

MONTHLY BUDGET STATEMENTS: 31 July 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 July 2011. The spending and revenue at this stage should be in the region of 8.33%. 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 6.34% the expenditure is 3.95%

REVENUE SOURCES

Revenue by source	Original Budget 11/12	Actual for 31 July 2011	Year to date As at 31 July 2011	Pro-rata Budget 11/12	%
Tariff Charges Levied	1,040,996,762	82,380,426	82,380,426	86,749,730	7.91
Tariff Charges/ other	132,409,384	6,954,190	6,954,190	11,034,115	5.25
Grants & Subsidies	307,000,000	0	0	25,583,333	0
Fines	11,054,318	820,325	820,325	921,193	7.42
Interests	66,541,290	2,930,883	2,930,883	5,545,108	4.40
Rent & Facilities	6,766,100	412,794	412,794	563,842	6.10
License & Permits	7,076,734	740,978	740,978	589,728	10.47
Sale Assets	400,000	0	0	33,333	0.00
Other Income	100,217,987	12,021,258	12,021,258	8,351,499	12.00
Departmental	18,713,743	1,754,948	1,754,948	1,559,479	9.38
Transfers from other reserves	140,394,745	8,152,617	8,152,617	11,699,562	5.81
TOTAL	1,831,571,063	116,168,419	116,168,419	152,630,922	6.34

Notes

1. Total Revenue includes transfer from other reserves.
Votes per line item for Other Income, See Annexure F

Revenue per department

Revenue per department	Original Budget	Actual 31 July 2011	YTD as at 31 July 2011	Pro-rata 11/12	%
Public Safety	88,562,650	7,823,676	7,823,676	7,380,221	8.83
Health services	356,156	0	0	29,680	0
Community services	120,285,401	7,166,184	7,166,184	10,023,783	5.96
Sports	2,366,135	0	0	197,178	0
Housing	2,887,010	1,020	1,020	240,584	0.04
Council's General	9,621,830	5,554,892	5,554,892	801,819	57.73
Civil Engineering	369,521,411	12,004,040	12,004,040	30,793,451	3.25
Electrical Engineering	580,832,190	38,452,353	38,452,353	48,402,683	6.62
Corporate Services	454,569	16,972	16,972	37,881	3.73
Finance	642,625,993	44,084,707	44,084,707	53,552,165	6.86
Market	13,918,496	1,064,575	1,064,575	1,159,875	7.65
Economic affairs and Corp	139,222	0	0	11,602	0
TOTAL	1,831,571,063	116,168,419	116,168,419	152,630,922	6.34

*Council general is at 57.73 due to the money deposited into our bank account from Isago Developers for the N12 mall

BASIC SERVICES

July 2011	BILLING	RECEIPTS	%
- Assessment rates	25,139,267	10,728,764	42.68
- Sales of electricity	33,472,805	21,248,770	63.48
- Sales of water	14,584,258	6,943,575	47.61
- Refuse removal	3,615,240	2,271,087	62.82
- Sewerage	4,780,661	3,349,004	70.05
	81,592,231	44,541,200	54.59

2. OPERATIONAL EXPENDITURE

Operating Expenses	Original Budget	Actual 31 July 2011	Year To Date As at 31 July 2011	Pro – rata 2011/2012	% Spent
Employee cost	392,482,934	30,458,619	30,458,619	32,706,911	7.76
General Expenditure	483,077,029	31,225,454	31,225,454	40,256,419	6.46
Departmental Charges	14,951,847	1,745,591	1,745,591	1,245,987	11.67
Bulk Purchase:					
Water	140,546,869	19,081	19,081	11,712,239	0.01
Electricity	355,733,648	3,480	3,480	29,644,471	0.00
Repair & Maintenance	66,816,194	838,698	838,698	5,568,016	1.26
Depreciation	180,361,966	0	0	15,030,164	0.00
Contributions	137,644,704	11,470,392	11,470,392	11,470,392	8.33
Contribution to Capital Reserve	97,831,400	268,974	268,974	8,152,617	0.27
Recharges	-37,902,671	-3,730,720	-3,730,720	-3,158,556	9.84
Total	1,831,543,920	72,299,569	72,299,569	152,628,660	3.95

Votes per line item for General Expenditure. See Annexure E

Operational expenditure per department

Expenditure by vote	Original Budget	Actual 31 July 2011	Year to date as at 31 July 2011	Pro-rata 10/11	%
Public Safety	152,252,738	7,809,828	7,809,828	12,687,728	5.13
Health services	10,338,240	514,805	514,805	861,520	4.98
Community services	148,834,768	6,880,675	6,880,675	12,402,897	4.62
Sports	39,229,442	1,920,548	1,920,548	3,269,120	4.90
Housing	9,839,744	485,509	485,509	819,979	4.93
Council's General	112,984,483	8,197,548	8,197,548	9,415,374	7.26
Civil Engineering	476,205,756	9,072,387	9,072,387	39,683,813	1.91
Electrical Engineering	474,313,455	4,239,224	4,239,224	39,526,121	0.89
Corporate Services	31,441,114	2,090,664	2,090,664	2,620,093	6.65
Finance	353,608,890	29,805,668	29,805,668	29,467,408	8.43
Market	17,892,268	914,879	914,879	1,491,022	5.11
LED	4,603,022	367,834	367,834	383,585	7.99
TOTAL	1,831,543,920	72,299,569	72,299,569	152,628,660	3.95

*There was an amount of R3.2 million of bad debts written off for July 2011.

