

SOL PLAATJE MUNICIPALITY



MONTHLY BUDGET STATEMENT: FEBRUARY 2012

14 MARCH 2012

**TO: MUNICIPAL MANAGER
EXECUTIVE MAYOR**

SUBMISSION

**FINANCIAL SERVICES DEPARTMENT:
MUNICIPAL FINANCE MANAGEMENT ACT (MFMA):
IN-YEAR FINANCIAL REPORT (MONTHLY BUDGET STATEMENT) FOR THE PERIOD
ENDING 29 February 2012**

1. PURPOSE

The purpose of this report is to comply with section 71 of the MFMA and the requirements as promulgated in the Government Gazette No 32141 of 17 April 2009 by the submission of a monthly budget statement to the Executive Mayor containing certain financial particulars, as legislated.

2. VISION OF SOL PLAATJE MUNICIPALITY

“Sol Plaatje, a dynamic municipality that provides a comprehensive range of affordable services to all its residents”

3. BACKGROUND

Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 April 2009, regarding the “Local Government: Municipal Finance Management Act 2003 Municipal Budget and Reporting Regulations” necessitates that specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance.

“The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.”

Further, 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.”

For the reporting period ending 29 February 2012, the ten working day reporting limit expires on **14 March 2012**.

4. EXECUTIVE SUMMARY

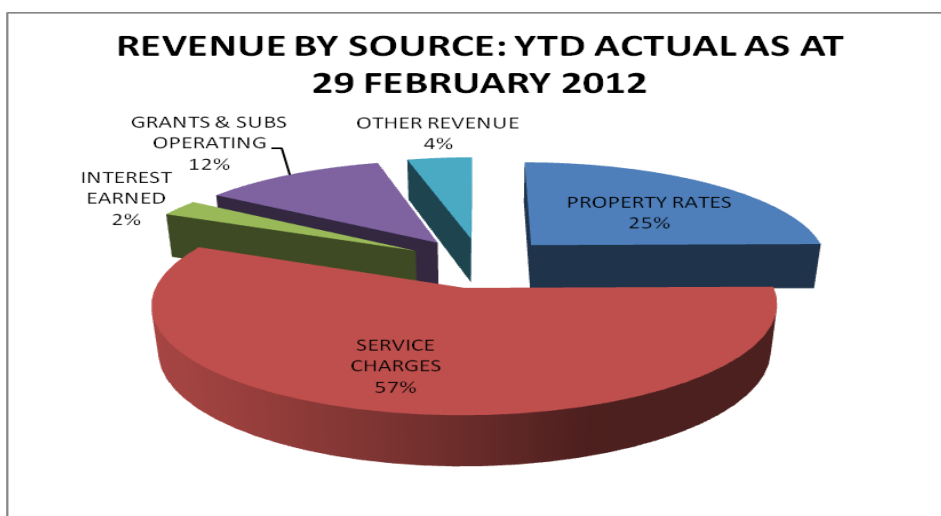
The SFP shown in Annexure A, Table C4, is prepared on a similar basis to the prescribed budget format, detailing revenue by source type and expenditure by type. The summary report indicates the following:

Summary Statement of Financial Performance:			
Description R thousand	February YTD Budget	February YTD Actual	Variance Favourable (Unfavourable)
Total Operating Revenue	841,241	875,306	34,065
Total Operating Expenditure	726,920	716,992	9,928
Surplus (Deficit)	114,321	158,314	43,993

The major operating revenue variances against adjusted budget projections indicated in Table C1 of Annexure A herewith attached, are:

- Property Rates (favourable)
- Investment Revenue (unfavourable);
- Fines (unfavourable).

Indicated in the chart below is a breakdown of billed Revenue per Source as a percentage of total revenue as at 29 February 2012.

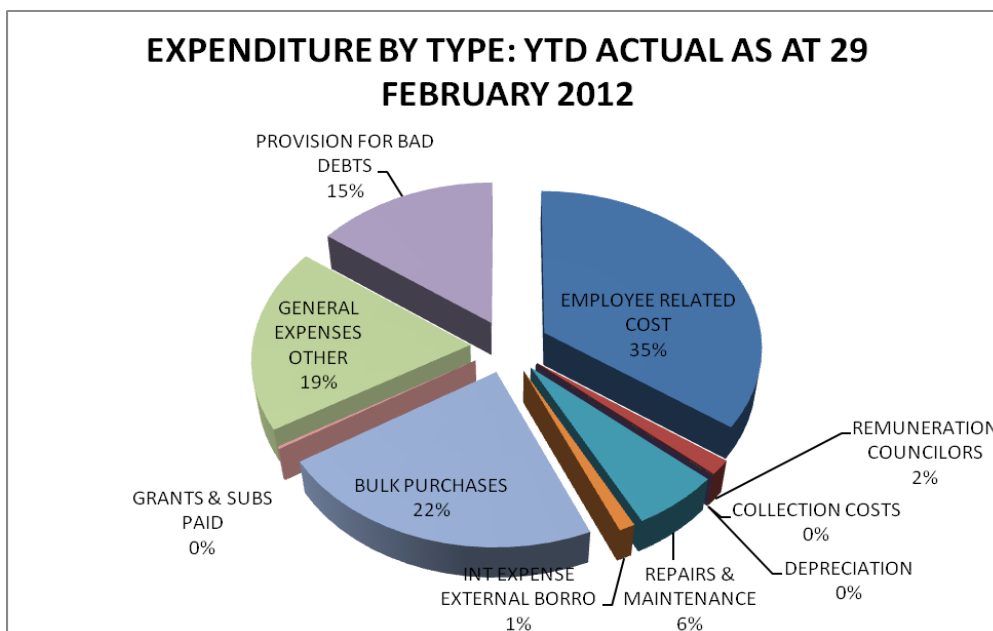


The major operating expenditure variances against budget projections cited in Table C1 of Annexure A herewith attached, are:

- Repairs and Maintenance (unfavourable); and
- Provision for bad debts fully provided for (unfavourable).

