

MONTHLY BUDGET STATEMENT: 31 MAY 2013

MUNICIPAL FINANCE MANAGEMENT ACT NO.56 of 2003(MFMA): MONTHLY FINANCIAL REPORT FOR MAY 2013 (MONTHLY BUDGET STATEMENT)

1. PURPOSE

To comply with section 71 of the MFMA, by the provision of a statement to the Executive Mayor containing certain financial particulars, as legislated.

2. BACKGROUND

Section 71 of the MFMA requires that:

The accounting officer of a Municipality must by no later than **10 working days** after the end of each month submit to the **Mayor of the municipality**, and the relevant **National and Provincial Treasury**, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month.

3. MAY 2013 REPORT

The financial results for the period ended 31 May 2013 are summarized as follows:

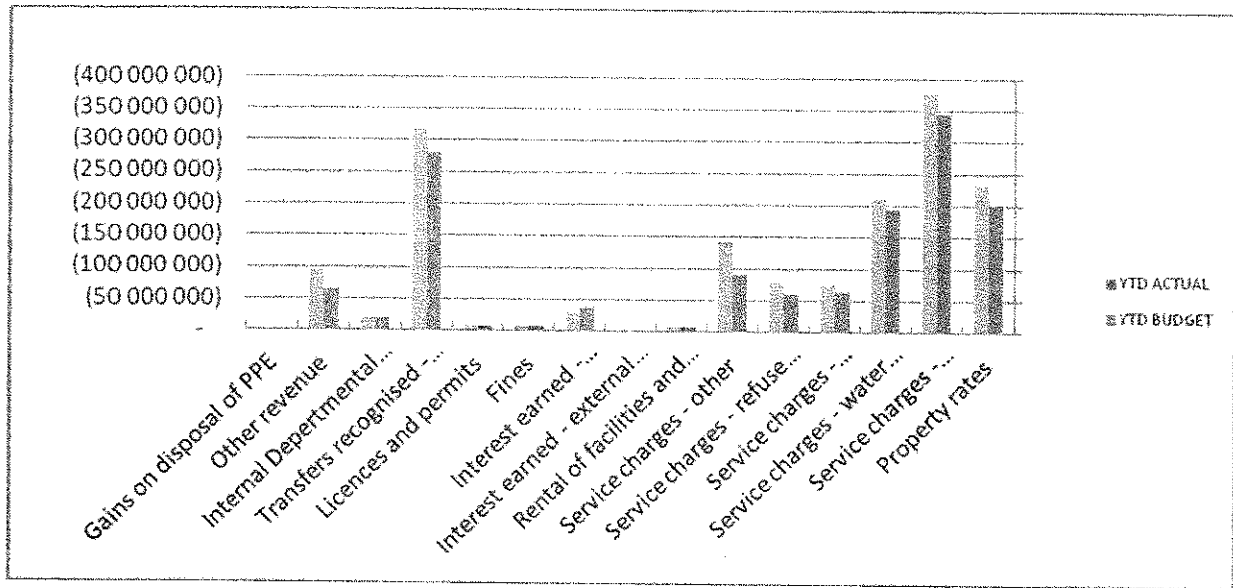
Statement of Financial Performance (SFP)

The SFP shown in Annexure A is prepared on a similar basis to the prescribed budget format, detailing revenue by source type and expenditure by category.

