

Maluti-A-Phofung Municipality 3rd Quarter budget report (January-March 2009/2010)





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REPORT BY THE EXECUTIVE MAYOR FOR SUBMISSION TO COUNCIL

**CONSOLIDATED QUARTERLY FINANCIAL REPORT : JANUARY-MARCH
2010**

1. EXECUTIVE SUMMARY

The purpose of this report is to inform Council about the financial position.

2. BUSINESS PLAN

To inform the Council on financial matters of the Municipality

3. COMPLIANCE WITH STRATEGIC OBJECTIVE

Timeous reporting

4. DELEGATED AUTHORITY

Delegated powers vests in the Council.

5. ANNEXURES

Annexure A section 71 quarterly report for January-March 2010

6. POLICY

Budget policy

7. LEGAL REQUIREMENTS

It is a statutory requirement that a quarterly financial report be submitted to Council in terms of section 52(d) of MFMA No. 56 of 2003.



8. BACKGROUND and DISCUSSION

8.1 Income

The table below shows actual income on services which is mainly on the accrual basis (bills for services) which amount to R109, 122,672 million for the 3rd quarter.

Description	Amounts Billed from January-March 2010	Total % Income	Quarterly Budget Allocation	% Total Budget Income	Variance
Rate & taxes	34,668,441	32%	52,895,750	49%	18,227,309
Electricity	26,020,771	24%	22,250,000	21%	-3,770,771
Pre-paid electricity	14,103,101	13%	17,500,000	16%	
Refuse	5,193,329	5%	3,911,250	4%	-1,282,079
Water	22,926,235	21%	6,990,000	7%	-15,936,235
Sewerage	6,210,795	6%	3,781,750	4%	-2,429,045
TOTAL BILLS INCOME	109,122,672	100%	107,328,750	100%	-1,793,922



GRANTS AND SUBSIDIES AND OTHER INCOME

The table below shows grants and subsidies and other income received for the 3rd Quarter which amounts to R64, 305,194 million.

Description	Actual Income for 3rd quarter	Total % Income	Quarterly Budget Allocation	% Total Budget Income	Variance
Interest, External Investments	40,907	0%	2,250,000	3%	2,209,093
Interest, on Debtors	4,308,477	7%	3,000,000	4%	-1,308,477
Rental: Facilities & Equipment	55,796	0%	137,500	0%	81,704
Government grants & subsidies (equitable share)	52,189,253	81%	52,189,250	63%	-3
Government grants & subsidies (FMG)	0	0%	0	0%	-
Government grants and subsidies (MSIG)	0	0%	0	0%	-
DWAF-operating susidy Entity	3,687,250	6%	3,687,250	4%	-
FS Social Development	1,450,000	2%	0	0%	-1,450,000
Other Income	2,573,511	4%	21,050,000	26%	18,476,489
TOTAL FROM OTHER INCOME	64,305,194	100%	82,314,000	100%	18,008,806

Grants and equitable share received by MAP water for the 3rd quarter 2010 amount to R15,685,249 million.



GRANTS AND EQUITABLE SHARE RECEIVED BY MAP WATER					
Description	Actual Income for 3rd quarter	Total % Income	Quarterly Budget Allocation	% Total Budget Income	Variance
DWAF-operating susidy Entity	3,925,249	25%	3,687,250	24%	-
Equitable share received by entity	11,760,000	75%	11,760,000	76%	-
TOTAL	15,685,249	100%	15,447,250	100%	

8.2 Total operating expenditure for 3rd quarter amount to R149,323,886. See the table below for percentages spending.

DESCRIPTION	Actual expenditure January-March 2010	Total % expenditure	Quarterly Allocation	Total % Budget Exp	Variance
Salaries, wages and allowances	42,747,559	29%	42,834,000	23%	86,441
Councilors allowances or salaries	4,234,873	3%	4,352,750	2%	117,877
Bad debts	-	0%	-	0%	-
Depreciation	-	0%	-	0%	-
Repairs and Maintenance	6,366,689	4%	10,545,250	6%	4,178,561
Investments made	-	0%	-	0%	-
External loans repaid	2,780,834	2%	605,324	0%	-2,175,510
Bulk Purchases	36,141,741	24%	31,204,250	17%	-4,937,491
Contracted services	16,195,485	11%	19,976,500	11%	3,781,015
Grants and subsidies Paid(Entity) for Equitable share	11,760,000	8%	11,760,000	6%	-
Grants and subsidies Paid(Entity) for Conditional grants (DWAF)	3,925,249	3%	3,687,250	2%	-237,999
Interest paid	757,342	1%	1,811,500	1%	1,054,158
General expenses	24,414,114	16%	57,962,000	31%	33,547,886
Total	149,323,886	100%	184,738,824	100%	35,414,938



EXPENDITURE
Jan-March 09/10

DESCRIPTIONS	Salaries and Wages	Councilors allowances	Re Mai
Legislative Authority	841,335	4,234,873	
Office of the MM	1,437,723	-	
Corporate Services	2,983,333	-	
Financial services	3,381,805	-	
Mun Infrastructure	5,661,160	-	
Community Services	6,966,237	-	
Public Safety	5,236,857	-	
Parks,Sport,Art an	3,698,808	-	
LED & Tourism	289,676	-	
Housing,Spatial,Pl an & Development	1,907,112	-	
MAP Water	10,343,513	-	
TOTAL	42,747,559	4,234,873	



