

## MONTHLY BUDGET STATEMENTS: 31 JANUARY 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 31 January 2012. The expenditure and revenue at this stage should be in the region of 58.33%. 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 49.93% the expenditure is 46.33%

#### 1. REVENUE SOURCES

Revenue by source	Original Budget 11/12	Actual for 31 December 2011	Actual for 31 January 2012	Year to date As at 31 January 2012	Pro-rata Budget 11/12	%
Tariff Charges Levied	1,040,996,762	70,330,422	82,058,142	535,389,090	607,248,111	51.43
Tariff Charges/ other	132,409,384	5,788,208	7,094,137	62,393,411	77,238,807	47.12
Grants & Subsidies	307,000,000	118,876,000	174,367	152,750,319	179,083,333	49.76
Fines	11,054,318	810,461	501,866	4,158,893	6,448,352	37.62
Interests	66,541,290	3,267,519	3,388,838	21,364,217	38,815,753	32.11
Rent & Facilities	6,766,100	2,869,937	516,396	6,500,562	3,946,892	96.08
License & Permits	7,076,734	664,713	665,240	4,482,096	4,128,095	63.34
Sale Assets	400,000	0	0	0	233,333	0.00
Other Income	100,217,987	5,022,591	6,645,951	47,416,854	58,460,493	47.31
Departmental	18,713,743	1,322,556	1,541,484	9,929,676	10,916,350	53.06
<b>TOTAL</b>	<b>1,691,176,318</b>	<b>208,952,407</b>	<b>102,586,421</b>	<b>844,385,118</b>	<b>986,519,519</b>	<b>49.93</b>

Votes per line item for Other Income, See Annexure F

## Revenue per department

Revenue per department	Original Budget	Actual 31 December 2011	Actual for 31 January 2012	YTD as at 31 January 2012	Pro-rata 11/12	%
Public Safety	88,563,804	6,053,014	6,765,449	45,424,565	51,662,219	51.29
Health services	347,986	-10,358	0	9,662	202,992	2.78
Community services	119,166,370	7,273,819	13,321,101	71,580,150	69,513,716	60.07
Sports	1,460,193	39,687	66,749	1,038,658	851,779	71.13
Housing	2,832,351	2,398,517	15,758	2,502,969	1,652,205	88.37
Council's General	9,613,454	279,152	282,690	8,228,196	5,607,848	85.59
Civil Engineering	337,131,266	27,884,269	33,597,942	198,736,792	196,659,905	58.95
Electrical Engineering	573,241,145	34,386,487	35,932,469	254,357,808	334,390,668	44.37
Corporate Services	224,471	12,802	564,353	1,111,372	130,941	495.11
Finance	544,685,907	129,104,953	10,578,459	251,729,166	317,733,446	46.22
Market	13,909,371	1,530,064	1,461,451	9,665,780	8,113,800	69.49
<b>TOTAL</b>	<b>1,691,176,318</b>	<b>208,952,407</b>	<b>102,586,421</b>	<b>844,385,118</b>	<b>986,519,519</b>	<b>49.93</b>

\*Council general is at 82.65% due to the money deposited into our bank account from Isago Developers for the N12 mall

### UNDER COLLECTED INCOME

#### Public Safety

- Other service charges: fees convoy – Attending to abnormal loads only as and when requested.
- Other income: Payment province license – Drivers license are renewed every five years and as when required by member of public.

#### Health

- Other income: Cleaning of stands – Health department requested to move out this vote because is not health services function.
- Paupers – Expenditure must be claimed back from District Council.

#### Electrical engineering

- Other service charges: Pre- paid and Power cards – The under collection can be caused by possibility of electrical theft and tampering of pre-paid boxes.

#### Corporate Services

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

#### Finance

- Other income: Sales of tender – Tender its stopped due to cash flow constraints, capital projects are delayed.
- Interest on investment – Interest rates is on the lowest levels in years.

**BASIC SERVICES**

<b>Jan 2012</b>	<b>BILLING</b>	<b>RECEIPTS</b>	<b>%</b>
- Assessment rates	11,630,755	12,358,125	106.25
- Sales of electricity	26,388,014	24,842,112	94.14
- Sales of water	15,485,431	9,878,466	63.79
- Refuse removal	3,368,175	2,306,594	68.48
- Sewerage	4,271,432	3,365,952	78.80
	<b>61,143,808</b>	<b>52,751,248</b>	<b>86.27</b>