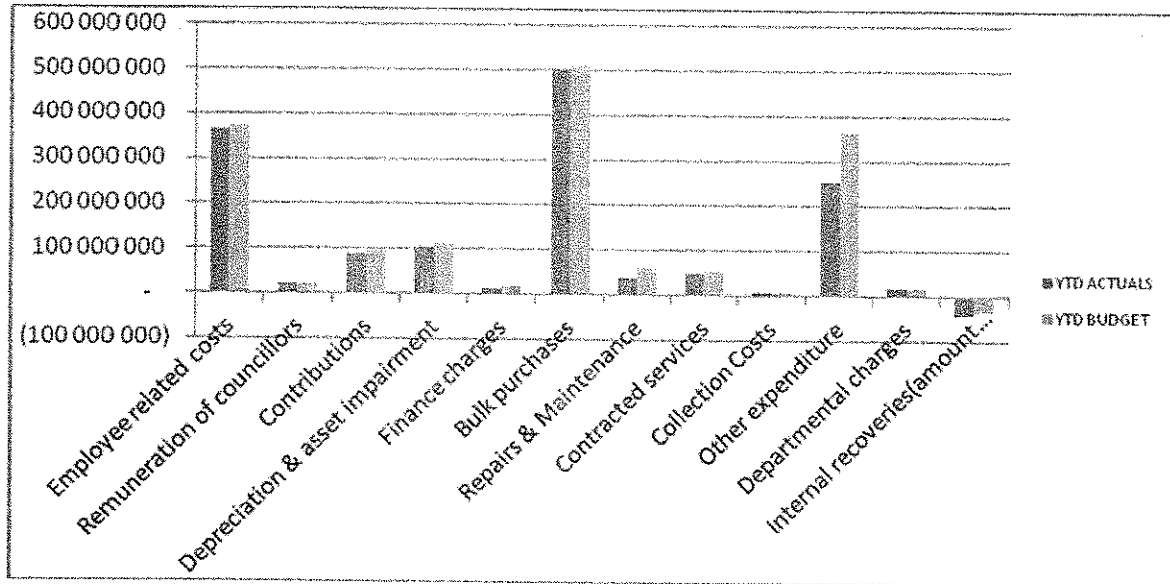
The summary report indicates the following:

Description	Financial Performance			
	YTD Budget	May Actual 2013	YTD Actual	Variance (Favourable) Unfavourable
Total Revenue By Source	(1,614,141,870)	(138,998,424)	(1,465,013,596)	149,128,274
Total Operating Expenditure	1,613,928,331	91,984,490	1,433,855,327	(180,073,003)
(SURPLUS)/ DEFICIT	(213,539)	(47,013,934)	(31,158,269)	(30,944,729)

YTD Actual Income vs YTD Budget Income



YTD Actual Expenditure vs YTD Budget Expenditure



Capital expenditure report (Annexure B)

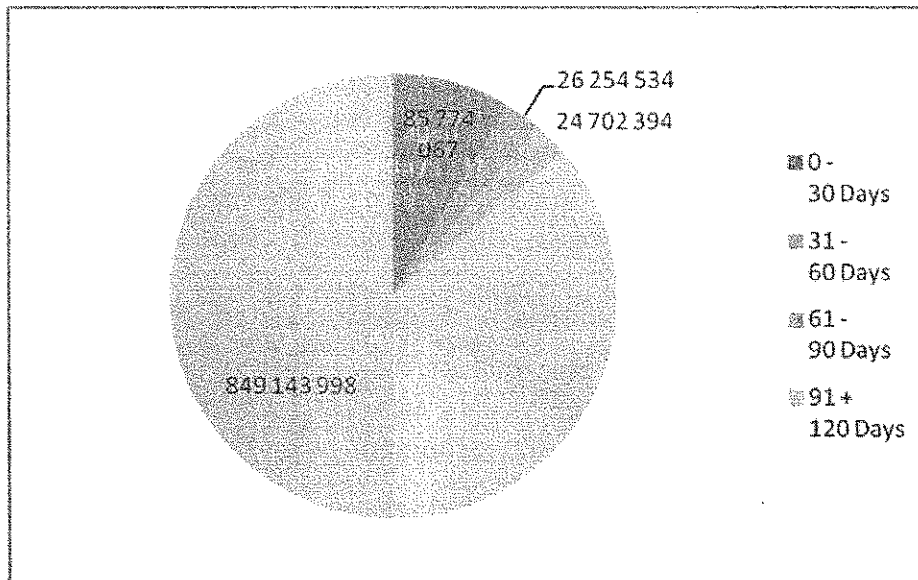
The summary report indicates the following:

Summary statement of Capital Expenditure				
Description	YTD Budget	May Actual 2013	YTD Actual	Variance Favourable (Unfav)
Total Capital Expenditure	197,975,510	10,177,876	90,253,647	(107,721,864)

MIG capital expenditure for May month amount of R10, 013,136 and the year to date is R75, 481,132 of which is 40% of the total allocation.