**TOTAL OPERATING INCOME AND EXPENDITURE FOR THE 3rd QUARTER
(JANUARY-MARCH 2010)**

Description	Actual Operating Income & Expenditure for 3rd quarter	Quarterly Budget Allocation	Variance
Operating Income	189,113,115	222,486,750	33,373,635
Operating Expenditure	149,323,887	189,255,500	39,931,613
Surplus/Deficit	39,789,228	33,231,250	-6,557,978

**TOTAL CAPITAL INCOME AND EXPENDITURE FOR THE 3rd QUARTER (JANUARY-
MARCH 2010)**

Description	Actual Capital Income & Expenditure for 3rd January-March 2010	Quarterly Budget Allocation	Variance
Capex Income	64,918,574	67,417,500	2,498,926
Capex Expenditure	55,890,516	66,017,500	10,126,984
Surplus/Deficit	9,028,058	1,400,000	-7,628,058

8.3 DEBTORS

Debtor's outstanding amounts are as follows as per service and debtor classification:

Description	3rd Quarter Debtors Balance	%	2nd Quarter Debtors Balance	%
Water	88,803,313.00	15%	72,253,479.00	13%
Electricity	53,249,082.00	9%	45,928,969.00	8%
Sewerage	31,197,545.00	5%	27,227,485.00	5%
Refuse	43,624,914.00	7%	41,035,991.00	7%
Rates and Taxes	261,706,797.00	44%	278,503,868.00	51%
Other debtors	115,285,933.00	19%	84,963,931.00	15%
Total debtors	593,867,584.00	100%	549,913,723.00	100%



GOVERNMENT ACCOUNTS		
Maluti a Phofung	Total amount	%
Government departments	284,979,856	48%
Business	37,785,630	6%
Residential	245,270,587	41%
Farmers	1,948	0%
Other Business	25,679,464	4%
TOTAL CONSUMER DEBTORS	593,717,485	100%
Other debtors	150,103	
OTHER DEBTORS	150,103	
TOTAL DEBTORS	593,867,588	

8.3.1 Bills and payments for the 3rd quarter January-March 2010

Bills and payments for the 3rd Quarter

Rates and service Income	Amount Billed from January-March 2010	Amount Paid from January-March 2010	Variance	% of bills vs payments
Rates and Taxes	34,668,440.63	30,608,853.58	4,059,587.05	88%
Electricity				
Conventional Meter	26,020,770.78	14,664,900.40	11,355,870.38	44%
Pre-paid Electricity	18,120,257.82	14,103,101.25	4,017,156.57	78%
Refuse	5,193,329.18	1,545,975.42	3,647,353.76	30%
Water	22,926,234.98	3,904,065.59	19,022,169.39	17%
Sewerage	6,210,795.12	2,103,165.40	4,107,629.72	34%
TOTAL	113,139,828.51	66,930,061.64	46,209,766.87	59%



8.4 External Commitments

External long term commitments were R29, 135, 974.00 comprising of infrastructure loans which constitutes 99%. Leases comprise mainly council vehicles.

Description	3rd quarter	%
Infrastructure Loans	29,135,974.00	99%
Outstanding Lease commitments	294,895.00	1%
Total	29,430,869.00	100%

8.5 Capital Expenditure

The overall expenditure on capital budget is R55, 890,516 for January-March 2010, which is 22% spending on our total capital budget.

Description	BUDGETED AMOUNT	AMOUNT SPEND FOR JANUARY-MARCH 2010	ACTUAL EXPENDITURE TO DATE	VARIANCE	% EXPENDITURE
MIG Projects	126,967,000.00	23,645,801	75,367,527.00	51,599,473.00	59%
EXPWP Projects	2,383,000.00	1,606,000	1,606,000.00	777,000.00	
DME Projects	19,582,000.00	6,686,603	9,933,068.00	9,648,932.00	51%
MAP Projects	40,738,000.00	7,022,341	15,733,848.00	25,004,152.00	39%
Extension on Municipal building	22,000,000.00	4,134,638	18,183,679.00	3,816,321.00	83%
Inabazwe Corridor	18,000,000.00	5,078,676	15,771,704.00	2,228,296.00	88%
DWAF(sterkfontein dam) Project	30,000,000.00	7,693,895	16,990,308.00	13,009,692.00	57%
RDP Houses	4,400,000.00	22,562	22,562.00	4,377,438.00	1%
Total Capital Expenditure	264,070,000.00	55,890,516	153,608,696.00	110,461,304.00	58%



9.FINANCIAL IMPLICATIONS

Income and Operating Expenditure

The income for the 3rd quarter amounts to R254, 031,689 and total expenditure for the 3rd quarter amounts to R205, 214,403 this amounts also includes capital expenditure and income.

10. STAFF IMPLICATIONS

None

11. COMMENTS FROM OTHER DIRECTORS

None

12. RECOMMENDATIONS:

It is recommended that Section 71 report for the third quarter (January –March 2010) be noted:

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Dr. B.E MZANGWA

EXECUTIVE MAYOR