The reasons for variances per source group are cited in Annexure A, Table SC1 of this report.

Indicated in the chart below is a breakdown of Expenditure by Type as a percentage of total expenditure as at 29 February 2012.



The Capital expenditure report shown in Annexure A, Table C5 has been prepared on the basis of the format required to be lodged electronically with National Treasury, and is categorised by municipal vote. The summary report indicates the following:

Summary Statement of Capital Expenditure:			
Description R thousand	February YTD Budget	February YTD Actual	Variance Favourable (Unfavourable)
Total Capital Expenditure	58,210	57,763	(447)
Total Capital Financing	58,210	57,763	(447)

The major variance of year-to-date capital expenditure, compared to the departmental Service Delivery Budget Implementation Plan (SDBIP) targets for the municipal vote as indicated in Annexure A, Table C5 are:

- Infrastructure Services

The reasons for variances per strategic unit are captured in Annexure A, Table SC1 of this report.

5. IN-YEAR BUDGET STATEMENT TABLES: FEBRUARY 2012 REPORT

The financial results for the period ended 29 February 2012 are attached consisting of the following tables, in Annexure A:

Part 1

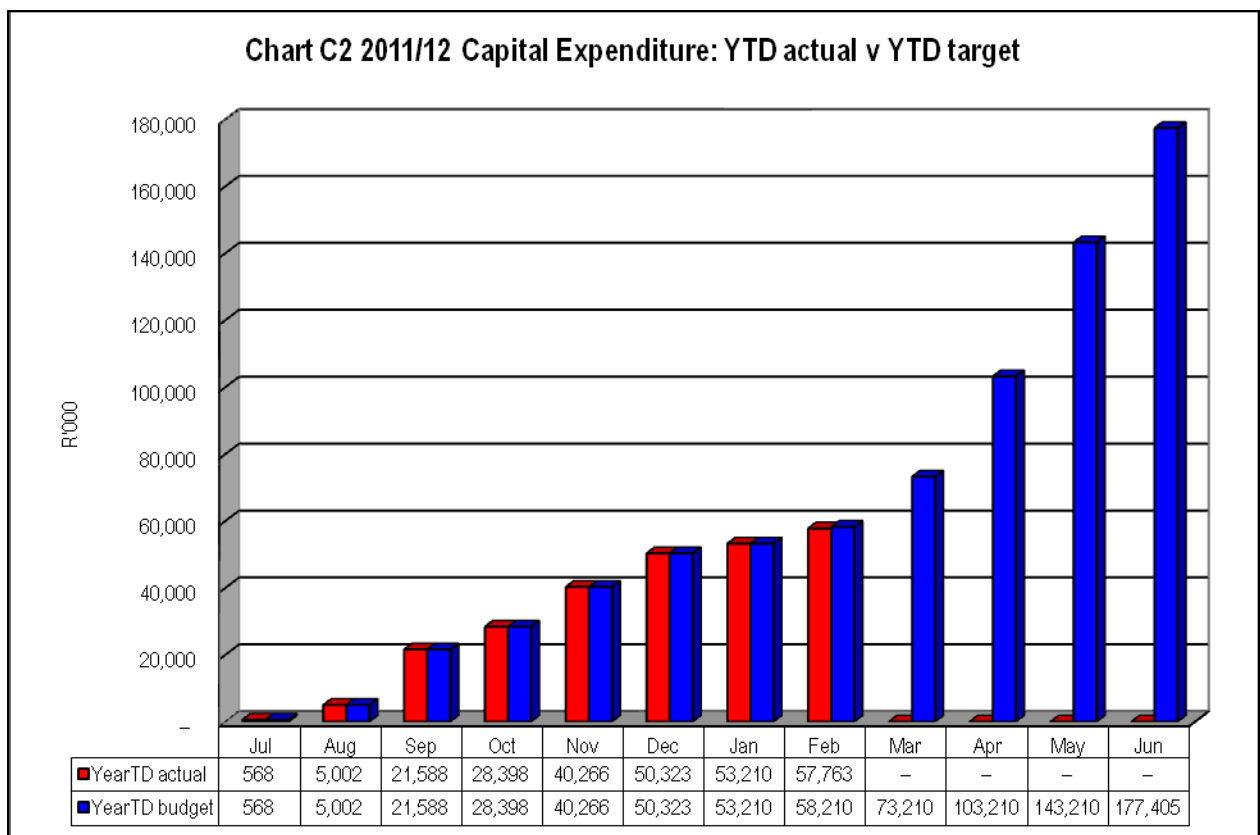
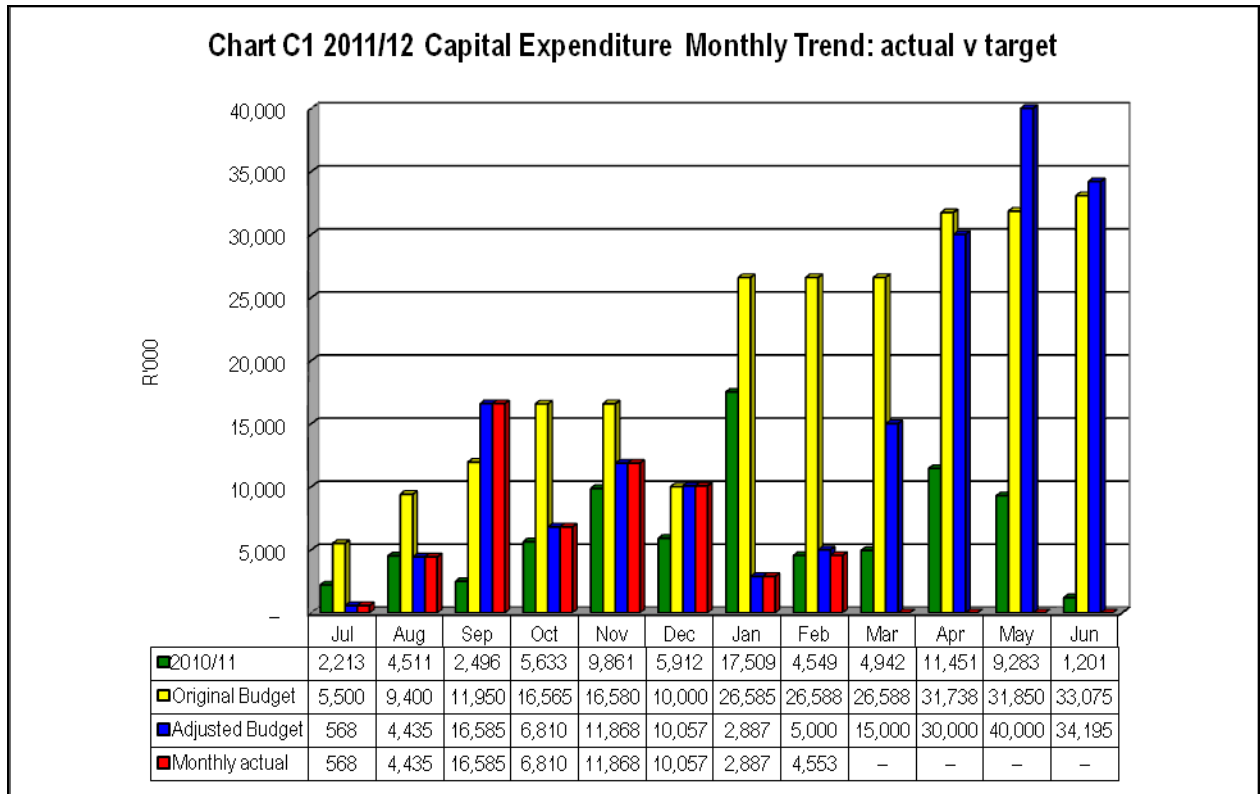
- Table C1: Consolidated Monthly Budget Statement – Summary
- Table C2: Consolidated Monthly Budget Statement – Financial Performance (standard Classification)
- Table C3: Consolidated Monthly Budget Statement – Financial Performance (Revenue and Expenditure by Municipal vote)