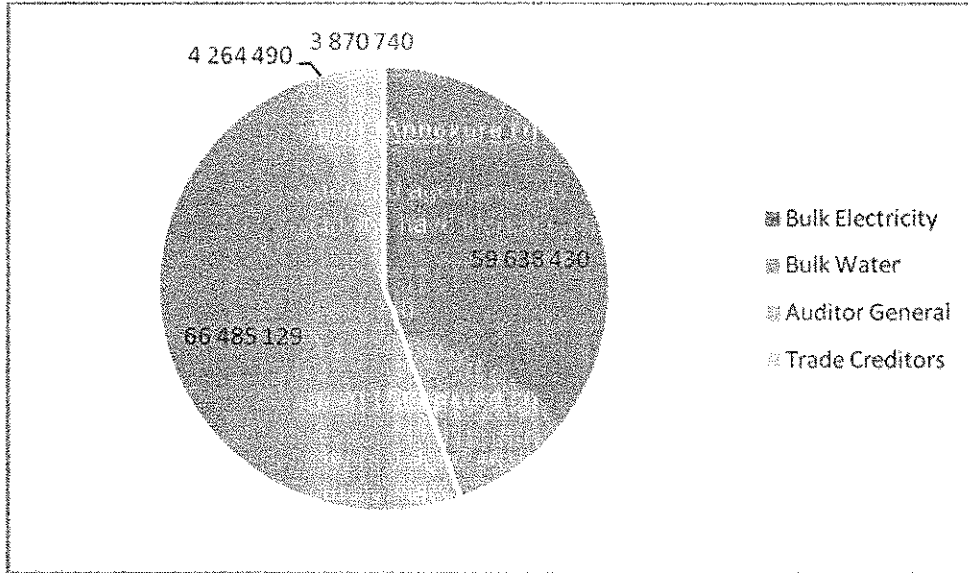
Outstanding Debtors report (Annexure C)

This format provides an extended aged analysis, as well as debtor's type. The summary report indicates that the debtor's greater than 30 days (31-90+days) balance as at 31 May 2013 amounts to R900.1million. It decreases with R9.3million from the previous month.



Outstanding Creditors report (Annexure D)

This format provides an extended aged analysis, as well as creditor's type. This month result indicates that (bulk purchase for electricity) have increased from R43.1 million to R59.6 million.



Investment Portfolio (Annexure E)

The table indicates the status of the investment portfolio and detail of where invested, which amounts to R 91,668,037 as at 31 May 2013.

Institution	Investments				Total
	Fixed	Call	Long Term	Collateral	
	R	R	R	R	R
ABSA		61,959,678			61,959,678
FNB			85,136		85,136
RMB					-
Investec		8,000,000			8,000,000
Nedcor				15,472,610	15,472,610
Sanlam (Policy)		6,150,613			6,150,613
		76,110,291	85,136	15,472,610	91,668,037

ANNEXURE F (BORROWINGS)

The total amount outstanding on external loans at the end of May 2013 is R133, 372,647.

4. FINANCIAL IMPLICATIONS

The report covers the period from 1 July 2012 to 31 May 2013. 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. Year to date actual total budgeted revenue amounts to R1 385b is 13.5 % below a YTD budget of R1 603b. Actual YTD expenditure is 11% below YTD budget, due to less spending as a result of low collection. Collection still remains a challenge as evidenced by the growing debtors' book.

5. RECOMMENDATION

That the Accounting Officer submits to the Executive Mayor this statement as per section 71 of the MFMA.

