

MONTHLY BUDGET STATEMENTS: 30 April 2012

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 30 April 2012. The expenditure and revenue at this stage should be in the region of 83.33%. 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 70.19% the expenditure is 66.76%

1. REVENUE SOURCES

Revenue by source	Original Budget 11/12	Adjusted Budget 11/12	Actual 31 March 2012	Actual 30 April 2012	Year to date As at 30 April 2012	Pro-rata Budget 11/12	%
Tariff Charges Levied	1,040,996,762	988,794,183	68,166,757	67,871,116	746,944,948	823,995,153	75.54
Tariff Charges/ other	132,409,384	132,419,384	7,929,621	6,134,141	89,638,103	110,349,487	67.69
Grants & Subsidies	307,000,000	308,236,396	0	0	178,158,860	256,863,663	57.80
Fines	11,054,318	9,979,318	755,934	507,399	5,686,343	8,316,098	56.98
Interests	66,541,290	53,222,805	2,896,497	3,071,252	30,217,742	44,352,338	56.78
Rent & Facilities	6,766,100	11,552,000	832,662	457,211	8,326,782	9,626,667	72.08
License & Permits	7,076,734	7,876,734	597,912	417,618	6,223,052	6,563,945	79.01
Sale Assets	400,000	2,000,000	0	0	0	1,666,667	0
Other Income	100,217,987	98,887,987	4,981,255	7,695,676	65,796,300	82,406,654	66.54
Departmental	18,713,743	18,713,743	1,409,194	1,508,947	14,223,971	15,594,786	76.01
TOTAL	1,691,176,318	1,631,682,550	87,569,832	87,663,360	1,145,216,101	1,359,735,458	70.19

Votes per line item for Other Income, See Annexure F

Revenue per department

Revenue per Department	Original Budget 11/12	Adjusted Budget 11/12	Actual 31 March 2012	Actual 30 April 2012	Year to date as at 30 April 2012	Pro- rata Budget 11/12	Spent %
Public Safety	88,563,804	87,938,804	5,323,226	5,395,132	62,329,907	73,282,337	70.88
Health services	347,986	347,986	798	0	15,518	289,988	4.46
Community services	119,166,370	122,766,370	10,311,883	7,118,317	96,205,999	102,305,308	78.37
Sports	1,460,193	2,960,193	70,531	62,124	1,299,787	2,466,828	43.91
Housing	2,832,351	4,570,366	220,032	28,892	2,768,234	3,808,638	60.57
Council's General	9,613,454	15,619,354	395,448	326,622	11,147,589	13,016,128	71.37
Civil Engineering	337,131,266	344,047,039	24,300,124	30,736,924	290,246,784	286,705,866	84.36
Electrical Engineering	573,241,145	509,252,793	35,375,354	30,417,448	358,734,786	424,377,328	70.44
Corporate Services	224,471	224,471	254,728	289,981	-232,734	187,059	-103.68
Finance	544,685,907	528,045,803	10,170,230	13,287,920	310,708,922	440,038,169	58.84
Market	13,909,371	15,909,371	1,147,478	0	11,991,310	13,257,809	75.37
TOTAL	1,691,176,318	1,631,682,550	87,569,832	87,663,360	1,145,216,102	1,359,735,458	70.19

UNDER COLLECTED INCOME

Public Safety

- Other income: Payment province license – Drivers license are renewed every five years and as when required by member of public.
- Under collection of fines – changes in legislation, speed reduces income.

Electrical engineering

- Other service charges: Pre- paid and Power cards – The under collection is cause by theft and tampering of pre-paid boxes.
- Other income is also lower due a lot of these meter boxes were replaced with conventional meters

Measures have been put in place to deal with theft and tampering of pre- paid boxes Electrical Department they issue special seal's on the meter box which we register with the meter, and that shows when the meter box has been tempered with.

