

## MONTHLY BUDGET STATEMENTS: 31 AUGUST 2011

### PURPOSE

The purpose of this report is to inform the Accounting Officer on the state of the municipality's budget for 2011/2012

### BACKGROUND

Section 71 of the MFMA requires the Accounting Officer to submit a monthly report to the Mayor and the relevant Provincial Treasury. This statement must be in a prescribed format and reflect the state of the Municipality's budget.

### DISCUSSION

The report covers the period from 1 July 2011 to 31 August 2011. The spending and revenue at this stage should be in the region of 16.67%. The actual income and expenditure appears in "Annexure A" reflects detail that relates to the budget actual spending, and actual revenue, per month and year to date. Overall, the total income in relation to the budget is 11.87% the expenditure is 10%

### REVENUE SOURCES

Revenue by source	Original Budget 11/12	Actual for 31 August 2011	Year to date As at 31 August 2011	Pro-rata Budget 11/12	%
Tariff Charges Levied	1,040,996,762	70,123,062	152,503,488	173,499,460	14.65
Tariff Charges/ other	132,409,384	10,573,259	17,527,449	22,068,231	13.24
Grants & Subsidies	307,000,000	0	0	51,166,667	0
Fines	11,054,318	381,193	1,201,519	1,842,386	10.87
Interests	66,541,290	3,269,843	6,200,726	11,090,215	9.32
Rent & Facilities	6,766,100	407,865	820,659	1,127,683	12.13
License & Permits	7,076,734	578,732	1,319,710	1,179,456	18.65
Sale Assets	400,000	0	0	66,667	0.00
Other Income	100,217,987	5,981,550	18,002,808	16,702,998	17.96
Departmental	18,713,743	1,467,462	3,222,410	3,118,957	17.22
<b>TOTAL</b>	<b>1,691,176,318</b>	<b>92,782,966</b>	<b>200,798,769</b>	<b>281,862,720</b>	<b>11.87</b>

Votes per line item for Other Income, See Annexure F

## Revenue per department

Revenue per department	Original Budget	Actual 31 August 2011	YTD as at 31 August 2011	Pro-rata 11/12	%
Public Safety	88,563,804	6,022,145	13,845,821	14,760,634	15.63
Health services	347,986	1,245	1,245	57,998	0.36
Community services	119,166,370	7,221,782	14,387,966	19,861,062	12.07
Sports	1,460,193	76,244	76,244	243,366	5.22
Housing	2,832,351	741	1,761	472,059	0.06
Council's General	9,613,454	266,521	5,821,414	1,602,242	60.55
Civil Engineering	337,131,266	27,141,282	39,145,322	56,188,544	11.61
Electrical Engineering	573,241,145	39,859,707	78,312,059	95,540,191	13.66
Corporate Services	224,471	485,049	502,020	37,412	223.65
Finance	544,685,907	10,569,015	46,501,107	90,780,983	8.54
Market	13,909,371	1,139,235	2,203,810	2,318,229	15.84
<b>TOTAL</b>	<b>1,691,176,318</b>	<b>92,782,966</b>	<b>200,798,769</b>	<b>281,862,720</b>	<b>11.87</b>

\*Council general is at 57.73 due to the money deposited into our bank account from Isago Developers for the N12 mall

\*Corporate Service its wrong allocation, the money is for Seta training and its budgeted under Council General.

## BASIC SERVICES

Aug 2011	BILLING	RECEIPTS	%
- Assessment rates	12,485,114	11,392,485	91.25
- Sales of electricity	36,671,679	26,003,232	70.91
- Sales of water	15,714,223	7,319,950	46.58
- Refuse removal	3,774,363	2,261,603	59.92
- Sewerage	4,777,211	3,308,822	69.26
	<b>73,422,590</b>	<b>50,286,092</b>	<b>68.49</b>

## 2. OPERATIONAL EXPENDITURE

Operating Expenses	Original Budget	Actual 31 August 2011	Year To Date As at 31 August 2011	Pro – rata 2011/2012	% Spent
Employee cost	392,482,934	29,795,629	60,254,248	65,413,822	15.35
General Expenditure	483,077,029	17,187,894	48,413,344	80,512,839	10.02
Departmental Charges	14,951,847	1,423,589	3,169,181	2,491,975	21.20
Bulk Purchase:					
Water	140,546,869	0	19,081	23,424,478	0.01
Electricity	355,733,648	41,777,070	41,780,551	59,288,941	11.74
Repair & Maintenance	66,816,194	3,363,627	4,202,324	11,136,032	6.29
Depreciation	180,361,966	0	0	30,060,328	0.00
Contributions	137,644,704	11,470,392	22,940,784	22,940,784	16.67
Recharges	-37,902,671	-3,726,442	-7,457,162	-6,317,112	19.67
<b>Total</b>	<b>1,733,712,520</b>	<b>101,291,759</b>	<b>173,322,351</b>	<b>288,952,087</b>	<b>10.00</b>

