

MONTHLY BUDGET STATEMENTS: 31 OCTOBER 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 October 2011. The spending and revenue at this stage should be in the region of 33.33%. 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 23.43% the expenditure is 22.50%

REVENUE SOURCES

Revenue by source	Original Budget 11/12	Actual 30 September 2011	Actual for 31 October 2011	Year to date As at 31 October 2011	Pro-rata Budget 11/12	%
Tariff Charges Levied	1,040,996,762	81,808,896	68,910,671	303,223,056	346,998,921	29.13
Tariff Charges/ other	132,409,384	7,924,432	12,532,127	37,984,007	44,136,461	28.69
Grants & Subsidies	307,000,000	0	0	0	102,333,333	0
Fines	11,054,318	932,013	118,785	2,252,317	3,684,773	20.37
Interests	66,541,290	2,288,686	3,061,059	11,550,471	22,180,430	17.36
Rent & Facilities	6,766,100	450,814	1,262,468	2,533,941	2,255,367	37.45
License & Permits	7,076,734	630,477	640,682	2,590,869	2,358,911	36.61
Sale Assets	400,000	0	0	0	133,333	0.00
Other Income	100,217,987	6,440,311	5,888,592	30,331,710	33,405,996	30.27
Departmental	18,713,743	1,236,798	1,360,592	5,819,800	6,237,914	31.10
TOTAL	1,691,176,318	101,712,427	93,774,976	396,286,171	563,725,439	23.43

Votes per line item for Other Income, See Annexure F

Responses for questions that were raised from previous meeting:

- R30,000 paid to Sookhupe trading it was for replacing stolen cable at Khuma
- R25,,957 paid to Morgan may trading it was for supplying garden equipment for eden coop
- R29,851 paid to Tshegofatso construction it was for supplying glass material
- R30,000 paid to Mot marketing & CO it was for Operational patella booklets
- Both R254 paid to Mokgothu OP it was refund from medical aid
- R29,550 paid to Summer sun it was for repairing electrical lines
- R29,550 paid to TD Events management it was for two big banners for fresh produce market
- Both R21,753 paid to Will Venter it was for rental borehole for June and July 2011
- R29,945 paid to Ellaton mining it was for signage roads Faan Meintjies
- R3,471 paid for Ellaton mining it was for poster heritage market

- R19,537 paid to Ellaton mining suppliers it was for signage for new education centre at Faan Meintjies
- R14,723 paid to EM'N Marketing it was for SMME corp gifts for aardklop 2009
- R21,368 paid to Bibi's house is for marketing heritage awareness
- R30,000 paid to Dikgaripa trading is for catering for Mandela day.

Revenue per department

Revenue per department	Original Budget	Actual 30 September 2011	Actual 31 October 2011	YTD as at 31 October 2011	Pro-rata 11/12	%
Public Safety	88,563,804	6,964,086	6,187,781	26,997,689	29,521,268	30.48
Health services	347,986	1,345	0	2,590	115,995	0.74
Community services	119,166,370	13,315,104	10,643,356	38,346,426	39,722,123	32.18
Sports	1,460,193	7,992	179,789	264,025	486,731	18.08
Housing	2,832,351	741	240	2,742	944,117	0.10
Council's General	9,613,454	738,808	331,641	7,365,927	3,204,485	76.62
Civil Engineering	337,131,266	33,004,971	30,328,423	102,478,716	112,377,089	30.40
Electrical Engineering	573,241,145	36,595,076	34,654,646	149,561,782	191,080,382	26.09
Corporate Services	224,471	13,262	22,471	63,690	74,824	28.37
Finance	544,685,907	9,761,177	9,820,370	66,082,652	181,561,968	12.13
Market	13,909,371	1,309,863	1,606,259	5,119,932	4,636,457	36.81
TOTAL	1,691,176,318	101,712,427	93,774,976	396,286,171	563,725,439	23.43

*Council general is at 76.62% 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 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 ask to move out that vote because is not health services function.
- Paupers – They are spending but they did not claim from the District because they don't know the procedure. Finance advice Health department to meet with District about that claiming procedure.

Sports and Culture

- Other service charges – Sports we created the new votes but the amount still went through to the old votes, then the journal will be done to correct it.

Housing

- Rental facilities and equipment: Orkney, Stilfontein and Randlespark – The collection for this hostel votes went to council general vote.
- Khuma hostel no tenants are registered as the hotel is not habitable.
- Jouberton hostel the lease agreement for this CRU's has been submitted to finance for opening new accounts.

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.

