

**MONTHLY BUDGET STATEMENTS: 31 March 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 March 2012. The expenditure and revenue at this stage should be in the region of 75%. 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 64.81% the expenditure is 60.47%

**1. REVENUE SOURCES**

<b>Revenue by source</b>	<b>Original Budget 11/12</b>	<b>Adjusted Budget 11/12</b>	<b>Actual 29 February 2012</b>	<b>Actual 31 March 2012</b>	<b>Year to date As at 31 March 2012</b>	<b>Pro-rata Budget 11/12</b>	<b>%</b>
Tariff Charges Levied	1,040,996,762	988,794,183	75,517,985	68,166,757	679,073,833	741,595,637	68.68
Tariff Charges/ other	132,409,384	132,419,384	13,180,930	7,929,621	83,503,962	99,314,538	63.06
Grants & Subsidies	307,000,000	308,236,396	25,408,541	0	178,158,860	231,177,297	57.80
Fines	11,054,318	9,979,318	264,117	755,934	5,178,944	7,484,489	51.90
Interests	66,541,290	53,222,805	2,885,776	2,896,497	27,146,490	39,917,104	51.01
Rent & Facilities	6,766,100	11,552,000	536,347	832,662	7,869,571	8,664,000	68.12
License & Permits	7,076,734	7,876,734	725,426	597,912	5,805,434	5,907,551	73.70
Sale Assets	400,000	2,000,000	0	0	0	1,500,000	0
Other Income	100,217,987	98,887,987	5,702,516	4,981,255	58,100,624	74,165,990	58.75
Departmental	18,713,743	18,713,743	1,376,154	1,409,194	12,715,024	14,035,307	67.94
<b>TOTAL</b>	<b>1,691,176,318</b>	<b>1,631,682,550</b>	<b>125,597,792</b>	<b>87,569,832</b>	<b>1,057,552,742</b>	<b>1,223,761,913</b>	<b>64.81</b>

Votes per line item for Other Income, See Annexure F

**Revenue per department**

<b>Revenue per Department</b>	<b>Original Budget 11/12</b>	<b>Adjusted Budget 11/12</b>	<b>Actual February 2012</b>	<b>Actual 31 March 2012</b>	<b>Year to date as at 31 March 2012</b>	<b>Pro-rata Budget 11/12</b>	<b>Spent %</b>
Public Safety	88,563,804	87,938,804	6,186,984	5,323,226	56,934,775	65,954,103	64.74
Health services	347,986	347,986	5,058	798	15,518	260,990	4.46
Community services	119,166,370	122,766,370	7,195,649	10,311,883	89,087,682	92,074,778	72.57
Sports	1,460,193	2,960,193	128,474	70,531	1,237,663	2,220,145	41.81
Housing	2,832,351	4,570,366	16,341	220,032	2,739,342	3,427,775	59.94
Council's General	9,613,454	15,619,354	2,197,324	395,448	10,820,968	11,714,516	69.28
Civil Engineering	337,131,266	344,047,039	36,472,944	24,300,124	259,509,860	258,035,279	75.43
Electrical Engineering	573,241,145	509,252,793	38,584,174	35,375,354	328,317,336	381,939,595	64.47
Corporate Services	224,471	224,471	-1,888,816	254,728	-522,716	168,353	232.87
Finance	544,685,907	528,045,803	35,521,607	10,170,230	297,421,004	396,034,351	56.32
Market	13,909,371	15,909,371	1,178,053	1,147,478	11,991,310	11,932,028	75.37
<b>TOTAL</b>	<b>1,691,176,318</b>	<b>1,631,682,550</b>	<b>125,597,792</b>	<b>87,569,832</b>	<b>1,057,552,742</b>	<b>1,223,761,913</b>	<b>64.81</b>

**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

**Health**

- All expenditure incurred for this financial year will be claimed from District Council at financial year end.