*Overtime budget for all Departments are at 10.34% which is over the pro-rata by 2.01%

*234.64% for Housing its wrong allocation, the journal will be done in August 2011 for correction.

The following departments are overspent on overtime:

Departments	%
Public Safety	11.06
Housing	234.64
Civil Engineering	12.26
Electrical Engineering	10.92
Finance	14.63
Corporate Service	20.25

Repairs and Maintenance per Department

Expenditure by vote	Original Budget	Actual 31 July 2011	Year to date as at 31 July 2011	Pro-rata Budget	%
Public Safety	3,385,962	78,214	78,214	282,164	2.31
Health services	14,205	0	0	1,184	0
Community services	8,603,590	0	0	716,966	0
Sports Arts & Culture	3,910,999	14,905	14,905	325,917	0.38
Housing	60,236	0	0	5,020	0
Council's General	400,385	4,190	4,190	33,365	1.05
Civil Engineering	25,112,847	306,369	306,369	2,092,737	1.22
Electrical Engineering	19,994,256	435,020	435,020	1,666,188	2.18
Corporate Services	695,005	0	0	57,917	0
Finance	3,302,356	0	0	275,196	0
Market	1,247,956	0	0	103,996	0
LED	88,397	0	0	7,366	0
TOTAL	66,816,194	838,698	838,698	5,568,016	1.26

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

ACTUAL CAPITAL EXPENDITURE PER VOTE

Capital expenditure by vote	Original Budget	Actual 31 July 2011	Year to date as at 31 July 2011	Pro-rata Budget 2011/2012	%
Public Safety	3,935,000	0	0	327,917	0
Community Services	1,424,000	0	0	118,667	0
Health	161,200	0	0	13,433	0
Sports	11,525,00	0	0	960,417	0
Housing	70,000	14,485	14,485	5,833	20.69
Council General Expenditure	16,202,500	0	0	1,350,208	0
City Civil Engineer	107,557,000	0	0	8,963,083	0
Municipal Infrastructure Grant(MIG)	99,609,000	0	0	8,300,750	
City Electrical Engineer	48,279,000	254,489	254,489	4,023,250	0.53
NER	7,948,000	0	0	726,583	0
Corporate Services	5,431,600	0	0	452,633	0
Finance	2,502,600	0	0	208,550	0
Market	4,558,000	0	0	379,833	0
Economic Affairs	4,513,500	0	0	376,125	0
TOTAL	206,159,400	268,974	268,974	17,179,950	0.13

MIG Revenue and Expenditure

Description	Budget	Actual July 2011	Year to Date as at 31 July 2011	%
MIG (Income)	99 609 000	26 894 000	26 894 000	27.00
MIG (Expenditure)	99 609 000	0	0	0

GRANTS & SUBSIDIES

Operational allocations/grants received

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

GRANTS- EXPENSE

Description	Original Budget	Actual 31 July 2011	YTD as at 31 July 2011	% Spent
IGG (Free Basic Services)	99,262,000	4,500	4,500	0
Finance Management Grant(FMG)	1,250,000	109,592	109,592	8.76
Municipal System Improvement Grant	790,000	27,491	27,491	9.80
Improvement of Library Services	400,000	0	0	0
PMU Expenditure	1,000,000	44,698	44,698	4.47

4. ACTUAL BORROWINGS

The total amount outstanding on external loans at the end of July 2011 is R137, 945,628.03
Attached is annexure B for more detailed information on borrowings.

5. INVESTMENTS

The investments as at 31 July 2011 are as follows:

Institution	Investments				
	Fixed	Call	Long Term	Collateral	Total
	R	R	R	R	R
ABSA	18,187,200	29,229,589			47,416,789
RMB		6,000,000			6,000,000
FNB			81,517		81,517
Investec		34,348,186			34,348,186
Nedcor				13,010,715	13,010,715
Sanlam(Policy)		5,824,673			5,824,673
	18,187,200	75,402,448	81,517	13,010,715	106,681,880

R6 million invested with RMB Call on the 15th July 2011

R33.8 million invested with Investec Call on the 15th July 2011

R25 million invested with ABSA Call on the 29th July 2011

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

SUBMITTED FOR CONSIDERATION