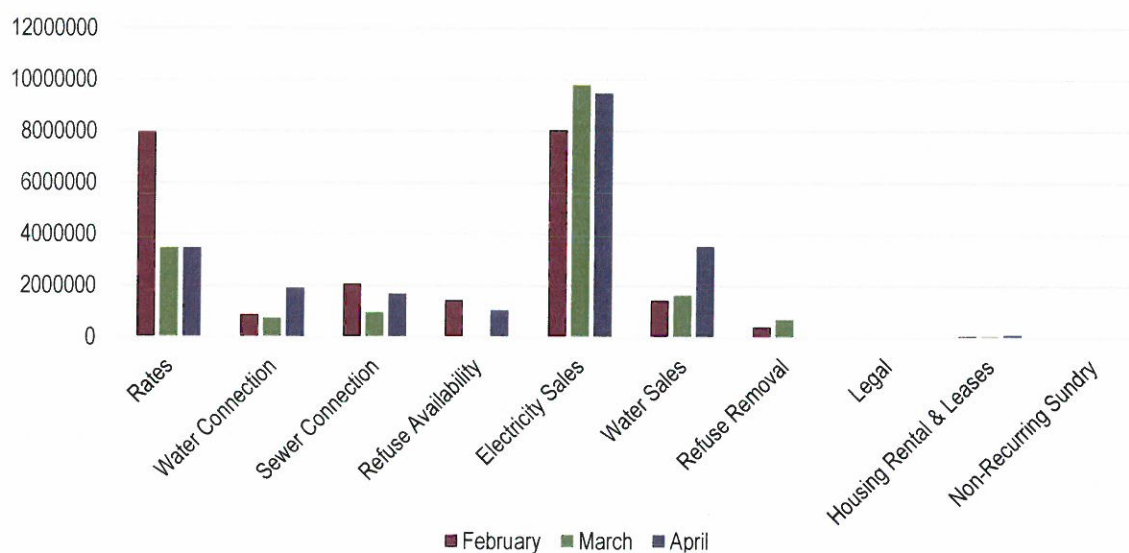


6 Month Collections



5.2 Analysis of Revenue Collected

Revenue Collected January- April



In April the municipality collected 82.72%, electricity charges received are more than what has been billed in this month.

5.3 Billing vs Receipts Report – April 2016

| Category | Receipts | Billing | Percentage |
|-----------------------------|-------------------------|------------------------|---------------|
| RATES | R -3,299,894.08 | R 3,459,119.10 | -95.40 |
| WATER CONN | R -667,553.00 | R 1,905,424.28 | -35.03 |
| REFUSE REMOVAL | R -323,724.64 | R 1,051,712.96 | -30.78 |
| SEWER CONN | R -891,135.73 | R 1,681,639.26 | -52.99 |
| WATER | R -1,668,356.97 | R 3,516,342.22 | -47.45 |
| ELECTRICITY | R -10,491,015.08 | R 9,463,662.24 | -110.86 |
| SITE SALES | R -411.54 | | |
| RENT HOUSING | R -15,933.74 | R 16,809.09 | -94.79 |
| L FEES | R -15,848.83 | | |
| LEASES | R -142,094.70 | R 102,249.03 | -138.97 |
| SUNDRY DEBTORS | R -21,941.22 | | |
| Medical AID | R -500.00 | | |
| Overall Collection % | R -17,538,409.53 | R 21,196,958.18 | -82.74 |

5.4 Credit Control Stats Report

| DISCONNECTION/RECONNECTION STATISTICS - APRIL 2016 | |
|--|------------|
| ELECTRICITY | Nr. |
| Warning Notice issued: Business | 10 |
| Warning Notice issued: Domestic | 85 |
| Warning Notice issued: Schools | - |
| Disconnections: Business | 6 |
| Disconnections: Domestic | 13 |
| Reconnections: Business | 5 |
| Reconnections: Domestic | 12 |
| Arrangements | 12 |
| Indigent Report - April 2016 | |
| Application forms | 127 |
| Approved | 0 |
| Pending - Outstanding Documents | 1 493 |
| Locked Houses | 352 |
| Duplicates | 198 |

Section 6 – Creditors' Analysis

6.1 Summary of all creditor's paid at 30 APRIL 2016

| DESCRIPTION | TOTAL PAID IN MARCH |
|----------------|---------------------|
| Total payments | R14 410 589.69 |