Finance

- Interest on investment – Interest rates is on the lowest levels in years.
- Interest on debtors decrease due to bad debts written off in the previous financial year.

Basic Services

BASIC SERVICES

April 2012	BILLING	RECEIPTS	%
- Assessment rates	11,556,465	10,143,774	87.78
- Sales of electricity	27,142,647	25,724,179	94.77
- Sales of water	18,205,920	8,092,376	44.45
- Refuse removal	3,440,957	2,265,059	65.83
- Sewerage	4,217,839	3,226,524	76.50
	64,563,828	49,451,913	76.59

OPERATIONAL EXPENDITURE

Operating Expenses	Original Budget	Adjusted Budget 11/12	Actual 31 March 2012	Actual 30 April 2012	Year To Date As at 30 April 2012	Pro – rata Budget 2011/2012	% Spent
Employee cost	392,482,934	400,153,034	32,022,972	32,258,866	320,256,538	333,460,862	80.03
General Expenditure	483,077,029	485,746,532	55,197,260	18,669,041	319,824,219	404,788,777	65.84
Departmental Charges	14,951,847	15,438,847	1,423,328	1,536,333	14,200,854	12,865,706	91.98
Bulk Purchase:							
Water	140,546,869	142,246,869	14,309,944	12,807,534	98,323,637	118,539,058	60.12
Electricity	355,733,648	372,733,648	54,941,718	28,493,076	242,593,659	310,611,373	57.44
Repair & Maintenance	66,816,194	56,374,297	3,683,753	3,759,041	32,136,149	46,978,581	57.00
Depreciation	180,361,966	166,161,966	0	0	78,235,617	138,468,305	47.08
Contributions	137,644,704	73,389,800	-53,750,542	11,470,392	49,482,986	61,158,167	67.42
Recharges	-37,902,671	-37,902,671	-3,725,659	-3,718,976	-37,259,762	-31,585,559	98.30
Total	1,733,712,520	1,674,342,322	104,102,776	105,275,307	1,117,793,897	1,395,285,268	66.76

Votes per line item for General Expenditure. See Annexure E

2. Operational expenditure per department

Expenditure by vote	Original Budget	Adjusted Budget	Actual 31 March 2012	Actual 30 April 2012	Year to date as at 30 April 2012	Pro-rata 11/12	%
Public Safety	152,252,738	151,979,972	19,095,588	7,402,090	102,959,270	126,649,977	67.75
Health services	10,338,240	10,114,084	534,157	456,564	5,216,412	8,428,403	51.58
Community services	148,834,768	147,130,603	11,333,405	8,228,412	104,473,569	22,608,836	71.01
Sports	39,229,442	43,482,292	3,022,360	3,032,006	26,962,194	36,235,243	62.01
Housing	9,839,744	9,066,244	521,649	541,734	5,646,236	7,555,203	62.28
Council's General	112,984,483	110,289,383	12,930,038	4,846,246	67,333,251	91,907,819	61.05
Civil Engineering	476,205,756	466,386,867	34,506,706	24,046,932	312,983,532	388,655,723	67.11
Electrical Engineering	474,313,455	480,923,021	62,414,789	33,337,420	314,858,859	400,769,184	65.47
Corporate Services	31,441,114	30,878,114	2,601,276	2,560,290	24,871,401	25,731,762	80.55
Finance	255,777,490	198,139,218	-44,555,582	19,553,634	136,968,514	165,116,015	69.13
Market	17,892,268	17,533,768	1,292,076	909,659	11,093,348	14,611,473	63.27
LED	4,603,022	8,418,756	406,314	360,320	4,427,311	7,015,630	52.59
TOTAL	1,733,712,520	1,674,342,322	104,102,776	105,275,307	1,117,793,897	1,395,285,268	66.76

The following departments are overspent on overtime:

Departments	%
Housing	236.94
Civil Engineering	109.82
Electrical Engineering	99.55
Corporate Service	107.57
Finance	91.19

- Corporate overtime vote is centralized; all sections from corporate use one vote. Human resource has been working overtime due to posts advertised.
- Civil Engineering
Roads Overtime its overspent due to pothole patching in Klerksdorp CBD, Joe Slovo (N12) AND Orkney Area.
Sewer overtime - most of the overtime worked during standby is not a planned overtime especially in the essential services department.
Misuse of Waterborne sanitation system by the public and in turn resorting to Council for assist. (Council's cost to clear a household sewer system blockage is more affordable than the private plumber.)