**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**

<b>March 2012</b>	<b>BILLING</b>	<b>RECEIPTS</b>	<b>%</b>
- Assessment rates	11,803,801	11,088,966	93.94
- Sales of electricity	25,973,806	26,846,624	103.36
- Sales of water	9,452,173	11,120,197	117.65
- Refuse removal	3,457,329	2,401,563	69.46
- Sewerage	4,310,745	3,421,754	79.38
	<b>54,997,854</b>	<b>54,879,104</b>	<b>99.78</b>

**OPERATIONAL EXPENDITURE**

<b>Operating Expenses</b>	<b>Original Budget</b>	<b>Adjusted Budget 11/12</b>	<b>Actual 29 February 2012</b>	<b>Actual 31 March 2012</b>	<b>Year To Date As at 31 March 2012</b>	<b>Pro – rata Budget 2011/2012</b>	<b>% Spent</b>
Employee cost	392,482,934	400,153,034	32,793,134	32,022,972	287,997,671	300,114,776	71.97
General Expenditure	483,077,029	485,746,532	25,336,529	55,197,260	301,155,178	364,309,899	62.00
Departmental Charges	14,951,847	15,438,847	1,421,450	1,423,328	12,664,521	11,579,135	82.03
Bulk Purchase:							
Water	140,546,869	142,246,869	0	14,309,944	85,516,103	106,685,152	60.12
Electricity	355,733,648	372,733,648	34,041,425	54,941,718	214,100,584	279,550,236	57.44
Repair & Maintenance	66,816,194	56,374,297	3,879,946	3,683,753	28,377,108	42,280,723	50.34
Depreciation	180,361,966	166,161,966	0	0	78,235,617	124,621,475	47.08
Contributions	137,644,704	73,389,800	11,470,392	-53,750,542	38,012,594	55,042,350	51.80
Recharges	-37,902,671	-37,902,671	-3,718,279	-3,725,659	-33,540,786	-28,427,003	88.49
<b>Total</b>	<b>1,733,712,520</b>	<b>1,674,342,322</b>	<b>105,224,597</b>	<b>104,102,776</b>	<b>1,012,518,590</b>	<b>1,255,756,742</b>	<b>60.47</b>

Votes per line item for General Expenditure. See Annexure E

## 2. Operational expenditure per department

Expenditure by vote	Original Budget	Adjusted Budget	Actual 29 February 2012	Actual 31 March 2012	Year to date as at 31 March 2012	Pro-rata 11/12	%
Public Safety	152,252,738	151,979,972	10,688,020	19,095,588	95,557,176	113,984,979	62.87
Health services	10,338,240	10,114,084	493,729	534,157	4,759,848	7,585,563	47.06
Community services	148,834,768	147,130,603	7,661,150	11,333,405	96,245,156	110,347,952	65.41
Sports	39,229,442	43,482,292	2,624,518	3,022,360	23,930,188	32,611,719	55.03
Housing	9,839,744	9,066,244	503,085	521,649	5,104,502	6,799,683	56.30
Council's General	112,984,483	110,289,383	5,911,999	12,930,038	62,487,004	82,717,037	56.66
Civil Engineering	476,205,756	466,386,867	11,303,109	34,506,706	288,936,599	349,790,150	61.95
Electrical Engineering	474,313,455	480,923,021	41,956,340	62,414,789	281,521,439	360,692,266	58.54
Corporate Services	31,441,114	30,878,114	2,486,671	2,601,276	22,311,114	23,158,586	72.26
Finance	255,777,490	198,139,218	20,267,910	-44,555,582	117,414,884	148,604,414	59.26
Market	17,892,268	17,533,768	947,492	1,292,076	10,183,689	13,150,326	58.08
LED	4,603,022	8,418,756	380,574	406,314	4,066,991	6,314,067	48.31
<b>TOTAL</b>	<b>1,733,712,520</b>	<b>1,674,342,322</b>	<b>105,224,597</b>	<b>104,102,776</b>	<b>1,012,518,590</b>	<b>1,255,756,742</b>	<b>60.47</b>

