

MONTHLY BUDGET STATEMENTS: 30 SEPTEMBER 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 30 September 2011. The spending and revenue at this stage should be in the region of 25%. 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 17.89% the expenditure is 15.61%

REVENUE SOURCES

Revenue by source	Original Budget 11/12	Actual for 31 August 2011	Actual for 30 September 2011	Year to date As at 30 September 2011	Pro-rata Budget 11/12	%
Tariff Charges Levied	1,040,996,762	70,123,062	81,808,896	234,312,385	260,249,191	22.51
Tariff Charges/ other	132,409,384	10,573,259	7,924,432	25,451,880	33,102,346	19.22
Grants & Subsidies	307,000,000	0	0	0	76,750,000	0
Fines	11,054,318	381,193	932,013	2,133,532	2,763,580	19.30
Interests	66,541,290	3,269,843	2,288,686	8,489,412	16,635,323	12.76
Rent & Facilities	6,766,100	407,865	450,814	1,271,473	1,691,525	18.79
License & Permits	7,076,734	578,732	630,477	1,950,187	1,769,184	27.56
Sale Assets	400,000	0	0	0	100,000	0.00
Other Income	100,217,987	5,981,550	6,440,311	24,443,119	25,054,497	24.39
Departmental	18,713,743	1,467,462	1,236,798	4,459,208	4,678,436	23.83
TOTAL	1,691,176,318	92,782,966	101,712,427	302,511,196	422,794,080	17.89

Votes per line item for Other Income, See Annexure F

Responses for questions that were raised from previous meeting:

- Disposal of Assets – The auction is pending due to the registration documents of 45 vehicles from Province. The auction will be arranged as soon as this is done. Mr Muntu and Mr Visser are also arranging to go to Mmabatho to sort this matter.
- R107 000 spent on Community Development Workers is as follows:
 - R5, 200 catering for CDW's during campaign and wellness day.
 - R5, 500: Transport for the CDW's Rural Development participants.
- Entertainment: MMC's
 - MMC Finance, catering of R822.10 for FDN meeting held on 16 August 2011.
 - R3, 000.00 transferred to madam speaker L.M Kortjas's debit card.
- Annexure G included for all expenditure for July 2011 under R 30 000.

Revenue per department

Revenue per department	Original Budget	Actual 31 August 2011	Actual 30 September 2011	YTD as at 30 September 2011	Pro-rata 11/12	%
Public Safety	88,563,804	6,022,145	6,964,086	20,809,908	22,140,951	23.50
Health services	347,986	1,245	1,345	2,590	86,997	0.74
Community services	119,166,370	7,221,782	13,315,104	27,703,070	29,791,593	23.25
Sports	1,460,193	76,244	7,992	84,236	365,048	5.77
Housing	2,832,351	741	741	2,502	708,088	0.09
Council's General	9,613,454	740,585	738,808	7,034,286	2,403,364	73.17
Civil Engineering	337,131,266	27,141,282	33,004,971	72,150,293	84,282,817	21.40
Electrical Engineering	573,241,145	39,859,707	36,595,076	114,907,136	143,310,286	20.05
Corporate Services	224,471	10,985	13,262	41,219	56,118	18.36
Finance	544,685,907	10,569,015	9,761,177	56,262,284	136,171,477	10.33
Market	13,909,371	1,139,235	1,309,863	3,513,673	3,477,343	25.26
TOTAL	1,691,176,318	92,782,966	101,712,427	302,511,195	422,794,080	17.89

*Council general is at 73.17% due to the money deposited into our bank account from Isago Developers for the N12 mall

BASIC SERVICES

Sept 2011

	BILLING	RECEIPTS	%
- Assessment rates	12,259,090	12,768,726	104.16
- Sales of electricity	35,320,984	30,905,027	87.50
- Sales of water	19,654,511	8,430,573	42.89
- Refuse removal	3,786,418	2,482,320	65.56
- Sewerage	4,786,588	3,624,603	75.72
	75,807,591	58,211,249	76.79