**2. OPERATIONAL EXPENDITURE**

	<b>Original Budget</b>	<b>Actual 31 December 2011</b>	<b>Actual 31 January 2012</b>	<b>Year To Date As at 31 January 2012</b>	<b>Pro – rata 2011/2012</b>	<b>% Spent</b>
<b>Operating Expenses</b>						
Employee cost	392,482,934	30,725,047	34,865,712	223,181,565	228,948,378	56.86
General Expenditure	483,077,029	33,727,051	33,361,020	220,621,388	281,794,932	45.67
Departmental Charges	14,951,847	1,315,697	1,493,950	9,819,743	8,721,911	65.68
Bulk Purchase:						
Water	140,546,869	33,617,476	12,619,336	71,206,158	81,985,674	50.66
Electricity	355,733,648	13,039,403	22,970,794	125,117,441	207,511,295	35.17
Repair & Maintenance	66,816,194	3,704,804	3,493,154	20,813,409	38,976,113	31.15
Depreciation	180,361,966	78,235,617	0	78,235,617	105,211,147	43.38
Contributions	137,644,704	11,470,392	11,470,392	80,292,744	80,292,744	58.33
Recharges	-37,902,671	-3,723,289	-3,720,120	-26,096,848	-22,109,891	68.33
<b>Total</b>	<b>1,733,712,520</b>	<b>202,112,198</b>	<b>116,554,238</b>	<b>803,191,217</b>	<b>1,011,332,303</b>	<b>46.33</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 December 2011</b>	<b>Actual for 31 January 2012</b>	<b>Year to date as at 31 January 2012</b>	<b>Pro-rata 11/12</b>	<b>%</b>
Public Safety	152,252,738	14,637,527	7,143,067	65,773,572	88,814,097	43.20
Health services	10,338,240	623,550	482,190	3,731,962	6,030,640	36.10
Community services	148,834,768	10,394,279	14,189,990	77,250,601	86,820,281	51.90
Sports	39,229,442	2,606,792	2,740,388	18,283,310	22,883,841	46.61
Housing	9,839,744	799,605	559,146	4,079,769	5,739,851	41.46
Council's General	112,984,483	7,802,894	5,439,462	43,644,967	65,907,615	38.63
Civil Engineering	476,205,756	109,468,122	34,652,749	243,126,784	277,786,691	51.05
Electrical Engineering	474,313,455	26,421,575	29,861,095	177,150,310	276,682,849	37.35
Corporate Services	31,441,114	3,351,681	2,286,877	17,223,164	18,340,650	54.78
Finance	255,777,490	23,702,484	17,700,038	141,702,554	149,203,536	55.40
Market	17,892,268	1,713,915	1,135,556	7,944,121	10,437,156	44.40
LED	4,603,022	589,774	363,680	3,280,103	2,685,096	71.26
<b>TOTAL</b>	<b>1,733,712,520</b>	<b>202,112,198</b>	<b>116,554,238</b>	<b>803,191,217</b>	<b>1,011,332,303</b>	<b>46.33</b>

### OVER-SPENDING EXPENDITURE

#### LED

- Vehicle maintenance – The overspending on this vote is due the repairs on vehicles which were pending at garage since previous financial year.

The following departments are overspent on overtime:

<b>Departments</b>	<b>%</b>
Housing	139.74
Civil Engineering	81.25
Electrical Engineering	70.33
Corporate Service	120.93
Finance	75.24

**Repairs and Maintenance per Department**

<b>Expenditure by vote</b>	<b>Original Budget</b>	<b>Actual 31 December 2011</b>	<b>Actual for 31 January 2012</b>	<b>Year to date as at 31 January 2012</b>	<b>Pro-rata Budget 11/12</b>	<b>%</b>
Public Safety	3,628,113	226,613	121,574	1,593,620	2,116,399	43.92
Health services	14,205	0	0	253	8,286	1.78
Community services	8,603,590	498,663	368,414	1,945,166	5,018,761	22.61
Sports Arts & Culture	3,910,999	229,401	167,594	1,052,100	2,281,416	26.90
Housing	60,236	0	5,039	39,963	35,138	66.34
Council's General	400,385	13,988	6,797	80,224	233,558	20.04
Civil Engineering	24,870,696	1,993,010	1,017,133	8,102,356	14,507,906	32.58
Electrical Engineering	19,994,256	515,929	1,776,846	6,260,111	11,663,316	31.31
Corporate Services	695,005	12,181	25,846	143,013	405,420	20.58
Finance	3,302,356	150,044	3,912	1,182,968	1,926,374	35.82
Market	1,247,956	64,324	0	404,956	727,974	32.61
LED	88,397	651	0	6,677	51,565	7.55
<b>TOTAL</b>	<b>66,816,194</b>	<b>3,704,804</b>	<b>3,493,154</b>	<b>20,813,408</b>	<b>38,976,113</b>	<b>31.15</b>

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

**TRANSFERS FROM OTHER RESERVES**

	<b>Original Budget</b>	<b>Actual 31 December 2011</b>	<b>Actual for January 2012</b>	<b>YTD 31 January 2012</b>	<b>Pro-rata Budget 11/12</b>	<b>%</b>
Offset Depreciation	42,463,062	0	0	0	24,770,120	0
Leave Provision	100,283	0	0	0	58,498	0
Transfer from CRR	97,831,400	19,950,732	19,017,076	95,305,004	57,068,317	97.42
<b>TOTAL</b>	<b>140,394,745</b>	<b>19,950,732</b>	<b>19,017,076</b>	<b>95,305,004</b>	<b>81,896,935</b>	<b>67.88</b>