ANNEXURE A - FINANCIAL PERFORMANCE

Budgeted Financial Performance (revenue and expenditure) - May 2013

Description	Current Year 2012/13							
	Full year Budget	April Actual 2012/13	May Actual 2012/13	YTD Actual	YTD Budget	Variance	Variance	YTD %
Revenue By Source								
Property rates	(253 065 211)	(15 859 386)	(15 135 774)	(202 875 992)	(231 976 443)	29 100 452	(12.54)	80.17
Service charges - electricity revenue	(411 054 158)	(12 764 181)	(29 319 420)	(344 761 124)	(376 799 645)	32 038 521	(8.50)	83.87
Service charges - water revenue	(230 839 110)	(16 410 907)	(12 163 950)	(195 508 648)	(211 602 518)	16 093 870	(7.61)	84.69
Service charges - sanitation revenue	(81 027 920)	(4 515 291)	(4 566 300)	(65 282 805)	(74 275 593)	8 992 788	(12.11)	80.57
Service charges - refuse revenue	(84 753 536)	(3 736 864)	(3 717 993)	(61 171 138)	(77 690 741)	16 519 604	(21.26)	72.18
Service charges - other	(155 365 690)	(13 140 907)	(8 589 076)	(90 272 997)	(142 418 549)	52 145 552	(36.61)	58.10
Rental of facilities and equipment	(8 081 604)	(692 818)	(829 707)	(7 569 679)	(7 408 137)	(161 542)	2.18	93.67
Interest earned - external investments	(1 500 000)	(32 274)	(31 316)	(1 680 668)	(1 375 000)	(305 668)	22.23	112.04
Interest earned - outstanding debtors	(32 495 475)	(3 172 190)	(251 454)	(37 540 849)	(29 787 519)	(7 753 331)	26.03	115.53
Fines	(8 311 360)	(634 898)	(389 522)	(6 450 069)	(7 618 747)	1 168 678	(15.34)	77.61
Licences and permits	(8 524 982)	(475 706)	(1 008 021)	(7 095 761)	(7 814 567)	718 806	(9.20)	83.23
Transfers recognised - operational	(348 412 288)	(27 333 693)	(27 743 232)	(279 590 967)	(319 377 931)	39 786 963	(12.46)	80.25
Internal Departmental Transfers	(20 706 848)	(1 589 141)	(1 460 294)	(18 219 051)	(18 981 277)	762 227	(4.02)	87.99
Other revenue	(102 555 499)	(3 651 893)	(9 144 159)	(65 506 711)	(94 009 207)	28 502 496	(30.32)	63.87
Gains on disposal of PPE	(2 200 000)	-	-	(1 941 096)	(2 016 667)	75 571	(3.75)	88.23
Total Revenue	(1 748 893 681)	(104 110 130)	(114 348 228)	(1 385 467 555)	(1 603 152 541)	217 684 986	(13.58)	79.22
Expenditure By Type								
Employee related costs	407 589 747	33 113 322	33 967 350	364 951 844	373 623 935	(8 672 090)	(2.32)	89.54
Remuneration of councillors	22 349 133	1 885 224	1 885 224	20 388 051	20 486 705	(98 654)	(0.48)	91.23
Contributions	107 291 223	7 955 269	7 955 269	87 507 954	98 350 288	(10 842 333)	(11.02)	81.56
Depreciation & asset impairment	122 708 245	-	-	105 507 087	112 482 558	(6 975 471)	(6.20)	85.98
Finance charges	19 886 605	282 391	290 593	13 441 491	18 231 222	(4 789 731)	(26.27)	67.58
Bulk purchases	556 821 258	94 424 578	19 891 272	503 781 717	510 419 487	(6 637 770)	(1.30)	90.47
Repairs & Maintenance	67 344 376	4 608 735	3 043 542	37 531 882	61 732 347	(24 200 465)	(39.20)	55.73
Contracted services	59 418 171	5 329 574	5 426 886	49 412 910	54 466 657	(5 053 747)	(9.28)	83.16
Collection Costs	6 530 000	1 050 219	363 241	6 267 889	5 985 833	282 055	4.71	95.99
Other expenditure	396 860 884	16 053 090	21 265 014	263 388 163	363 789 144	(110 400 981)	(30.35)	63.85
Departmental charges	21 084 770	1 681 058	1 546 418	18 935 739	19 327 706	(391 967)	(2.03)	89.81
Internal recoveries (amount charge out)	(39 065 327)	(3 826 259)	(3 815 055)	(42 031 914)	(35 809 883)	(6 222 031)	17.38	107.59
Total Expenditure	1 748 821 060	162 557 361	91 819 753	1 419 082 813	1 603 085 997	(184 003 185)	(11.48)	81.15
Surplus/(Deficit)	(72 593)	58 447 171	(22 528 475)	33 615 258	(66 544)	33 681 802		
Transfer from Other Reserves	(11 988 353)	(27 407 948)	(24 650 196)	(79 546 041)	(10 989 329)	(68 556 712)	623.85	
Transfer to Other Reserves	11 828 000	4 738 332	164 737	14 772 515	10 842 333	3 930 181	36.25	
(Surplus)/ Deficit for the year	(232 952)	35 775 555	(47 013 934)	(31 158 269)	(213 539)	(30 944 729)		