- (d) Table C4: Consolidated Monthly Budget Statement – Financial Performance (Revenue and Expenditure)
- (e) Table C5: Consolidated Monthly Budget Statement – Capital Expenditure by vote, standard classification and funding
- (f) Table C6: Consolidated Monthly Budget Statement – Financial Position
- (g) Table C7: Consolidated Monthly Budget Statement – Cash Flow

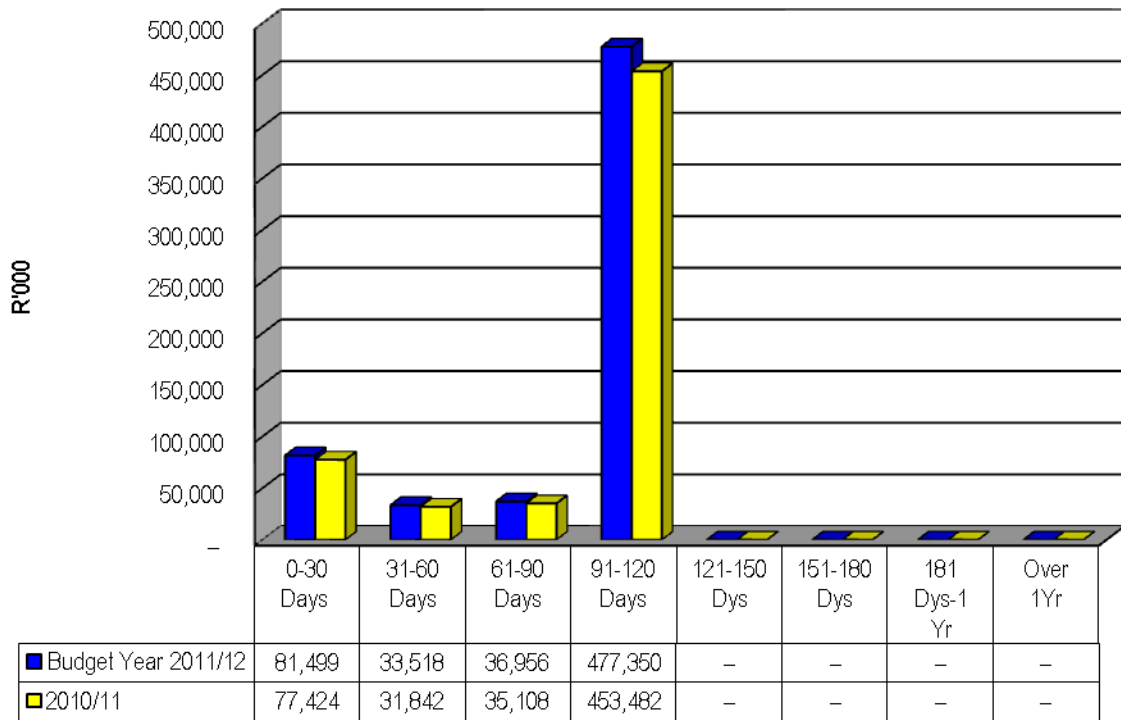
Part 2

- (a) Table SC1: Material variance explanations
- (b) Table SC2: Monthly Budget Statement – Performance Indicators
- (c) Table SC3: Monthly Budget Statement – Aged Debtors
- (d) Table SC4: Monthly Budget Statement – Aged Creditors
- (e) Table SC5: Monthly Budget Statement – Investment Portfolio
- (f) Table SC6: Monthly Budget Statement – Transfers and grant receipts
- (g) Table SC7: Monthly Budget Statement – Transfers and grant expenditures
- (h) Table SC8: Monthly Budget Statement – Councillor and Staff Benefits
- (i) Table SC9: Monthly Budget Statement – Actual and Revised targets for cash receipts
- (j) Table SC10: Monthly Budget Statement – Parent Municipality Financial Performance (Revenue and Expenditure) **Not required**
- (k) Table SC11: Monthly Budget Statement – Summary of Municipal Entities **Not required**
- (l) Table SC12: Monthly Budget Statement – Capital Expenditure Trend
- (m) Table SC13a: Monthly Budget Statement – Capital expenditure on new assets by asset class
- (n) Table SC13b: Monthly Budget Statement – Capital expenditure on renewal of existing assets by asset class
- (m) Table SC13c: Monthly Budget Statement – Capital expenditure on repairs and maintenance by asset class
- (p) Municipal manager’s quality certification