**TRANSFERS TO OTHER RESERVES**

	<b>Original Budget</b>	<b>Actual December 2011</b>	<b>Actual for January 2012</b>	<b>YTD 31 January 2012</b>	<b>Pro-rata Budget 11/12</b>	<b>%</b>
Contribution to Capital Reserves	97,831,400	3,749,448	148,909	7,717,557	57,068,317	7.33
<b>TOTAL</b>	<b>97,831,400</b>	<b>3,749,448</b>	<b>148,909</b>	<b>7,717,557</b>	<b>57,068,317</b>	<b>7.33</b>

**ACTUAL CAPITAL EXPENDITURE PER VOTE**

<b>Capital expenditure by vote</b>	<b>Original Budget</b>	<b>Actual 31 December 2011</b>	<b>Actual for 31 January 2012</b>	<b>Year to date as at 31 January 2012</b>	<b>Pro-rata Budget 2011/2012</b>	<b>%</b>
Public Safety	4,040,687	0	2,129	79,143	2,357,067	1.96
Community Services	10,297,440	0	161,662	920,528	5,006,019	10.73
Health	161,200	0	0	0	94,033	0
Sports	11,525,000	237,282	-14,882	1,241,925	7,723,738	9.38
Housing	70,000	0	0	14,486	40,833	20.69
Council General Expenditure	19,602,500	0	0	2,920,022	11,434,792	14.90
City Civil Engineer	98,847,011	9,411,233	0	20,438,103	57,660,756	20.68
Municipal Infrastructure Grant(MIG)	99,609,000	1,689,470	0	3,613,670	58,105,250	3.63
City Electrical Engineer	60,573,390	4,541	0	33,597,174	35,334,478	55.47
NER	8,719,000	0	0	258,078	5,086,083	2.96
Corporate Services	5,431,600	0	0	4,439	3,168,433	0.08
Finance	3,129,120	27,500	0	71,097	1,825,320	2.27
Market	4,558,000	0	0	29,700	2,658,833	0.65
Economic Affairs	1,908,500	0	0	0	1,113,292	0
<b>TOTAL</b>	<b>328,472,448</b>	<b>11,370,026</b>	<b>148,909</b>	<b>63,188,365</b>	<b>191,608,928</b>	<b>19.24</b>

**MIG Revenue and Expenditure**

<b>Description</b>	<b>Budget</b>	<b>Actual 31 December 2011</b>	<b>Actual for 31 January 2012</b>	<b>Year to Date as at 31 January 2012</b>	<b>%</b>
MIG (Income)	99,609,000	38,049,000	0	64,943,000	65.20
MIG (Expenditure)	99,609,000	5,745,068	2,497,276	28,935,847	29.05
MIG (Roll over 10-11)	4,000,000	0	0	-714,502	-17.86
DME (Income)	8,719,000	0	0	4,981,000	57.12
DME (Expenditure)	8,719,000	0	0	258,078	2.96

**GRANTS & SUBSIDIES**  
Operational allocations/grants received

Description	Original Budget	Received 31 December 2011	Received 31 January 2012	Year To Date as at 31 January 2012	%
Intergovernmental Grant	303,560,000	92,575,000	0	218,616,111	72.02
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	400,000	400,000	100

**GRANTS- EXPENSE**

Description	Original Budget	Actual 31 December 2011	Actual 31 January 2012	YTD as at 31 January 2012	% Spent
IGG (Free Basic Services)	99,262,000	2,101,964	14,605,553	54,745,569	55.15
Finance Management Grant(FMG)	1,250,000	76,877	111,766	676,389	54.11
Municipal System Improvement Grant	790,000	0	0	405 697	51.35
Improvement of Library Services	400,000	0	0	64,240	16.06
PMU Expenditure	1,000,000	47,207	47,659	365,588	36.56

**4. ACTUAL BORROWINGS**

The total amount outstanding on external loans at the end of January 2012 is R155, 740,579.92  
Attached is annexure B for more detailed information on borrowings.

## 5. INVESTMENTS

The investments as at 31 January 2012 are as follows:

Institution	Investments				
	Fixed	Call	Long Term	Collateral	Total
	R	R	R	R	R
ABSA	18,187,200	42,979,589			61,166,789
RMB		10,000,000			10,000,000
FNB			81,517		81,517
Investec		3,000,000			3,000,000
Nedcor				13,010,715	13,010,715
Sanlam(Policy)		5,824,673			5,824,673
	<b>18,187,200</b>	<b>61,804,262</b>	<b>81,517</b>	<b>13,010,715</b>	<b>91,083,694</b>

Withdraw R7 million from INVESTEC Call – January 2012

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

### SUBMITTED FOR CONSIDERATION