Votes per line item for General Expenditure. See Annexure E  
**Operational expenditure per department**

<b>Expenditure by vote</b>	<b>Original Budget</b>	<b>Actual 31 August 2011</b>	<b>Year to date as at 31 August 2011</b>	<b>Pro-rata 10/11</b>	<b>%</b>
Public Safety	152,252,738	7,167,629	14,977,457	25,375,456	9.84
Health services	10,338,240	509,724	1,024,529	1,723,040	9.91
Community services	148,834,768	6,925,632	13,806,307	24,805,795	9.28
Sports	39,229,442	2,732,417	4,652,965	6,538,240	11.86
Housing	9,839,744	529,924	1,015,433	1,639,957	10.32
Council's General	112,984,483	7,152,190	15,349,737	18,830,747	13.59
Civil Engineering	476,205,756	9,788,660	18,861,048	79,367,626	3.96
Electrical Engineering	474,313,455	48,245,559	52,484,783	79,052,243	11.07
Corporate Services	31,441,114	2,339,634	4,430,297	5,240,186	14.09
Finance	255,777,490	14,158,962	43,695,654	42,629,582	17.08
Market	17,892,268	1,132,707	2,047,585	2,982,045	11.44
LED	4,603,022	608,721	976,556	767,170	21.22
<b>TOTAL</b>	<b>1,733,712,520</b>	<b>101,291,759</b>	<b>173,322,351</b>	<b>288,952,087</b>	<b>10.00</b>

\*Overtime budget for all Departments are at 19.30% which is over the pro- rata by 2.63%

\*252.97% for Housing its wrong allocation, the journal will be done for correction.

The following departments are overspent on overtime:

<b>Departments</b>	<b>%</b>
Public Safety	20.06
Housing	252.97
Civil Engineering	23.37
Electrical Engineering	20.59
Finance	22.10
Corporate Service	44.06

**Repairs and Maintenance per Department**

<b>Expenditure by vote</b>	<b>Original Budget</b>	<b>Actual 31 August 2011</b>	<b>Year to date as at 31 August 2011</b>	<b>Pro-rata Budget</b>	<b>%</b>
Public Safety	3,385,962	157,734	235,948	604,686	6.50
Health services	14,205	253	253	2,368	1.78
Community services	8,603,590	147,153	147,153	1,433,932	1.71
Sports Arts & Culture	3,910,999	228,024	242,928	651,833	6.21
Housing	60,236	26,475	26,475	10,039	43.95
Council's General	400,385	14,075	18,265	66,731	4.56
Civil Engineering	25,112,847	784,669	1,091,037	4,145,116	4.39
Electrical Engineering	19,994,256	1,016,084	1,451,104	3,332,376	7.26
Corporate Services	695,005	41,440	41,440	115,834	5.96
Finance	3,302,356	825,860	825,861	550,391	25.01
Market	1,247,956	121,860	121,860	207,993	9.76
LED	88,397	0	0	14,733	0
<b>TOTAL</b>	<b>66,816,194</b>	<b>3,363,627</b>	<b>4,202,324</b>	<b>11,136,032</b>	<b>6.29</b>

Repairs and maintenance per line item is attached. See Annexure D

\* Repairs and maintenance for Finance is at 25.01% due to the IT maintenance

**TRANSFERS FROM OTHER RESERVES**

	<b>Original Budget</b>	<b>Actual 31 Aug 2011</b>	<b>YTD</b>	<b>Pro-rata Budget</b>	<b>%</b>
Offset Depreciation	42,463,062	0	0	7,077,177	0
Leave Provision	100,283	0	0		0
Transfer from CRR	97,831,400	8,152,617	16,305,233	16,305,233	16.67
<b>TOTAL</b>	<b>140,394,745</b>	<b>8,152,617</b>	<b>16,305,233</b>	<b>23,399,124</b>	<b>11.61</b>

**TRANSFERS TO OTHER RESERVES**

	<b>Original Budget</b>	<b>Actual 31 Aug 2011</b>	<b>YTD</b>	<b>Pro-rata Budget</b>	<b>%</b>
Contribution to Capital Reserves	97,831,400	27,148	296,122	16,305,233	0.30
<b>TOTAL</b>	<b>97,831,400</b>	<b>27,148</b>	<b>296,122</b>	<b>16,305,233</b>	<b>0.30</b>