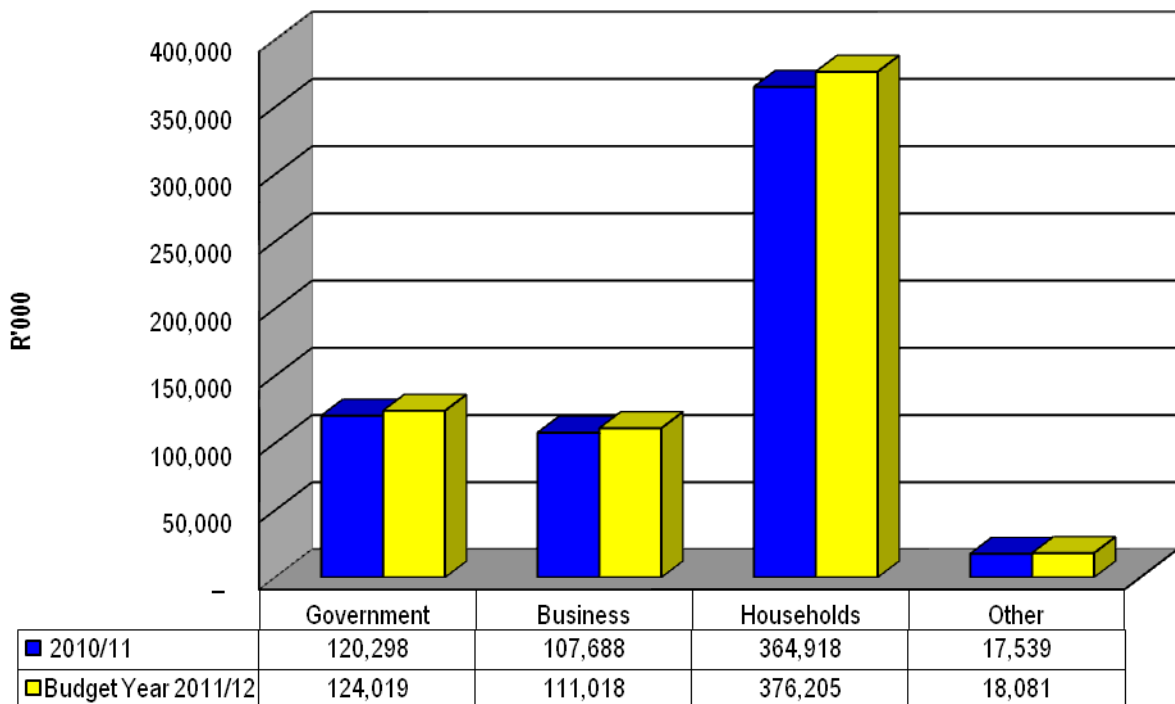
6. IN-YEAR BUDGET STATEMENT CHARTS: FEBRUARY 2012 REPORT

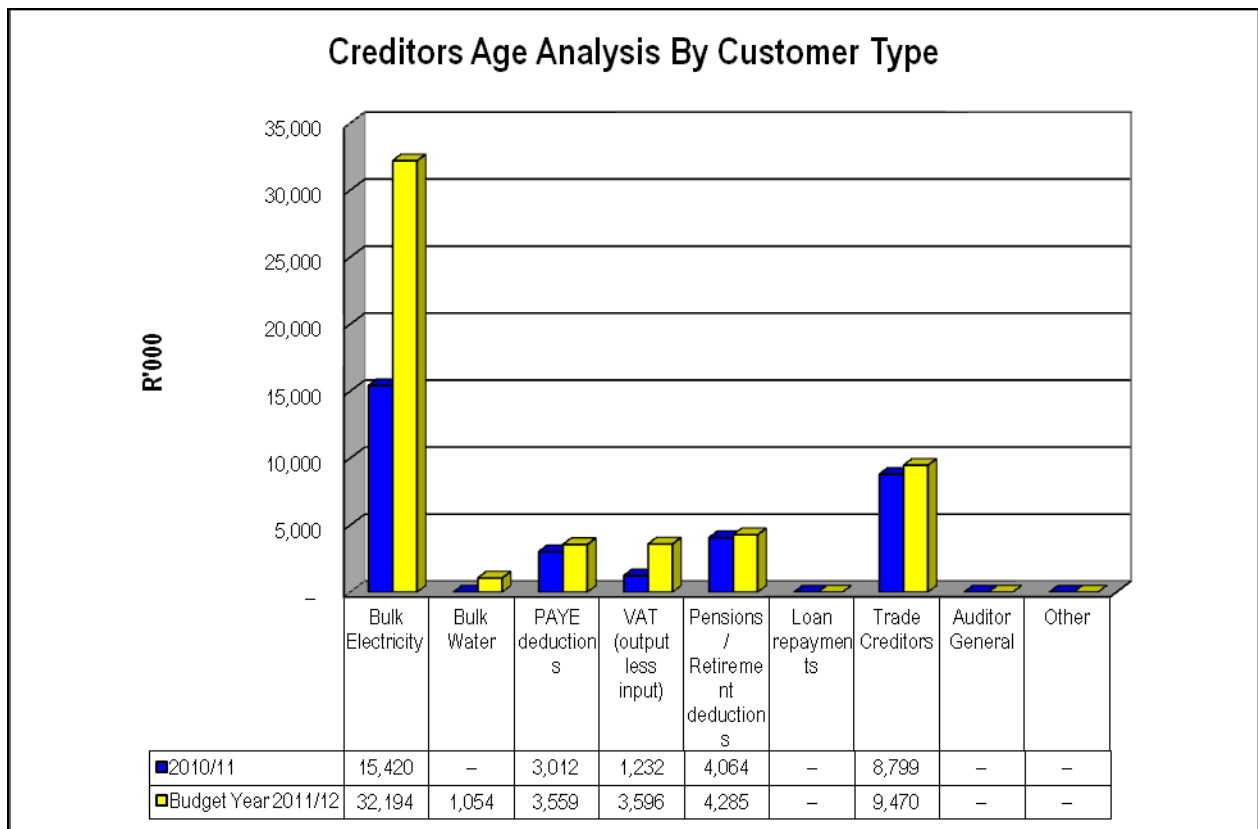


Debtors Age Analysis By Revenue Source



Debtors Age Analysis By Customer Category





7. INTERDEPARTMENTAL AND CLUSTER IMPACT

None

8. COMMENTS OF THE HEAD: LEGAL SERVICES

The abovementioned report as such does not call for legal clarification.

9. IMPLICATIONS

- Human Resources

Not applicable.

- Finances (budget and value for money)

This report incorporates the financial status for the period ended 29 February 2012. Upon receipt of the statement or report submitted by the Accounting Officer to the Executive Mayor in terms of Section 71 of the MFMA, the Executive Mayor is obliged to take certain steps with regard to “budgetary control and early identification of financial problems” as determined in Section 54 of the MFMA. Furthermore, the Accounting Officer of the Municipality must report in writing to the Municipal Council with regard to impending shortfalls, overspending, and overdrafts in terms of Section 70 of the MFMA.

- Constitution and legal factors

The implication of approval of this report is compliance to legislative requirements (Sections 52(d) and 71 of the MFMA) and NT regulations GG 32141 of 17 April 2009.

- Communication

In compliance to legislative requirements (Section 71 of the MFMA) this document is provided to all stakeholders by placing it on the Sol Plaatje website.

10. CONCLUSION

This report meets the MFMA requirement for the Executive Mayor to receive a Section 71 'monthly budget statement' within 10 working days after the end of the month.

ANNEXURES:

Annexure A – Prescribed tables in terms of GG 32141 of 17 April 2009.

RECOMMENDED

That, in compliance with Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 April 2009, regarding the "Local Government: Municipal Finance Management Act 2003 Municipal Budget and Reporting Regulations":

- (1) The Accounting Officer submits to the Executive Mayor this statement reflecting the financial status for the month ending 29 February 2012; and
- (2) In order to comply with Section 71(4) of the MFMA, the Accounting Officer ensure that this statement be submitted to National Treasury and the Provincial Treasury, in both a signed document format and in electronic format.

Explanation of legal requirements