Top 10 Payments made in APRIL 2016

| DESCRIPTION | AMOUNT PAID |
|----------------------------|----------------------|
| B.R.O Civils | R1 860 858.55 |
| Alexander Maintenance | R1 710 981.49 |
| Sibanye Valuers | R1 324 698.00 |
| Siya Green | R1 140 884.50 |
| Luqaqambo Civils | R622 622.74 |
| Ndyebo Construction | R387 751.70 |
| Auditor General | R375 895.95 |
| MBB Consulting | R244 966.75 |
| Tactpro Protection Service | R226 619.21 |
| Cinga Advertising | R224 791.00 |
| TOTAL | R8 120 069.89 |

6.2 Summary of payables at 30 APRIL 2016

Creditors Age analysis

| TOTAL | CURRENT | 30 DAYS | 60 DAYS | 90 DAYS | 120 DAYS |
|----------------|----------------|---------------|-------------|---------------|----------------|
| R90 381 442.45 | R15 114 553.18 | R1 419 271.98 | R736 461.12 | R1 019 014.83 | R72 092 141.34 |

Top 10 Creditors

| COMPANY NAME | CURRENT | 30 DAYS | 60 DAYS | 90 DAYS | 120 DAYS |
|-----------------------------|-----------------------|--------------------|--------------------|--------------------|-----------------------|
| Eskom | R13 889 185.98 | | | | R45 069 300.28 |
| Department of Water Affairs | | | | R559 690.91 | R5 893 725.00 |
| B.R.O Civils | | | | | R4 073 353.15 |
| MBB Consulting | | | | | R931 658.92 |
| Royal Haskoning | | | | | R792 281.70 |
| Sains Agencies | R97 769.14 | | | R176 700.00 | R471 167.70 |
| Telkom SA | R225 222.87 | R219 580.34 | R207 682.85 | | |
| North & Robertson | R68 952.90 | | R165 542.25 | R3 021.00 | R440 105.12 |
| National Arts Festival | | | | | R500 000.00 |
| Master Maize | | | | | R406 504.30 |
| TOTAL | R14 281 130.89 | R219 580.34 | R373 225.10 | R739 411.91 | R58 578 096.17 |

The outstanding creditors have increased by **R6 876 197.46** from the previous month to **R90 381 442.45** in the current month. 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.

A list of creditors the municipality made arrangements with, is as follows:

| <u>To pay -</u> | <u>08/04/2016</u> | <u>Total Owed</u> | <u>Payable</u> | <u>Running total</u> | |
|-----------------------------|-------------------|----------------------|----------------------|----------------------|---------------------|
| SALGA arrangement | | 2 242 045.00 | 500 000.00 | 500 000.00 | unpaid |
| Smith Tabata arrangement | | 408 515.16 | 100 000.00 | 600 000.00 | pd April16 R195 454 |
| B & R arrangement | | 238 982.33 | 238 982.33 | 838 982.33 | paid Mrch16 |
| AG arrangement | | 11 598 451.00 | 350 000.00 | 1 188 982.33 | paid Jan 16 |
| SALA arrangement | | 1 274 988.00 | 106 249.13 | 1 295 231.46 | unpaid |
| Business Connexion | | 488 223.64 | 162 741.22 | 1 457 972.68 | Paid March16 |
| ESKOM Feb main account | | 31 274 410.62 | 3 924 640.71 | 5 382 613.39 | o/s Feb 16 |
| ESKOM small accounts | | | | 5 382 613.39 | paid Mrch16 |
| ESKOM FBE account | | | | 5 382 613.39 | paid Mrch16 |
| ESKOM arrangement | | 4 560 072.00 | 4 560 072.00 | 9 942 685.39 | o/s March 16 |
| Ducharme arrangement | | | | 9 942 685.39 | paid up |
| Marx Concrete | | | 54 685.80 | 9 997 371.19 | unpaid |
| Gray Moodliar arrangement | | | | 9 997 371.19 | paid up |
| North Robertson arrangement | | 140 000.00 | 100 000.00 | 10 097 371.19 | paid Mrch16 |
| Sibanye arrangement | | 574 698.00 | 250 000.00 | 10 347 371.19 | pd April16 |
| CDR - Innowind | | 792 000.00 | 792 000.00 | 11 139 371.19 | unpaid |
| Give Ziyawa arrangement | | 2 207 872.51 | 892 127.49 | 12 031 498.68 | paid Mrch16 |
| Amatola Water | <u>new</u> | 18 000 000.00 | | 12 031 498.68 | |
| Afrisec Security | <u>new</u> | 661 232.00 | 100 000.00 | 12 131 498.68 | unpaid |
| Refund Housing | | | | 12 131 498.68 | |
| WK Construction | <u>new</u> | 807 730.00 | 150 000.00 | 12 281 498.68 | pd April16 |
| Lumotech | | 681 343.80 | 150 000.00 | 12 431 498.68 | unpaid |
| TOTAL | | 75 950 564.06 | 12 431 498.68 | | |

Additional notes:

All payment plans amount to R3 150 149/month, excluding ESKOM, for which R3 924 641 must still be paid for February 2016

ESKOM's current account has to be paid each month - February was R4 924 641, of which only R1 million was paid to date

The payment plan instalment for March 2016 of R4 560 072 remains unpaid, but the August and December acc's are paid now

Salaries amount to R11 300 000 per month

ESKOM peaks at around R16,5 million/month in winter

Monthly revenue in peak time is R21 million/month

We cannot pay R27.8million from R21 million

This excludes fuel or any payment plan or other supplier or creditor.

