

Maluti-A-Phofung Municipality 2nd Quarter budget report (October-December 2010/2011)





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REPORT BY THE EXECUTIVE MAYOR FOR SUBMISSION TO COUNCIL

CONSOLIDATED QUARTERLY FINANCIAL REPORT : OCTOBER-DECEMBER 2010

1. EXECUTIVE SUMMARY

The purpose of this report is to inform Council on the financial matters for the second quarter.

2. BUSINESS PLAN

To inform the Council on financial matters.

3. COMPLIANCE WITH STRATEGIC OBJECTIVE

Timeous reporting

4. DELEGATED AUTHORITY

Delegated powers vests in the Council.

5. ANNEXURES

A - Section 52(d) report for October-December 2010

B - Expenditure per vote for October-December 2010

6. POLICY

Budget policy

7. LEGAL REQUIREMENTS

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

8. BACKGROUND and DISCUSSION

The analysis of the Municipality's cash flow and financial activities shall be as follows:



8.1 Income

The table below shows actual income on services which is mainly on the accrual basis (bills for services) which amount to R122, 300, 839 million for the 2nd quarter.

Description	Quarterly Budget Allocation	Total % Income	Amounts Billed from October-December 2010	% Total Budget Income	Variance
Rate & taxes	42 350 250	34%	42 810 887	35%	-460 637
Electricity	27 900 000	23%	27 883 996	23%	16 004
Pre-paid electricity	21 300 000	17%	20 349 821	17%	950 179
Refuse	5 670 000	5%	6 215 493	5%	-545 493
Water	18 650 000	15%	17 703 724	14%	946 276
Sewerage	7 590 000	6%	7 336 918	6%	253 082
TOTAL BILLS INCOME	123 460 250	100%	122 300 839	100%	1 159 411

Grants and equitable share received by MAP water for the 2nd quarter 2010 amount to R16, 212, 750 million.

GRANTS AND EQUITABLE SHARE RECEIVED BY MAP WATER					
Description	Quarterly Budget Allocation	Total % Income	Actual Income for 2nd quarter	% Total Budget Income	Variance
DWAF-operating susidy Entity	2 736 000	16%	1 824 000	11%	-
Equitable share received by entity	14 388 750	84%	14 388 750	89%	-
TOTAL	17 124 750	100%	16 212 750	100%	-



GRANTS AND SUBSIDIES AND OTHER INCOME

The table below shows grants and subsidies and other income received for the 2nd Quarter which amounts to R95, 516, 497 million.

Description	Income allocation for 2nd quarter	Total % Income	Actual Income for 2nd quarter	% Total Budget Income	Variance
Interest, External Investments	810 000	1%	805 368	1%	4 632
Interest, on Debtors	6 200 000	6%	6 127 439	6%	72 561
Rental: Facilities & Equipment	121 000	0%	122 345	0%	-1 345
Government grants & subsidies (equitable share)	89 022 850	90%	89 022 850	92%	-
Government grants & subsidies (FMG)		0%		0%	-
Government grants and subsidies (MSIG)		0%		0%	-
DWAF-operating susidy Entity	2 736 000	3%		0%	2 736 000
Other Income	440 000	0%	438 495	0%	1 505
TOTAL FROM OTHER INCOME	99 329 850	100%	96 516 497	100%	2 813 353



8.2 Total operating expenditure for the 2nd quarter amount to R160, 364, 482

DESCRIPTION	Quarterly Allocation	Total % exp	Actuals	Total % Budget Exp	Variance
Salaries, wages and allowances	46 000 000	28%	45 760 228	29%	239 772
Councilors allowances or salaries	4 220 000	3%	4 218 227	3%	1 773
Repairs and Maintenance	11 500 000	7%	10 214 917	6%	1 285 083
Bulk Purchases	27 200 000	17%	26 461 894	17%	738 106
Contracted services	20 004 500	12%	22 473 921	14%	-2 469 421
Grants and subsidies Paid(Entity) for Equitable share	14 388 750	9%	14 388 750	9%	-
Grants and subsidies Paid(Entity) for Conditional grants (DWAF)	2 736 000	2%	1 824 000	1%	912 000
Interest paid	1 902 000	1%	2 005 563	1%	-103 563
General expenses	35 000 000	21%	33 016 983	21%	1 983 017
Total	162 951 250	100%	160 364 483	100%	2 586 767

**EXPENDITURE PER VOTE****October-December
10/11**

DESCRIPTIONS	Salaries and Wages	Councilors allowances	Repairs and Maintenance
Legislative Authority	853 194	4 218 327	36 949
Office of the MM	1 859 845	-	16 153
Corporate Services	3 066 897	-	11 478
Financial services	3 886 472	-	18 749
Municipal Infrastructure	5 829 117	-	5 204 619
Community Services	7 182 850	-	166 217
Public Safety	5 221 124	-	101 305
Parks,Sport,Art and Recreation	3 491 748	-	229 125
LED & Tourism	154 942	-	-
Housing,Spatial,Plan & Development	2 434 166	-	34 008
MAP Water	11 779 873	-	4 410 617
TOTAL	45 760 228	4 218 327	10 229 220