Section 71 of the MFMA requires that the monthly report should contain:

- (a) actual revenue, per revenue source;
- (b) actual borrowings;
- (c) actual expenditure, per vote;
- (d) actual capital expenditure, per vote;
- (e) the amount of any allocations received;
- (f) actual expenditure on those allocations, excluding expenditure on-
 - (i) its share of the local government equitable share; and
 - (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and
- (g) when necessary, an explanation of-
 - (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;

- (ii) any material variances from the service delivery and budget implementation plan;
- (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's approved budget.

The statement must also include:

- (a) a projection of the relevant municipality's revenue and expenditure for the rest of the financial year, and any revisions from initial projections; and
- (b) the prescribed information relating to the state of the budget of each municipal entity as provided to the municipality in terms of section 87(10).
- (3) The amounts reflected in the statement must in each case be compared with the corresponding amounts budgeted for in the municipality's approved budget.
- (4) The statement to the provincial treasury must be in the format of a signed document and in electronic format.

Further, in terms of Government Notice 27431 dated 1 April 2005, regarding the "Local Government: Municipal Finance Management Act 2003 Municipal Investment Regulations: the following is applicable:

Reporting requirements:

- 9.(1) The accounting officer of a municipality or municipal entity must within 10 working days after the end of each month, as part of the section 71 report required by the Act, submit to the mayor of the municipality or the board of directors of the municipal entity a report describing in accordance with generally recognised accounting practice the investment portfolio of that municipality or municipal entity as at the end of the month.
- (2) The report referred to in sub regulation (1) must set out at least –
 - (a) the market value of each investment as at the beginning of the reporting period;
 - (b) any changes to the investment portfolio during the reporting period;
 - (c) the market value of each investment as at the end of the reporting period; and
 - (d) fully accrued interest and yield for the reporting period.