**ACTUAL CAPITAL EXPENDITURE PER VOTE**

<b>Capital expenditure by vote</b>	<b>Original Budget</b>	<b>Actual 31 August 2011</b>	<b>Year to date as at 31 August 2011</b>	<b>Pro-rata Budget 2011/2012</b>	<b>%</b>
Public Safety	3,935,000	13,205	13,205	655,833	0.34
Community Services	1,424,000	625,893	625,893	237,333	43.95
Health	161,200	0	0	26,867	0
Sports	11,525,000	0	0	1,920,833	0
Housing	70,000	0	14,486	11,667	20.69
Council General Expenditure	16,202,500	0	0	2,700,417	0
City Civil Engineer	30,448,000	-34,226	-34,226	1,324,667	0.43
Municipal Infrastructure Grant(MIG)	99,609,000	0	0	16,601,500	0
City Electrical Engineer	20,060,000	48,169	302,658	6,593,333	0.77
NER	8,719,000	0	0	1,453,167	0
Corporate Services	5,431,600	0	0	905,267	0
Finance	2,502,600	0	0	417,100	0
Market	4,558,000	0	0	759,667	0
Economic Affairs	1,513,500	0	0	752,250	0
<b>TOTAL</b>	<b>206,159,400</b>	<b>653,041</b>	<b>922,015</b>	<b>34,359,900</b>	<b>0.45</b>

### MIG Revenue and Expenditure

Description	Budget	Actual August 2011	Year to Date as at 31 August 2011	%
MIG (Income)	99 609 000	0	26 894 000	27.00
MIG (Expenditure)	99 609 000	0	26,894,000	100
MIG (Roll over 10-11)	4,000,000	4,714,502	4,714,502	117.86
DME (Income)	8,719,000	2,490,000	2,490,000	28.56

### GRANTS & SUBSIDIES

#### Operational allocations/grants received

Description	Original Budget	Received 31 August 2011	Year To Date as at 31 August 2011	%
Intergovernmental Grant	303,560,000	0	126,041,000	41.52
Municipal System Improvement Grant	790,000	0	0	0
Finance Management Grant(FMG)	1,250,000	0	1,250,000	100
Improvement of Library Services	400,000	0	0	0

### GRANTS- EXPENSE

Description	Original Budget	Actual 31 August 2011	YTD as at 31 August 2011	% Spent
IGG (Free Basic Services)	99,262,000	1,632,345	1,636,845	1.64
Finance Management Grant(FMG)	1,250,000	81,884	191,475	15.31
Municipal System Improvement Grant	790,000	0	27,491	3.47
Improvement of Library Services	400,000	5,220	5,220	1.30
PMU Expenditure	1,000,000	55,805	100,502	10.05

### 4. ACTUAL BORROWINGS

The total amount outstanding on external loans at the end of July 2011 is R163, 775,664.71  
Attached is annexure B for more detailed information on borrowings.

Transfers of Kenneth Kaunde assets loans to Council as per session agreement amount of R27, 047,295.84

## 5. INVESTMENTS

The investments as at 31 August 2011 are as follows:

Institution	Investments				
	Fixed	Call	Long Term	Collateral	Total
	R	R	R	R	R
ABSA	18,187,200	29,229,589			47,416,789
RMB		6,000,000			6,000,000
FNB			81,517		81,517
Investec		34,348,186			34,348,186
Nedcor				13,010,715	13,010,715
Sanlam(Policy)		5,824,673			5,824,673
	<b>18,187,200</b>	<b>75,402,448</b>	<b>81,517</b>	<b>13,010,715</b>	<b>106,681,880</b>

Other differences are due to the capitalization of interest at financial year end

\*This ABSA fixed investment cannot be withdrawn due to the fact that it is kept as security for a loan

**NB:** Council to take cognizance that the investments reflected are not as a result of excess funds but grants received for the year invested on short term to gain interest, while processes on meeting conditions of the grants are unfolding, and to avoid charges once are kept on current account.

These investments can only be withdrawn when funds are needed for the particular reason they were invested for.

Attached is annexure C for more detailed information on Investments.

### RECOMMENDATION

1. That the Accounting Officer takes cognizance of the budget and financial performance for the month of August 2011.
2. That the Accounting Officer takes cognizance of actual borrowings and actual allocations received for the month of August 2011

### SUBMITTED FOR CONSIDERATION