

# MALUTI-A-PHOFUNG MUNICIPALITY

## APPENDIX E(1)

### ACTUAL VS BUDGET FOR THE YEAR ENDED 30 JUNE 2010

	Actual	Budget	Variance	Variance	Reasons for variances
	R	R	R	%	
<b>REVENUE</b>					
Rendering of services	580,890	1,112,720	(531,830)	-47.80%	Less facilities were rented out than anticipated
Property rates	151,425,031	230,036,074	(78,611,043)	-34.17%	Rebate of R45,000 was granted to all properties
Service charges	252,713,404	201,505,015	51,208,389	25.41%	Additional households were identified and billed during the year
Rental of facilities and equipment	224,070	500,000	(275,930)	-55.19%	Less facilities were rented out than anticipated
Interest received - Consumers	11,182,917	9,450,000	1,732,917	18.34%	Interest was raised due to low collection rate
Fines	282,471	2,000,000	(1,717,529)	-85.88%	Ineffective cash collection at traffic department
Government grants & subsidies	393,509,400	442,122,500	(48,613,100)	-11.00%	Grants due were delayed by Treasury
Other income	8,874,050	6,357,665	2,516,385	39.58%	
Interest received - investment	3,258,046	6,550,000	(3,291,954)	-50.26%	Less funds were invested than anticipated
	<b>822,050,279</b>	<b>899,633,974</b>	<b>(77,583,695)</b>		
<b>EXPENSES</b>					
Personnel	(135,437,871)	(152,611,536)	17,173,665	-11.25%	Not all vacant posts were filled as budgeted
Remuneration of councillors	(13,875,393)	(9,299,164)	(4,576,229)	49.21%	Councillors' remuneration were budgeted under personnel cost
Capital expenditure	(40,099,983)	(284,836,780)	244,736,797	-85.92%	Budget include property, plant and equipment that was capitalised
Depreciation	(35,934,870)	(40,000,000)	4,065,130	-10.16%	
Finance costs	(3,997,662)	(7,926,000)	3,928,338	-49.56%	New loans were not taken during the year
Debt impairment	20,797,249	(20,000,000)	40,797,249	-203.99%	
Repairs and maintenance	(19,090,827)	(31,776,834)	12,686,007	-39.92%	Due to cash flow constrains the budget was not spend
Bulk purchases	(166,547,816)	(177,551,789)	11,003,973	-6.20%	
Contracted services	(69,111,342)	(79,906,354)	10,795,012	-13.51%	Revenue management contract was terminated during the year
Grants and subsidies paid	(61,788,998)	(61,789,000)	2	0.00%	
General expenses	(59,238,300)	(22,167,466)	(37,070,834)	167.23%	Due to cash flow constrains the budget was not spend
	<b>(584,325,813)</b>	<b>(887,864,923)</b>	<b>303,539,110</b>		
<b>OTHER</b>					
Fair value adjustments	(131,624)	-	(131,624)	-100.00%	Compliance with accounting standards
	<b>(131,624)</b>	<b>-</b>	<b>(131,624)</b>		
<b>Net surplus/ (deficit) for the year</b>	<b>237,592,842</b>	<b>11,769,051</b>	<b>225,823,791</b>		