[Highlighted requirements are further explained below].

Certain 'prescribed' municipalities are required to provide their financial reports to the National Treasury, in lieu of the Provincial Treasury. This includes the SPM. National Treasury have indicated that they wish to continue to directly monitor municipalities that have a significant impact on the South African economy. For this purpose the required electronic return forms were progressively lodged with the National Treasury by or on 14 March 2012, (ten working day limit). These return forms are:

- Statement of Financial Performance (OSA)
- Capital expenditure report (CAA)
- Cash Flow Statement (CFA)
- Outstanding Debtors report (AD)
- Outstanding Creditors report (AC)
- Statement of Financial Position (BSAC)
- Repairs and Maintenance (RME)

Also we have not fully resolved the issue with the outstanding invoices of DWA, especially the issue pertaining to the interest raised on the account. There are also payments that were made in prior years of which the allocation from DWA's side needs to be verified. DWA is busy investigating the matter, awaiting feedback from them.

The specific format for the report required to be submitted to the Executive Mayor, as referred to in section 71(1), has now been prescribed in terms of Government Gazette No 32141 of 17 April 2009 but the receipt of electronic submission have not been replaced. Therefore, this report is based upon the content and format of the monthly electronic return forms provided to National Treasury. The information provided to National Treasury is published quarterly; therefore it is prudent that the Executive Mayor's report be prepared on a similar basis to ensure alignment.

Section 71(1)(e) refers to a requirement to report on 'allocations' received. The term 'allocations', refers to government grants received from other spheres of government. These are reported upon in the Statement of Financial Performance.

The definition of a revenue 'vote' has been determined by National Treasury. Annexure A contains this information. However, each municipality may determine the vote format for its expenditure, provided it also supplies Government Financial Statistical (GFS) analysis. The information provided in the monthly financial report to Council is in accordance with the SPM vote structure. However, this report is prepared in accordance with the National Treasury standard, which will assist with benchmarking performance with other municipalities.

The contractual/ cost price of the investment portfolio has been utilized and for the period ending 29 February 2012 the value of total investments was R144,9 m.

Municipal Manager’s quality certification

I, **G H AKHARWARAY**, the Municipal Manager of Sol Plaatje Municipality, hereby certify that -

- the monthly budget statement

For the month of **FEBRUARY 2012** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: GH AKHARWARAY

Municipal Manager of Sol Plaatje (NC091)

Signature: _____

Date: _____

NC091 Sol Plaatje - Table C1 Monthly Budget Statement Summary - M08 February

Description	2010/11	Budget Year 2011/12							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	209,351	233,301	265,801	13,380	217,253	214,267	2,986	1%	265,801
Service charges	571,406	703,986	718,486	79,088	496,856	467,128	29,728	6%	718,486
Investment revenue	36,084	39,000	37,500	3,561	22,803	22,489	314	1%	37,500
Transfers recognised - operational	190,807	164,026	166,503	1,380	102,287	100,907	1,380	1%	166,503
Other own revenue	49,277	58,541	87,161	5,031	36,108	36,452	(344)	-1%	87,161
Total Revenue (excluding capital transfers and contributions)	1,056,925	1,198,854	1,275,451	102,441	875,306	841,241	34,065	4%	1,275,451
Employee costs	364,340	387,948	415,948	31,123	250,530	250,750	(221)	-0%	415,948
Remuneration of Councillors	13,331	15,866	16,566	1,345	10,988	11,020	(32)	-0%	16,566
Depreciation & asset impairment	38,593	36,900	41,500	-	-	-	-	-	41,500
Finance charges	14,697	44,725	30,725	102	7,870	7,767	102	1%	30,725
Materials and bulk purchases	285,380	356,755	368,855	23,893	204,030	214,704	(10,675)	-5%	368,855
Transfers and grants	3,191	3,550	3,550	-	1,807	1,807	-	-	3,550
Other expenditure	310,514	353,110	398,138	19,073	241,768	240,871	897	0%	398,138
Total Expenditure	1,030,046	1,198,854	1,275,282	75,536	716,992	726,920	(9,928)	-1%	1,275,282
Surplus/(Deficit)	26,878	-	169	26,905	158,314	114,321	43,993	38%	169
Transfers recognised - capital	-	-	91,893	-	-	-	-	-	91,893
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	26,878	-	92,062	26,905	158,314	114,321	43,993	38%	92,062
Surplus/ (Deficit) for the year	26,878	-	92,062	26,905	158,314	114,321	43,993	38%	92,062
Capital expenditure & funds sources									
Capital expenditure	79,196	246,419	177,405	4,553	57,763	58,210	(447)	-1%	177,405
Capital transfers recognised	59,322	84,819	91,893	1,621	21,938	56,546	(34,608)	-61%	91,893
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	6,669	149,600	71,042	2,932	34,809	99,733	(64,924)	-65%	71,042
Internally generated funds	13,205	12,000	14,470	-	1,015	8,000	(6,985)	-87%	14,470
Total sources of capital funds	79,196	246,419	177,405	4,553	57,763	164,279	(106,517)	-65%	177,405
Financial position									
Total current assets	380,924	422,751	445,751		446,474				445,751
Total non current assets	910,392	1,002,200	928,600		968,155				928,600
Total current liabilities	199,066	237,585	237,585		96,926				237,585
Total non current liabilities	264,670	403,617	325,059		320,405				325,059
Community wealth/Equity	827,581	783,749	811,707		997,297				811,707
Cash flows									
Net cash from (used) operating	76,266	123,045	164,619	(4,513)	98,866	28,328	70,538	249%	164,619
Net cash from (used) investing	(79,559)	(246,419)	(177,405)	(4,553)	(57,762)	(58,210)	448	-1%	(177,405)
Net cash from (used) financing	37,706	141,842	62,634	-	33,070	33,070	0	0%	62,634
Cash/cash equivalents at the month/year end	60,584	83,468	110,432	-	134,758	68,187	66,571	98%	110,432
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Revenue Source	81,499	33,518	36,956	477,350	-	-	-	-	629,322
Creditors Age Analysis									
Total Creditors	53,767	391	-	-	-	-	-	-	54,158