The following departments are overspent on overtime:

Departments	%
Housing	236.94
Civil Engineering	98.63
Electrical Engineering	89.22
Corporate Service	93.19

- Housing overtime – One employee from Housing has been transferred unprocedurally to Corporate, and the same employee is working additional overtime. As long as this matter its not resolved, housing overtime will continue overspend for the reason that she receiving her salary from Housing Department.
- 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**

<b>Expenditure by vote</b>	<b>Original Budget</b>	<b>Adjusted budget</b>	<b>Actual 29 February 2012</b>	<b>Actual 31 March 2012</b>	<b>Year to date as at 31 March 2012</b>	<b>Pro-rata Budget 11/12</b>	<b>%</b>
Public Safety	3,628,113	3,608,013	322,590	194,037	2,110,248	2,706,010	58.49
Health services	14,205	12,705	0	0	253	9,529	1.99
Community services	8,603,590	8,463,190	523,716	335,140	2,804,023	6,347,393	33.13
Sports Arts & Culture	3,910,999	4,225,999	134,874	411,073	1,598,046	3,169,499	37.81
Housing	60,236	247,736	0	1,844	41,808	185,802	16.88
Council's General	400,385	383,785	7,687	48,799	136,709	287,839	35.62
Civil Engineering	24,870,696	20,794,363	1,739,476	1,355,573	11,197,405	15,595,772	53.85
Electrical Engineering	19,994,256	13,246,322	934,939	847,061	8,042,111	9,934,742	60.71
Corporate Services	695,005	497,005	32,542	49,775	225,331	372,754	45.34
Finance	3,302,356	3,524,826	174,751	217,824	1,575,544	2,643,618	44.70
Market	1,247,956	1,202,956	9,371	221,763	638,089	902,217	53.04
LED	88,397	72,397	0	864	7,541	54,298	10.42
<b>TOTAL</b>	<b>66,816,194</b>	<b>56,279,297</b>	<b>3,879,946</b>	<b>3,683,753</b>	<b>28,377,108</b>	<b>42,209,473</b>	<b>50.42</b>

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

**TRANSFERS FROM OTHER RESERVES**

	<b>Original Budget</b>	<b>Adjusted budget</b>	<b>Actual 29 February 2012</b>	<b>Actual 31 March 2012</b>	<b>YTD 31 March 2012</b>	<b>Pro-rata Budget 11/12</b>	<b>%</b>
Offset Depreciation	42,463,062	42,586,632		0	0	31,939,974	0
Leave Provision	100,283	100,283			0	75,212	0
Transfer from CRR	97,831,400	33,576,496	10,649,893	-57,068,317	48,886,580	25,182,372	145.60
<b>TOTAL</b>	<b>140,394,745</b>	<b>76,263,411</b>	<b>10,649,893</b>	<b>-57,068,317</b>	<b>48,886,580</b>	<b>57,197,558</b>	<b>64.10</b>

**TRANSFERS TO OTHER RESERVES**

	<b>Original Budget</b>	<b>Adjusted budget</b>	<b>Actual 29 February 2012</b>	<b>Actual 31 March 2012</b>	<b>YTD 31 March 2012</b>	<b>Pro-rata Budget 11/12</b>	<b>%</b>
Contribution to Capital Reserves	97,831,400	33,576,496	587,586	2,340,881	10,100,024	25,182,372	30.08
<b>TOTAL</b>	<b>97,831,400</b>	<b>33,576,496</b>	<b>587,586</b>	<b>2,340,881</b>	<b>10,100,024</b>	<b>25,182,372</b>	<b>30.08</b>