Repairs and Maintenance per Department

Expenditure by vote	Original Budget	Adjusted budget	Actual 31 March 2012	Actual 30 April 2012	Year to date as at 30 April 2012	Pro-rata Budget 11/12	%
Public Safety	3,628,113	3,608,013	194,037	128,907	2,239,154	3,006,678	62.06
Health services	14,205	12,705	0	127	379	10,588	2.99
Community services	8,603,590	8,463,190	335,140	544,877	3,348,900	7,052,658	39.57
Sports Arts & Culture	3,910,999	4,225,999	411,073	353,240	1,951,286	3,521,662	46.17
Housing	60,236	247,736	1,844	30,523	72,331	206,447	29.20
Council's General	400,385	383,785	48,799	17,526	154,235	319,821	40.19
Civil Engineering	24,870,696	20,794,363	1,355,573	1,997,206	13,194,611	17,328,636	63.45
Electrical Engineering	19,994,256	13,246,322	847,061	493,445	8,535,556	11,038,602	60.71
Corporate Services	695,005	497,005	49,775	53,561	278,892	414,171	56.11
Finance	3,302,356	3,524,826	217,824	124,885	1,700,430	2,937,357	48.24
Market	1,247,956	1,202,956	221,763	14,744	652,833	1,002,463	54.27
LED	88,397	72,397	864	0	7,541	60,331	10.42
TOTAL	66,816,194	56,279,297	3,683,753	3,759,041	32,136,148	46,899,414	50.10

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

TRANSFERS FROM OTHER RESERVES

	Original Budget	Adjusted budget	Actual 31 March 2012	Actual 30 April 2012	YTD 30 April 2012	Pro-rata Budget 11/12	%
Offset Depreciation	42,463,062	42,586,632	0	0	0	35,488,860	0
Leave Provision	100,283	100,283			0	83,569	0
Transfer from CRR	97,831,400	33,576,496	57,068,317	8,152,617	57,039,196	27,980,413	169.88
TOTAL	140,394,745	76,263,411	57,068,317	8,152,617	57,039,196	63,552,843	74.79

TRANSFERS TO OTHER RESERVES

	Original Budget	Adjusted budget	Actual 31 March 2012	Actual 31 April 2012	YTD 31 March 2012	Pro-rata Budget 11/12	%
Contribution to Capital Reserves	97,831,400	33,576,496	2,340,881	623,957	10,723,981	27,980,413	31.94
TOTAL	97,831,400	33,576,496	2,340,881	623,957	10,723,981	27,980,413	31.94