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M08 February

Description	Ref	2010/11	Budget Year 2011/12							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
Governance and administration		447,550	453,094	572,313	17,988	350,801	302,063	48,738	16%	572,313
Executive and council		225,266	199,891	294,210	3,606	125,282	133,261	(7,978)	-6%	294,210
Budget and treasury office		219,531	238,432	266,932	13,724	222,601	158,955	63,647	40%	266,932
Corporate services		2,753	14,771	11,171	658	2,918	9,848	(6,930)	-70%	11,171
Community and public safety		23,908	26,279	61,309	2,901	13,847	17,519	(3,672)	-21%	61,309
Community and social services		10,564	10,492	10,492	621	6,341	6,994	(653)	-9%	10,492
Sport and recreation		3,714	5,341	5,341	317	1,897	3,561	(1,664)	-47%	5,341
Public safety		337	980	980	-	-	653	(653)	-100%	980
Housing		6,947	7,061	42,061	580	4,586	4,707	(122)	-3%	42,061
Health		2,346	2,405	2,435	1,382	1,024	1,603	(580)	-36%	2,435
Economic and environmental services		6,601	7,456	7,097	1,445	8,154	4,971	3,183	64%	7,097
Planning and development		2,089	1,495	1,535	157	1,262	996	266	27%	1,535
Road transport		4,513	5,962	5,562	1,288	6,892	3,975	2,917	73%	5,562
Environmental protection		-	-	-	-	-	-	-		-
Trading services		574,975	707,377	721,877	79,438	499,994	471,585	28,409	6%	721,877
Electricity		360,008	465,914	474,714	51,837	322,202	310,609	11,593	4%	474,714
Water		132,851	156,163	151,963	19,695	114,854	104,109	10,745	10%	151,963
Waste water management		46,520	48,856	54,556	4,512	36,056	32,571	3,486	11%	54,556
Waste management		35,596	36,444	40,644	3,394	26,882	24,296	2,586	11%	40,644
Other	4	3,890	4,647	4,747	669	2,510	3,098	(588)	-19%	4,747
Total Revenue - Standard	2	1,056,925	1,198,854	1,367,343	102,441	875,306	799,236	76,070	10%	1,367,343
Expenditure - Standard	-									
Governance and administration		352,124	383,360	427,709	23,649	214,764	255,573	(40,809)	-16%	427,709
Executive and council		251,751	261,757	302,457	14,465	138,684	174,505	(35,821)	-21%	302,457
Budget and treasury office		57,107	67,706	67,706	5,541	40,608	45,137	(4,529)	-10%	67,706
Corporate services		43,265	53,896	57,546	3,643	35,472	35,931	(459)	-1%	57,546
Community and public safety		131,877	146,227	182,727	12,514	92,856	97,484	(4,628)	-5%	182,727
Community and social services		43,071	51,147	51,147	5,977	42,987	34,098	8,889	26%	51,147
Sport and recreation		30,384	33,027	33,027	3,119	20,860	22,018	(1,158)	-5%	33,027
Public safety		29,317	32,816	32,816	1,187	9,028	21,877	(12,850)	-59%	32,816
Housing		15,990	12,901	49,401	1,220	10,492	8,601	1,891	22%	49,401
Health		13,115	16,336	16,336	1,011	9,489	10,891	(1,401)	-13%	16,336
Economic and environmental services		62,352	60,193	62,933	3,569	46,583	40,129	6,454	16%	62,933
Planning and development		17,398	20,121	20,161	60	11,767	13,414	(1,647)	-12%	20,161
Road transport		44,954	40,072	42,772	3,509	34,816	26,715	8,101	30%	42,772
Environmental protection		-	-	-	-	-	-	-		-
Trading services		476,812	602,517	595,255	35,294	357,813	401,678	(43,865)	-11%	595,255
Electricity		305,243	406,053	397,053	21,063	247,865	270,702	(22,837)	-8%	397,053
Water		102,657	114,611	117,099	8,238	60,246	76,407	(16,161)	-21%	117,099
Waste water management		32,537	45,409	42,359	2,777	23,986	30,273	(6,286)	-21%	42,359
Waste management		36,375	36,444	38,744	3,217	25,715	24,296	1,419	6%	38,744
Other		6,882	6,558	6,658	511	4,976	4,372	605	14%	6,658
Total Expenditure - Standard	3	1,030,046	1,198,854	1,275,282	75,536	716,992	799,236	(82,244)	-10%	1,275,282
Surplus/ (Deficit) for the year		26,878	(0)	92,061	26,905	158,314	(0)	158,314	#####	92,061