ANNEXURE B CAPITAL EXPENDITURE

NW403 City Of Matlosana - Budgeted Capital Expenditure - May 2013

R thousand	Full Budget	May 2013	YTD Actual	YTD Budget	Variance	YTD %
Capital Expenditure						
<i>Corporate services</i>	-	-	-	-	-	-
Executive and council	-	-	-	-	-	0
Corporate services	-	-	-	-	-	-
Municipal & Environmental Services	12 000 813	49 770	1 796 965	11 000 745	(9 203 780)	14.97
Community and social services	1 318 841	-	122 323	1 208 938	(1 086 615)	9.28
Sport and recreation	9 564 896	-	677 017	8 767 821	(8 090 804)	7.08
Refuse removal	499 868	-	499 867	458 212	41 655	100.00
Public Safety	517 208	49 770	497 758	565 774	(68 016)	80.65
Health	-	-	-	-	-	-
Macro city planning & Development	962 125	-	688 864	881 948	(193 084)	71.60
Planning and development	962 125	-	544 201	881 948	(337 747)	56.56
Market	-	-	144 663	-	144 663	-
Civil Services & Human Settlements	170 473 759	8 456 453	72 007 335	156 267 612	(84 260 278)	42.24
Water	24 255 700	24 174	10 574 700	22 234 392	(11 659 692)	43.60
Waste water management(Sewer)	29 205 837	1 100 015	15 936 631	26 772 017	(10 835 386)	54.57
Roads	117 012 222	7 332 264	45 496 004	107 261 204	(61 765 200)	38.88
Housing	-	-	-	-	-	-
Electrical & Mechanical Engineering	32 536 587	1 671 653	15 760 483	29 825 205	(14 064 722)	85.19
Electrical	32 536 587	1 671 653	15 760 483	29 825 205	(14 064 722)	48.44
Finance	-	-	-	-	-	-
Finance	-	-	-	-	-	-
Total Capital Expenditure	216 273 284	10 177 876	90 253 647	197 975 510	(107 721 864)	41.79