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

Oct 2011	BILLING	RECEIPTS	%
- Assessment rates	11,926,602	17,444,519	146.27
- Sales of electricity	33,585,651	27,799,200	82.77
- Sales of water	10,767,590	8,276,249	76.86
- Refuse removal	3,415,604	2,353,094	68.89
- Sewerage	4,125,307	3,446,667	83.55
	63,820,754	59,319,729	92.95

2. OPERATIONAL EXPENDITURE

	Original Budget	Actual 30 September 2011	Actual 31 October 2011	Year To Date As at 31 October 2011	Pro – rata 2011/2012	% Spent
Operating Expenses						
Employee cost	392,482,934	34,621,100	31,471,112	126,346,460	130,827,645	32.19
General Expenditure	483,077,029	33,417,359	36,134,627	117,965,330	161,025,676	24.42
Departmental Charges	14,951,847	0	2,595,912	5,765,092	4,983,949	38.56
Bulk Purchase:						
Water	140,546,869	10,982,868	3,508,772	14,510,722	46,848,956	10.32
Electricity	355,733,648	6,812,242	35,740,835	84,333,627	118,577,883	23.71
Repair & Maintenance	66,816,194	3,761,751	2,232,102	10,196,177	22,272,065	15.26
Depreciation	180,361,966	0		0	60,120,655	0.00
Contributions	137,644,704	11,470,392	11,470,392	45,881,568	45,881,568	33.33
Recharges	-37,902,671	-3,724,600	-3,753,398	-14,935,160	-12,634,224	39.40
Total	1,733,712,520	97,341,111	119,400,354	390,063,816	577,904,173	22.50

Votes per line item for General Expenditure. See Annexure E

Operational expenditure per department

Expenditure by vote	Original Budget	Actual 30 Sept 2011	Actual 31 October 2011	Year to date as at 31 October 2011	Pro-rata 11/12	%
Public Safety	152,252,738	6,629,218	15,156,555	36,763,230	50,750,913	24.15
Health services	10,338,240	570,288	494,566	2,089,383	3,446,080	20.21
Community services	148,834,768	14,567,973	10,394,359	38,768,639	49,611,589	26.05
Sports	39,229,442	2,892,551	2,874,900	10,420,416	13,076,481	26.56
Housing	9,839,744	520,179	624,859	2,160,471	3,279,915	21.96
Council's General	112,984,483	4,715,731	4,739,594	24,805,062	37,661,494	21.95
Civil Engineering	476,205,756	33,215,869	18,551,190	70,628,107	158,735,252	14.83
Electrical Engineering	474,313,455	13,369,536	42,855,578	108,709,897	158,104,485	22.92
Corporate Services	31,441,114	2,471,792	2,389,032	9,291,121	10,480,371	29.55
Finance	255,777,490	16,880,356	19,811,840	80,387,850	85,259,163	31.43
Market	17,892,268	1,052,393	1,088,362	4,188,341	5,964,089	23.41
LED	4,603,022	455,224	419,519	1,851,299	1,534,341	40.22
TOTAL	1,733,712,520	97,341,111	119,400,354	390,063,816	577,904,173	22.50

OVER-SPENDING EXPENDITURE

LED

- Vehicle maintenance – They spent for their cars been at garage for repairs since last financial year, but they will control the vote until adjustment budget.

*Overtime budget for all Departments are at 37% which is over the pro- rata by 4%

The following departments are overspent on overtime:

Departments	%
Housing	137.86
Civil Engineering	48.28
Electrical Engineering	39.95
Finance	38.69
Corporate Service	77.14

- Housing overtime was sorted out but still there is wrong allocation, department should monitor their votes.

Repairs and Maintenance per Department

Expenditure by vote	Original Budget	Actual 30 September 2011	Actual 31 October 2011	Year to date as at 31 October 2011	Pro-rata Budget 11/12	%
Public Safety	3,628,113	617,911	172,247	1,026,106	1,209,371	28.28
Health services	14,205	0	0	253	4,735	1.78
Community services	8,603,590	355,602	143,378	646,133	2,867,863	7.51
Sports Arts & Culture	3,910,999	179,700	93,043	515,671	1,303,666	10.81
Housing	60,236	4,434	0	30,909	20,079	51.31
Council's General	400,385	16,048	7,101	41,414	133,462	10.35
Civil Engineering	24,870,696	2,362,766	462,129	3,915,933	8,290,232	15.75
Electrical Engineering	19,994,256	614,637	916,103	2,981,844	6,664,752	14.91
Corporate Services	695,005	37,152	8,806	87,397	231,668	12.58
Finance	3,302,356	(501,434)	306,058	630,484	1,100,786	19.09
Market	1,247,956	73,954	120,006	315,820	415,985	25.31
LED	88,397	982	3,230	4,212	29,466	4.77
TOTAL	66,816,194	3,761,752	2,232,101	10,196,176	22,272,065	15.26