In summer when our ESKOM account is around R7 million, our revenue is also a low R13 million

We owe around R80 million to creditors

Debtors owes the municipality around R342 million

Section 7 – Allocations for Operating Grant Receipts and Expenditure

7.1 Summary of Grants Received

| <u>GRANT</u> | <u>BUDGET</u> | <u>AMOUNT RECEIVED TO DATE</u> | <u>EXPENDITURE IN APRIL</u> | <u>EXPENDITURE YEAR-TO-DATE</u> |
|--------------|-----------------------|--------------------------------|-----------------------------|---------------------------------|
| MIG | R23 270 948.00 | R7 290 943.00 | R1 658 583.00 | R7 264 019.00 |
| MSIG | R930 000.00 | R930 000.00 | R0.00 | R582 708.00 |
| FMG | R1 675 000.00 | R1 675 000.00 | -R511 921 | R836 290.00 |
| EPWP | R1 002 000.00 | R1 002 000.00 | -R116 429.00 | R1 092 802.00 |
| TOTAL | R26 877 948.00 | R10 897 943.00 | R1 030 233.00 | R9 775 819.00 |

The negative actual expenditure is due to the correction of misallocated expenditure during the month.

Section 8 – Expenditure on Councillor Allowances and Employee Benefits

| ITEM DESCRIPTION | ITEM NUMBER | BUDGET | ADJ BUDGET | ACTUAL 9 | TOTAL MOVEMENT | % SPENT | TARGET |
|------------------------------------|-------------|--------------------|--------------------|-------------------|--------------------|---------------|---------------|
| SALARIES | 6000 | 91,473,408 | 90,889,289 | 8,588,269 | 84,446,305 | 92.91% | 76.92% |
| OVERTIME | 6010 | 3,235,230 | 5,065,168 | 373,328 | 6,929,746 | 136.81% | 75.00% |
| ALLOWANCE: HOUSING | 6020 | 264,678 | 334,982 | 170,631 | 1,383,036 | 412.87% | 75.00% |
| ALLOWANCE: TELEPHONE | 6025 | 359,609 | 234,609 | 14,087 | 164,704 | 70.20% | 75.00% |
| ALLOWANCE: TRANSPORT | 6030 | 3,804,270 | 3,470,270 | 298,444 | 3,311,406 | 95.42% | 75.00% |
| ALLOWANCE: INCONVENIENCE(STAND BY) | 6050 | 604,509 | 1,098,228 | 400 | 637,489 | 58.05% | 75.00% |
| PENSION/PROVIDENT FUND | 6100 | 16,638,221 | 27,783,606 | 1,294,014 | 12,376,819 | 44.55% | 75.00% |
| MEDICAL AID FUND | 6110 | 1,494,818 | 5,950,944 | 602,908 | 4,766,861 | 80.10% | 75.00% |
| GROUP LIFE ASSURANCE | 6120 | 865,856 | 865,856 | 641,159 | 1,132,627 | 130.81% | 75.00% |
| | | | | | | | |
| | | 118,740,599 | 135,692,952 | 11,983,240 | 115,148,993 | 84.86% | 75.21% |

| ITEM DESCRIPTION | ITEM NUMBER | BUDGET | ADJ BUDGET | ACTUAL 9 | TOTAL MOVEMENT | % SPENT | TARGET |
|--------------------------|-------------|------------------|------------------|----------------|------------------|---------------|---------------|
| COUNCILLORS ALLOWANCE | 6385001 | 6,819,680 | 6,819,680 | 548,537 | 5,427,525 | 79.59% | 75.00% |
| CNL TELEPHONE ALLOWANCE | 6385006 | 628,448 | 628,448 | 46,953 | 460,974 | 73.35% | 75.00% |
| CNL TRAVELLING ALLOWANCE | 6385007 | 2,273,137 | 2,273,137 | 182,846 | 1,713,715 | 75.39% | 75.00% |
| | | | | | | | |
| | | 9,721,265 | 9,721,265 | 778,336 | 7,602,214 | 78.20% | 75.00% |

Section 9 – Supply Chain Management

Tenders awarded for the month

No tenders were awarded.