ANNEXURE C
DEBTOR'S AGE ANALYSIS - May 2013

Detail	0 -	31 -	61 -	91 +	Total
	30 Days	60 Days	90 Days	120 Days	
Debtors Age Analysis By Income Source					
Water Tariffs	17 649 839	7 981 147	8 891 639	229 381 965	263 904 590
Electricity Tariffs	31 364 494	4 025 518	3 192 317	96 815 774	135 398 103
Rates (Property Rates)	11 764 407	3 067 213	2 288 811	79 014 718	96 135 149
Sewerage / Sanitation Tariffs	4 299 102	1 653 120	1 429 380	55 960 626	63 342 228
Refuse Removal Tariffs	3 422 516	1 717 602	1 593 510	63 392 810	70 126 438
Other	17 273 709	7 809 934	7 306 737	324 578 105	356 968 485
Total By Income Source	85 774 067	26 254 534	24 702 394	849 143 998	985 874 993
Debtors Age Analysis By Customer Group					
Government	3 567 174	750 849	609 071	22 106 595	27 033 689
Business	13 441 735	3 657 128	2 634 755	65 638 232	85 371 850
Households	68 064 311	21 207 678	20 831 809	728 708 535	838 812 333
Other	700 847	638 879	626 759	32 690 636	34 657 121
Total By Customer Group	85 774 067	26 254 534	24 702 394	849 143 998	985 874 993

ANNEXURE D
 OUTSTANDING CREDITORS STATEMENT -MAY 2013

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 +Days	Total
Bulk Electricity	32 057 017	25 974 822	1 606 591	-	-	59 638 430
Bulk Water	18 279 199	11 505 902	56 291	833 453	35 810 284	66 485 129
Auditor General	89 829	24 070	1 480 030	279 504	2 391 057	4 264 490
Trade Creditors	766 010	1 009 815	278 152	1 816 763	-	3 870 740
Total	51 192 055	38 514 609	3 421 064	2 929 720	38 201 341	134 258 789

ANNEXURE E

Investment Portfolio: 31 May 2013
City of Matlosana

INSTITUTION	INTEREST RATE	PERIOD	APRIL 2013	MAY 2013	MATURITY DATE	EXPLANATION
Call Investment						
ABSA	3.30%		53 576	53 576		
ABSA	3.25%		43 123	43 123		
ABSA	4.47%		75 472 357	61 498 566		
ABSA	3.25%		364 413	364 413		
INVESTEC	4.70%		8 000 000	8 000 000		
TOTAL Call Investment			83 933 469	69 959 678		
Collateral						
SANLAM	Policy	Guaranteed Capital	5 764 535	5 764 535	01/12/2013	Policy
SANLAM	Policy	Guaranteed Capital	386 078	386 078	01/08/2014	Policy
NEDCOR	Minimum 5%		15 472 610	15 472 610	30/06/2019	Security
TOTAL			21 623 223	21 623 223		
Long Term Investment						
FNB	10.00%	1 YEAR	71 136	71 136		Housing Collateral
FNB	9.50%	1 YEAR	14 000	14 000		Housing Collateral
TOTAL			85 136	85 136		
TOTAL INVESTMENTS			81 333 828	91 668 037		

Invest R24 308 000 with ABSA on Call - 02 May 2013
Withdraw R4 932 660 from ABSA Call - 07 May 2013
Withdraw R4 458 495 from ABSA Call - 10 May 2013
Withdraw R1 806 201 from ABSA Call - 20 May 2013
Withdraw R1 026 205 from ABSA Call - 23 May 2013
Withdraw R1 750 230 from ABSA Call - 30 May 2013

NB: Council to take cognisance that the investments reflected are not as a result of excess funds but grants received for the financial year invested on short term to gain interest while processes on meeting conditions of the grants are unfolding, and to avoid charges once funds are kept on current account

These investments can only be withdrawn when funds are needed for the particular reason they were invested for