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

TRANSFERS FROM OTHER RESERVES

	Original Budget	Actual 30 Sept 2011	Actual 31 October 2011	YTD 31 October 2011	Pro-rata Budget 11/12	%
Offset Depreciation	42,463,062		0	0	10,615,766	0
Leave Provision	100,283			0	25,071	0
Transfer from CRR	97,831,400	8,152,617	8,152,617	32,610,467	32,610,467	33.33
TOTAL	140,394,745	8,152,617	8,152,617	32,610,467	46,798,248	23.23

TRANSFERS TO OTHER RESERVES

	Original Budget	Actual 30 Sept 2011	Actual 31 October 2011	YTD 31 October 2011	Pro-rata Budget 11/12	%
Contribution to Capital Reserves	97,831,400	0	2,690,036	2,986,158	32,610,467	3.05
TOTAL	97,831,400	0	2,690,036	2,986,158	32,610,467	3.05

ACTUAL CAPITAL EXPENDITURE PER VOTE

Capital expenditure by vote	Original Budget	Actual 31 Sept 2011	Actual 31 October 2011	Year to date as at 31 October 2011	Pro-rata Budget 2011/2012	%
Public Safety	4,040,687	12,366	1,100	26,670	1,346,896	0.66
Community Services	10,297,440	232,789	908,642	1,767,324	3,432,480	17.16
Health	161,200	0	0	0	53,733	0
Sports	11,525,000	0	0	0	3,841,667	0
Housing	70,000	0	0	14,486	23,333	20.69
Council General Expenditure	19,602,500	2,917,880	2,142	2,920,022	6,534,167	14.90
City Civil Engineer	98,847,011	5,418,644	2,355,158	7,739,577	32,949,004	7.83
Municipal Infrastructure Grant(MIG)	99,609,000	0	29,371	29,371	33,203,000	0.03
City Electrical Engineer	60,573,390	31,712,390	1,557,923	33,572,970	20,191,130	55.43
NER	8,719,000	0	0	0	2,906,333	0
Corporate Services	5,431,600	0	2,447	2,447	1,810,533	0.05
Finance	3,129,120	43,597	0	43,597	1,043,040	1.39
Market	4,558,000	29,700	0	29,700	1,519,333	0.65
Economic Affairs	1,908,500	0	0	0	636,167	0
TOTAL	328,472,448	40,367,366	4,856,783	46,146,146	109,490,816	14.05

MIG Revenue and Expenditure

Description	Budget	Actual September 2011	Actual 31 October 2011	Year to Date as at 31 October 2011	%
MIG (Income)	99 609 000	0	0	26,894,000	27.00
MIG (Expenditure)	99 609 000	7,214,180	3,645,430	15,574,112	15.64
MIG (Roll over 10-11)	4,000,000			-714,502	-17.86
DME (Income)	8,719,000	1,245,000	1,246,000	4,981,000	57.12

GRANTS & SUBSIDIES
Operational allocations/grants received

Description	Original Budget	Received 30 September 2011	Received 31 October 2011	Year To Date as at 31 Oct 2011	%
Intergovernmental Grant	303,560,000		0	126,041,111	41.52
Municipal System Improvement Grant	790,000	790,000	0	790,000	100
Finance Management Grant(FMG)	1,250,000		0	1,250,000	100
Improvement of Library Services	400,000		0		0

GRANTS- EXPENSE

Description	Original Budget	Actual 30 September 2011	Actual 31 October 2011	YTD as at 31 October 2011	% Spent
IGG (Free Basic Services)	99,262,000	14,691,931	8,242,576	23,524,898	23.69
Finance Management Grant(FMG)	1,250,000	94,322	104,459	390,255	31.22
Municipal System Improvement Grant	790,000	107,352	270,854	405 697	51.35
Improvement of Library Services	400,000	35,650	18,310	59,180	14.79
PMU Expenditure	1,000,000	53,744	67385	221,632	22.16

4. ACTUAL BORROWINGS

The total amount outstanding on external loans at the end of October 2011 is R160, 136,477.93
Attached is annexure B for more detailed information on borrowings.

5. INVESTMENTS

The investments as at 31 October 2011 are as follows:

Institution	Investments				
	Fixed	Call	Long Term	Collateral	Total
	R	R	R	R	R
ABSA	18,187,200	8,379,589			26,566,789
RMB		6,000,000			6,000,000
FNB			81,517		81,517
Investec					-
Nedcor				13,010,715	13,010,715
Sanlam(Policy)		5,824,673			5,824,673
	18,187,200	20,204,262	81,517	13,010,715	51,483,694

Withdraw R3 million from ABSA Call – 03 October 2011
Withdraw R1, 9 million from ABSA Call – 20 October 2011
Withdraw R1, 6 million from ABSA Call - 28 October 2011

*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 October 2011.
2. That the Accounting Officer takes cognizance of actual borrowings and actual allocations received for the month of October 2011

SUBMITTED FOR CONSIDERATION