TOTAL OPERATING INCOME AND EXPENDITURE FOR THE 2nd QUARTER (OCTOBER-DECEMBER 2010)

Description	Quarterly Budget Allocation	Actuals	Variance
Operating Income	239 914 850	235 030 086	4 884 764
Operating Expenditure	162 951 250	160 364 483	2 586 767
Surplus/-Deficit	76 963 600	74 665 603	2 297 997

TOTAL CAPITAL INCOME AND EXPENDITURE FOR THE 2ND QUARTER (OCTOBER-DECEMBER 2010)

Description	Quarterly Budget Allocation	Actuals	Variance
Capex Income	75 775 000	68 585 835	7 189 165
Capex Expenditure	66 181 200	65 584 884	596 316
Surplus/-Deficit	9 593 800	3 000 951	6 592 849

8.3 DEBTORS

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

Description	2nd Quarter Debtors Balance	%
Water	120 446 742	18%
Electricity	71 210 228	11%
Sewerage	45 890 205	7%
Refuse	58 549 621	9%
Rates and Taxes	285 901 743	44%
Other debtors	71 950 883	11%
Total debtors	653 949 422	100%

DEBTORS PER CATEGORY		
Maluti a Phofung	Total amount	%
Government departments	250 466 852	38%
Business	127 960 993	20%
Residential	209 570 027	32%
Indigents	63 398 700	10%
Farmers	2 283 747	0%
TOTAL CONSUMER DEBTORS	653 680 319	100%
Other debtors	269 103	
OTHER DEBTORS	269 103	
TOTAL DEBTORS	653 949 422	



8.3.1 Bills and payments for the 2ND quarter October-December 2010

Bills and payments for the 2nd Quarter

Rates and service Income	Amounts Billed from October-December 2010	Amounts Paid from October-December 2010	Variance	% of bills vs payments
Rates and Taxes	42 810 887	9 949 017	32 861 870	23%
Electricity Conventional Meter	27 833 996	20 620 061	7 213 935	26%
Pre-paid Electricity	20 349 821	17 665 532	2 684 289	87%
Refuse	6 215 493	1 843 610	4 371 883	30%
Water	17 703 724	6 166 683	11 537 041	35%
Sewerage/Sanitation	7 336 918	2 998 351	4 338 567	41%
TOTAL	122 250 839	59 243 254	63 007 585	48%

8.4 External Commitments

External long term commitments were R21, 763, 258 comprising of infrastructure loans which constitutes 100%. Leases comprise mainly council vehicles.

Description	1st quarter	%
Infrastructure Loans	21 751 675	100%
Outstanding Lease commitments	11 583	0%
Total	21 763 258	100%



8.5 Capital Expenditure

The overall expenditure on capital budget is R65, 584,884 for October-December 2010, which is 23% spending on our total capital budget.

Description	BUDGETED AMOUNT	AMOUNT SPENT FOR OCTOBER- DECEMBER 2010	ACTUAL EXPENDITURE TO DATE	VARIANCE	% EXP
MIG Projects	142 458 572	38 537 563	72 544 932	69 913 640	51%
EXPWP Projects	9 381 000	-	-	9 381 000	
DME Projects	10 000 000	8 846 683	8 846 682	1 153 318	88%
Electrification Programme 0910	-	-	11 428		
MAP Projects	36 741 925	11 888 406	18 005 627	18 736 298	49%
Extension on Municipal building	10 428 964	1 942 602	5 523 386	4 905 578	53%
Intabazwe Corridor	3 468 370	68 389	2 324 167	1 144 203	67%
DWAF(sterkfontein dam) Project	55 000 000	4 289 217	8 383 952	46 616 048	15%
RDP Houses	4 344 355	12 025	26 525	4 317 830	1%
Provincial Grant (Road maintanance)	14 000 000		-		
Total Capital Expenditure	285 823 186	65 584 884	115 666 699	156 167 915	23%



9. FINANCIAL IMPLICATIONS

Income and Expenditure

The total operating income for the 2nd quarter amounts to R235, 030, 086 based on accrual basis and total operating expenditure for the 2nd quarter amounts to R160, 364, 483. The total capital income is R68, 585, 835 and the total capital expenditure is R65, 584, 884 for the 2nd quarter.

10. STAFF IMPLICATIONS

Staff compliments

11. COMMENTS FROM OTHER DIRECTORS

None

12. RECOMMENDATIONS:

It is recommended that Section 71 report for the second quarter (October-December 2010) be noted:

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Dr. B.E MZANGWA

EXECUTIVE MAYOR