ANNEXURE F PAS AT 31 MAY 2015

Borrowing Reference No	Start Date	End Date	Paid up in current in year	Revolving Period (Years)	Lender	Purpose	% Interest Rate (per Annum)	Interest Paid This quarter	Opening Balance 01/07/2012	Diff Receipt or Rec received	Accrual Principal As of 30/06/15	Balance at 31/05/2015	Revaluation 30/05/15
IFC02598	11/01/96	30/09/2014		15	Development Bank of SA	Provision of Infrastructure	12	1,21,281.23	1,197,209.37	4,030,740.50	0.00	7,150,469.87	4,038,740.51
NW10559	11/01/97	30/09/2012		20	Development Bank of SA	Provision of Infrastructure	15	635,547.80	4,355,144.94	558,402.46	0.00	1,805,642.46	558,557.25
NW11182	11/01/98	30/09/2013		20	Development Bank of SA	Provision of Infrastructure	15.25	740,860.91	5,920,380.15	486,719.66	0.00	1,520,800.33	598,719.92
NW13837	11/02/00	30/09/2020		20	Development Bank of SA	Provision of Infrastructure	15.6	477,411.05	1,503,981.97	194,510.55	0.00	2,909,281.42	194,310.53
NW138741	11/02/00	30/09/2019		18	Development Bank of SA	Provision of Infrastructure	14.75	230,915.07	3,084,988.95	271,777.77	0.00	3,511,111.08	555,555.56
NW138742	11/02/00	30/09/2018		18	Development Bank of SA	Provision of Infrastructure	14.75	500,860.38	14,998,125.00	0.00	14,998,125.00	555,555.56	
NW100315	11/02/02	30/09/2012		15	Development Bank of SA	Provision of Infrastructure	11.2	146,279.87	2,542,727.19	1,234,528.33	0.00	1,308,201.88	2,542,247.15
KLER000401	11/02/02	31/12/2013		15	Development Bank of SA	Provision of Infrastructure	12.25	205,939.00	3,334,845.46	1,044,838.08	0.00	2,280,095.38	2,165,517.14
NW1072917	11/02/04	30/06/2019		15	Development Bank of SA	Provision of Infrastructure	11.2	1,318,481.25	18,612,437.67	982,532.70	0.00	17,710,606.97	1,972,709.82
NW1072912	11/02/04	30/06/2019		15	Development Bank of SA	Provision of Infrastructure	11.2	1,318,481.25	33,220,612.03	1,328,837.28	0.00	17,710,606.97	2,341,330.95
NW1038771	11/02/03	31/12/2013		15	Development Bank of SA	Provision of Infrastructure	4.75	3,191,304.43	39,413,728.17	1,114,032.08	0.00	22,161,162.27	1,225,000.06
19556	11/02/98	11/02/98		15	Development Bank of SA	Provision of Infrastructure	4.75	1,148,199.35	3,944,318.73	882,987.21	0.00	5,981,319.50	883,120.84
10936	30/09/1989	30/09/2013		15.25	Development Bank of SA	Provision of Infrastructure	15.25	324,860.59	3,504,261.20	715,703.76	0.00	3,228,497.44	715,703.76
10932	30/09/1989	30/09/2013		15.25	Development Bank of SA	Provision of Infrastructure	15.25	777,295.51	5,189,958.11	408,303.55	0.00	3,079,695.42	408,303.55
10913	30/09/1989	30/09/2013		15.25	Development Bank of SA	Provision of Infrastructure	15.25	598,240.26	3,994,184.08	314,317.67	0.00	3,079,695.42	314,317.67
9740	11/02/1986	31/03/2014		10	Development Bank of SA	Provision of Infrastructure	10	32,915.31	387,826.71	174,830.98	0.00	1,998,693.81	174,830.98
9741	11/02/1986	31/03/2014		10	Development Bank of SA	Provision of Infrastructure	10	34,912.06	390,458.71	180,919.98	0.00	1,998,693.81	180,919.98
9743	10/09/1995	30/09/2013		10	Development Bank of SA	Provision of Infrastructure	10	93,594.28	1,001,537.49	301,816.88	0.00	689,860.63	301,816.88
9746	10/09/1995	30/09/2013		10	Development Bank of SA	Provision of Infrastructure	10	408,152.41	1,150,827.62	289,526.98	0.00	689,860.63	301,816.88
					TOTAL ANNUITIES			13,441,491.24	147,189,965.51	13,417,318.48	0.00	133,372,647.05	8,810,638.55