2. OPERATIONAL EXPENDITURE

Operating Expenses	Original Budget	Actual 31 August 2011	Actual 30 September 2011	Year To Date As at 30 September 2011	Pro – rata 2011/2012	% Spent
Employee cost	392,482,934	29,795,629	34,621,100	94,875,348	98,120,734	24.17
General Expenditure	483,077,029	17,187,894	33,417,359	81,830,703	120,769,257	16.94
Departmental Charges	14,951,847	1,423,589	0	3,169,181	3,737,962	21.20
Bulk Purchase:						
Water	140,546,869	0	10,982,868	11,001,950	35,136,717	7.83
Electricity	355,733,648	41,777,070	6,812,242	48,592,792	88,933,412	13.66
Repair & Maintenance	66,816,194	3,363,627	3,761,751	7,964,075	16,704,049	11.92
Depreciation	180,361,966	0	0	0	45,090,492	0.00
Contributions	137,644,704	11,470,392	11,470,392	34,411,176	34,411,176	25.00
Recharges	-37,902,671	-3,726,442	-3,724,600	-11,181,762	-9,475,668	29.50
Total	1,733,712,520	101,291,759	97,341,111	270,663,462	433,428,130	15.61

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

Expenditure by vote	Original Budget	Actual 31 August 2011	Actual 30 Sept 2011	Year to date as at 30 Sept 2011	Pro-rata 10/11	%
Public Safety	152,252,738	7,167,629	6,629,218	21,606,675	38,063,185	14.19
Health services	10,338,240	509,724	570,288	1,594,817	2,584,560	15.43
Community services	148,834,768	6,925,632	14,567,973	28,374,280	37,208,692	19.06
Sports	39,229,442	2,732,417	2,892,551	7,545,516	9,807,361	19.23
Housing	9,839,744	529,924	520,179	1,535,612	2,459,936	15.61
Council's General	112,984,483	7,152,190	4,715,731	20,065,468	28,246,121	17.76
Civil Engineering	476,205,756	9,788,660	33,215,869	52,076,917	119,051,439	10.94
Electrical Engineering	474,313,455	48,245,559	13,369,536	65,854,319	118,578,364	13.88
Corporate Services	31,441,114	2,339,634	2,471,792	6,902,090	7,860,279	21.95
Finance	255,777,490	14,158,962	16,880,356	60,576,010	63,944,373	23.68
Market	17,892,268	1,132,707	1,052,393	3,099,979	4,473,067	17.33
LED	4,603,022	608,721	455,224	1,431,780	1,150,756	31.11
TOTAL	1,733,712,520	101,291,759	97,341,111	270,663,462	433,428,130	15.61

*Overtime budget for all Departments are at 28.02% which is over the pro-rata by 3.02%

The following departments are overspent on overtime:

Departments	%
Public Safety	28.65
Housing	57.46
Civil Engineering	34.22
Electrical Engineering	29.36
Finance	32.83
Corporate Service	62.05

Repairs and Maintenance per Department

Expenditure by vote	Original Budget	Actual 31 August 2011	Actual 30 September 2011	Year to date as at 30 September 2011	Pro-rata Budget	%
Public Safety	3,385,962	157,734	617,911	853,859	846,491	25.22
Health services	14,205	253	0	253	3,551	1.78
Community services	8,603,590	147,153	355,602	502,755	2,150,898	5.84
Sports Arts & Culture	3,910,999	228,024	179,700	422,628	977,750	10.81
Housing	60,236	26,475	4,434	30,909	15,059	51.31
Council's General	400,385	14,075	16,048	34,313	100,096	8.57
Civil Engineering	25,112,847	784,669	2,362,766	3,453,804	6,278,212	13.75
Electrical Engineering	19,994,256	1,016,084	614,637	2,065,741	4,998,564	10.33
Corporate Services	695,005	41,440	37,152	78,591	173,751	11.31
Finance	3,302,356	825,860	(501,434)	324,426	825,589	9.82
Market	1,247,956	121,860	73,954	195,814	311,989	15.69
LED	88,397	0	982	982	22,099	1.11
TOTAL	66,816,194	3,363,627	3,761,752	7,964,075	16,704,049	11.92