ACTUAL CAPITAL EXPENDITURE PER VOTE

Capital expenditure by vote	Original Budget	Adjusted Budget	Actual at 31 march 2012	Actual at 30 April 2012	Year to date as at 30 April 2012	Pro-rata Budget 2011/2012	%
Public Safety	4,040,687	2,512,969	26,500	74,504	180,147	2,094,141	7.17
Community Services	10,297,440	3,316,747	0	0	920,528	2,763,956	27.75
Health	161,200	0	0	0	0	0	0
Sports	11,525,000	9,241,068	451,881	915,745	2,761,052	7,700,890	29.88
Housing	70,000	14,490	0	0	14,486	12,075	99.97
Council General Expenditure	19,602,500	8,522,150	0	0	2,920,022	7,101,792	34.26
City Civil Engineer	98,847,011	84,206,145	-14,737,057	703,473	7,965,312	70,171,788	9.46
Municipal Infrastructure Grant(MIG)	99,609,000	109,245,013	22,716,667	2,269,112	30,117,092	91,037,511	27.57
City Electrical Engineer	60,573,390	44,400,598	-1,393,034	0	32,205,041	37,000,498	72.53
NER	8,719,000	8,719,000	0	0	258,078	7,265,833	2.96
Corporate Services	5,431,600	391,740	72,000	94,450	170,889	326,450	43.62
Finance	3,129,120	2,190,099	405,099	-366,446	376,413	1,825,082	17.19
Market	4,558,000	408,000	54,654	41,622	125,976	340,000	30.88
Economic Affairs	1,908,500	0	0	0	0	0	0
TOTAL	328,472,448	273,168,019	7,596,710	3,732,460	78,015,036	227,640,016	28.56

MIG Revenue and Expenditure

Description	Budget	Actual for 31 March 2012	Actual for 30 April 2012	Year to Date as at 30 April 2012	%
MIG (Income)	99,609,000	35,666,000	0	100,609,000	100
MIG (Expenditure)	99,609,000	5,645,994	995,764	38,637,441	38.80
MIG (Roll over 10-11)	4,000,000	0	0	-714,502	-17.86
DME (Income)	8,719,000	0	0	8,719,000	100
DME (Expenditure)	8,719,000	0	0	258,078	2.96
Fire Grant	0	0	0	1,200,000	0.00

GRANTS & SUBSIDIES
Operational allocations/grants received

Description	Original Budget	Received 31 March 2012	Received 30 April 2012	Year To Date as at 30 April 2012	%
Intergovernmental Grant	303,560,000	75,890,000	0	298,962,111	98.48
Municipal System Improvement Grant	790,000	0	0	790,000	100
Finance Management Grant(FMG)	1,250,000	0	0	1,250,000	100
Improvement of Library Services	400,000	0	0	400,000	100

GRANTS- EXPENSE

Description	Original Budget	Actual 31 March 2012	Actual 30 April 2012	YTD as at 30 April 2012	% Spent
IGG (Free Basic Services)	99,262,000	0	3,799	66,478,995	66.97
Finance Management Grant(FMG)	1,250,000	0	126,725	953,997	76.32
Municipal System Improvement Grant	790,000	0	0	405 697	51.35
Improvement of Library Services	400,000	0	17,402	81,642	20.41
PMU Expenditure	1,000,000	0	52,417	547,541	54.75

4. ACTUAL BORROWINGS

The total amount outstanding on external loans at the end of April 2012 is R151, 760,320.20
Attached is annexure B for more detailed information on borrowings.

5. INVESTMENTS

The investments as at 30 April 2012 are as follows:

Institution	Investments				
	Fixed	Call	Long Term	Collateral	Total
	R	R	R	R	R
ABSA		60,379,589			60,379,589
RMB			81,517		81,517
FNB					
Investec					
Nedcor				13,010,715	13,010,715
Sanlam(Policy)		5,824,673			5,824,673
		66,204,262	81,517	13,010,715	79,296,494

Withdraw R 2 million from ABSA Call (MIG) – 04 April 2012 (Paying MIG projects)
 Withdraw R1, 2 million from ABSA Call (MIG) – 16 April 2012 (Paying MIG projects)
 Withdraw R 5 million from ABSA Call (MIG) – 24 April 2012 (Paying MIG projects)
 Withdraw R 2, 2 million from ABSA Call (MIG) – 25 April 2012 (Paying MIG projects)
 Withdraw R 10 million from RMB Call – 17 April 2012 (Paying Eskom)
 Withdraw R 3 million from Invest Call – 17 April 2012 (Paying Eskom)

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 April 2012
2. That the Accounting Officer takes cognizance of actual borrowings and actual allocations received for the month April of 2012

SUBMITTED FOR CONSIDERATION