**ACTUAL CAPITAL EXPENDITURE PER VOTE**

<b>Capital expenditure by vote</b>	<b>Original Budget</b>	<b>Adjusted Budget</b>	<b>Actual 29 February 2012</b>	<b>Actual at 31 march 2012</b>	<b>Year to date as at 31 March 2012</b>	<b>Pro-rata Budget 2011/2012</b>	<b>%</b>
Public Safety	4,040,687	2,512,969	0	26,500	105,643	1,884,727	4.20
Community Services	10,297,440	3,316,747	0	0	920,528	2,487,560	27.75
Health	161,200	0	0	0	0	0	0
Sports	11,525,000	9,241,068	151,501	451,881	1,845,307	6,930,801	10.52
Housing	70,000	14,490	0	0	14,486	10,868	20.69
Council General Expenditure	19,602,500	8,522,150	0	0	2,920,022	6,391,613	14.90
City Civil Engineer	98,847,011	84,206,145	1,560,793	-14,737,057	7,261,839	63,154,609	22.26
Municipal Infrastructure Grant(MIG)	99,609,000	109,245,013	1,517,643	22,716,667	27,847,980	81,933,760	5.15
City Electrical Engineer	60,573,390	44,400,598	901	-1,393,034	32,205,041	33,300,449	55.47
NER	8,719,000	8,719,000	0	0	258,078	6,539,250	2.96
Corporate Services	5,431,600	391,740	0	72,000	76,439	293,805	0.08
Finance	3,129,120	2,190,099	266,663	405,099	742,859	1,642,572	10.79
Market	4,558,000	408,000	0	54,654	84,354	306,000	0.65
Economic Affairs	1,908,500	0	0	0	0	0	0
<b>TOTAL</b>	<b>328,472,448</b>	<b>273,168,019</b>	<b>3,497,501</b>	<b>7,596,710</b>	<b>74,282,576</b>	<b>204,876,014</b>	<b>27.19</b>

### MIG Revenue and Expenditure

Description	Budget	Actual for 29 February 2012	Actual for 31 March 2012	Year to Date as at 31 March 2012	%
MIG (Income)	99,609,000	0	35,666,000	100,609,000	101
MIG (Expenditure)	99,609,000	3,059,836	5,645,994	37,641,677	37.79
MIG (Roll over 10-11)	4,000,000	0	0	-714,502	-17.86
DME (Income)	8,719,000	1,246,000	0	8,719,000	100
DME (Expenditure)	8,719,000	0	0	258,078	2.96
Fire Grant	0	1,200,000	0	1,200,000	0.00

### GRANTS & SUBSIDIES Operational allocations/grants received

Description	Original Budget	Received 29 February 2012	Received 31 March 2012	Year To Date as at 31 March 2012	%
Intergovernmental Grant	303,560,000	4,456,000	75,890,000	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**

<b>Description</b>	<b>Original Budget</b>	<b>Actual 29 February 2012</b>	<b>Actual 31 March 2012</b>	<b>YTD as at 31 March 2012</b>	<b>% Spent</b>
IGG (Free Basic Services)	99,262,000	3,358,368		58,103,937	58.53
Finance Management Grant(FMG)	1,250,000	80,050	0	756,439	60.51
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	43,106	0	408,694	40.87

**4. ACTUAL BORROWINGS**

The total amount outstanding on external loans at the end of March 2012 is R151, 858,983.10  
Attached is annexure B for more detailed information on borrowings.



## 5. INVESTMENTS

The investments as at 31 March 2012 are as follows:

Institution	Investments				
	Fixed	Call	Long Term	Collateral	Total
	R	R	R	R	R
ABSA		70 779 589			70 779 589
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>89,604,262</b>	<b>81,517</b>	<b>13,010,715</b>	<b>102,696,494</b>

Withdraw R 6 000 000 from ABSA Call (MIG) – 23 March 2012 (Paying MIG projects)  
Invest R 35 000 000 with ABSA (MIG) – 29 March 2012

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

### SUBMITTED FOR CONSIDERATION