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

TRANSFERS FROM OTHER RESERVES

	Original Budget	Actual 31 Aug 2011	Actual 30 Sept 2011	YTD	Pro-rata Budget	%
Offset Depreciation	42,463,062	0		0	10,615,766	0
Leave Provision	100,283	0		0	25,071	0
Transfer from CRR	97,831,400	8,152,617	8,152,617	24,457,850	24,457,850	25.00
TOTAL	140,394,745	8,152,617	8,152,617	24,457,850	35,098,686	11.61

TRANSFERS TO OTHER RESERVES

	Original Budget	Actual 31 Aug 2011	Actual 30 Sept 2011	YTD	Pro-rata Budget	%
Contribution to Capital Reserves	97,831,400	27,148	0	0	24,457,850	34.45
TOTAL	97,831,400	27,148	0	0	24,457,850	34.45

ACTUAL CAPITAL EXPENDITURE PER VOTE

Capital expenditure by vote	Original Budget	Actual 31 August 2011	Actual 31 Sept 2011	Year to date as at 31 Sept 2011	Pro-rata Budget 2011/2012	%
Public Safety	4,040,687	13,205	12,366	25,570	1,010,172	0.63
Community Services	10,297,440	625,893	232,789	858,682	2,574,360	8.34
Health	161,200	0	0	0	40,300	0
Sports	11,525,000	0	0	0	2,881,250	0
Housing	70,000	0	0	14,486	17,500	20.69
Council General Expenditure	19,602,500	0	2,917,880	2,917,880	4,900,625	14.89
City Civil Engineer	86,957,880	-34,226	5,418,645	5,384,419	21,739,470	6.19
Municipal Infrastructure Grant(MIG)	111,498,131	0	0	0	27,874,533	0
City Electrical Engineer	60,573,390	48,169	31,712,390	32,015,047	15,143,348	52.85
NER	8,719,000	0	0	0	2,179,750	0
Corporate Services	5,431,600	0	0	0	1,357,900	0
Finance	3,129,120	0	43,597	43,597	782,280	1.39
Market	4,558,000	0	29,700	29,700	1,139,500	0.65
Economic Affairs	1,908,500	0	0	0	477,125	0
TOTAL	328,472,448	653,041	40,367,366	41,289,381	82,118,112	12.57

MIG Revenue and Expenditure

Description	Budget	Actual August 2011	Actual September 2011	Year to Date as at 30 September 2011	%
MIG (Income)	99 609 000	0	0	26,894,000	27.00
MIG (Expenditure)	99 609 000	0	7,214,180	7,214,180	7.24
MIG (Roll over 10-11)	4,000,000	4,714,502		-714,502	-17.86
DME (Income)	8,719,000	2,490,000	1,245,000	3,735,000	42.84

GRANTS & SUBSIDIES

Operational allocations/grants received

Description	Original Budget	Received 31 August 2011	Received 30 September 2011	Year To Date as at 30 September 2011	%
Intergovernmental Grant	303,560,000	0		126,041,111	
Municipal System Improvement Grant	790,000	0	790,000	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 31 August 2011	Actual 30 September 2011	YTD as at 31 August 2011	% Spent
IGG (Free Basic Services)	99,262,000	2,687,682	14,691,931	18,441,127	18.58
Finance Management Grant(FMG)	1,250,000	81,884	94,322	285,796	22.86
Municipal System Improvement Grant	790,000	0	107,352	134,843	17.06
Improvement of Library Services	400,000	5,220	35,650	40,870	10.21
PMU Expenditure	1,000,000	55,805	53,744	154,247	15.42

4. ACTUAL BORROWINGS

The total amount outstanding on external loans at the end of September 2011 is R160, 220,712.04 Attached is annexure B for more detailed information on borrowings.

5. INVESTMENTS

The investments as at 30 September 2011 are as follows:

Institution	Investments				
	Fixed	Call	Long Term	Collateral	Total
	R	R	R	R	R
ABSA	18,187,200	14,879,589			33,066,789
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	26,704,262	81,517	13,010,715	57,983,694

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

SUBMITTED FOR CONSIDERATION