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08 February

Vote Description	Ref	2010/11	Budget Year 2011/12							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		35	-	-	-	18	-	18	#DIV/0!	-
Vote 2 - MUNICIPAL AND GENERAL		223,672	198,514	292,354	3,562	124,933	132,343	(7,409)	-5.6%	292,354
Vote 3 - MUNICIPAL MANAGER		1,559	1,377	1,857	44	331	918	(587)	-64.0%	1,857
Vote 4 - CORPORATE SERVICES		2,553	4,838	4,838	607	2,551	3,225	(674)	-20.9%	4,838
Vote 5 - COMMUNITY SERVICES		21,006	24,755	24,385	3,571	15,722	16,503	(781)	-4.7%	24,385
Vote 6 - FINANCIAL SERVICES		219,531	244,423	272,923	13,724	222,601	162,948	59,653	36.6%	272,923
Vote 7 - STRATEGY ECONOMIC DEVELOPMENT AND PLANNING		6,179	10,085	6,625	877	4,139	6,723	(2,584)	-38.4%	6,625
Vote 8 - INFRASTRUCTURE AND SERVICES		582,390	714,863	764,362	80,056	505,011	476,575	28,435	6.0%	764,362
Total Revenue by Vote	2	1,056,925	1,198,854	1,367,344	102,441	875,306	799,236	76,070	9.5%	1,367,344
Expenditure by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		29,262	30,001	34,901	2,895	22,636	20,001	2,635	13.2%	34,901
Vote 2 - MUNICIPAL AND GENERAL		212,523	217,482	253,282	10,480	108,050	144,988	(36,938)	-25.5%	253,282
Vote 3 - MUNICIPAL MANAGER		9,967	14,274	14,274	1,089	7,998	9,516	(1,518)	-16.0%	14,274
Vote 4 - CORPORATE SERVICES		35,355	44,483	44,983	3,033	30,066	29,656	410	1.4%	44,983
Vote 5 - COMMUNITY SERVICES		108,199	126,668	126,268	10,778	78,284	84,446	(6,161)	-7.3%	126,268
Vote 6 - FINANCIAL SERVICES		63,598	74,752	78,252	6,003	44,858	49,834	(4,977)	-10.0%	78,252
Vote 7 - STRATEGY ECONOMIC DEVELOPMENT AND PLANNING		25,699	29,047	28,837	718	17,900	19,365	(1,465)	-7.6%	28,837
Vote 8 - INFRASTRUCTURE AND SERVICES		545,444	662,147	694,485	40,538	407,200	441,431	(34,231)	-7.8%	694,485
Total Expenditure by Vote	2	1,030,046	1,198,854	1,275,282	75,536	716,992	799,236	(82,244)	-10.3%	1,275,282
Surplus/ (Deficit) for the year	2	26,878	-	92,062	26,905	158,314	-	158,314	#DIV/0!	92,062

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

Description	Ref	2010/11	Budget Year 2011/12							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		209,351	233,301	265,801	13,380	217,253	214,267	2,986	1%	265,801
Property rates - penalties & collection charges		-	-	-	-	-	-	-		-
Service charges - electricity revenue		360,485	465,906	474,706	51,859	321,564	301,544	20,020	7%	474,706
Service charges - water revenue		132,727	156,162	151,962	19,680	114,664	105,761	8,902	8%	151,962
Service charges - sanitation revenue		45,180	47,989	53,689	4,400	35,473	34,957	516	1%	53,689
Service charges - refuse revenue		32,932	33,564	37,764	3,150	25,154	24,865	290	1%	37,764
Service charges - other		81	365	365	-	1	1	-		365
Rental of facilities and equipment		12,740	14,207	14,207	1,077	8,177	8,328	(151)	-2%	14,207
Interest earned - external investments		4,802	4,000	5,500	470	1,494	1,222	271	22%	5,500
Interest earned - outstanding debtors		31,283	35,000	32,000	3,091	21,309	21,266	43	0%	32,000
Dividends received				-	-	-	-	-		-
Fines		3,635	6,432	6,032	459	3,523	3,448	74	2%	6,032
Licences and permits		3,125	2,530	2,530	340	2,178	2,108	70	3%	2,530
Agency services		3,489	3,200	3,200	802	4,100	3,247	853	26%	3,200
Transfers recognised - operational		190,807	164,026	166,503	1,380	102,287	100,907	1,380	1%	166,503
Other revenue		26,288	32,172	61,192	2,353	18,130	19,320	(1,191)	-6%	61,192
Gains on disposal of PPE				-						-
Total Revenue (excluding capital transfers and contributions)		1,056,925	1,198,854	1,275,451	102,441	875,306	841,241	34,065	4%	1,275,451
Expenditure By Type										
Employee related costs		364,340	387,948	415,948	31,123	250,530	250,750	(221)	0%	415,948
Remuneration of councillors		13,331	15,866	16,566	1,345	10,988	11,020	(32)	0%	16,566
Debt impairment		97,383	106,000	106,000	-	106,000	106,000	-		106,000
Depreciation & asset impairment		38,593	36,900	41,500	-	-	-	-		41,500
Finance charges		14,697	44,725	30,725	102	7,870	7,767	102	1%	30,725
Bulk purchases		234,315	308,000	308,000	21,725	161,281	169,164	(7,883)	-5%	308,000
Other materials		51,065	48,755	60,855	2,168	42,749	45,540	(2,792)	-6%	60,855
Contracted services			-	-	-	-	-	-		-
Transfers and grants		3,191	3,550	3,550	-	1,807	1,807	-		3,550
Other expenditure		213,131	247,110	292,138	19,073	135,768	134,871	897	1%	292,138
Loss on disposal of PPE				-						-
Total Expenditure		1,030,046	1,198,854	1,275,282	75,536	716,992	726,920	(9,928)	-1%	1,275,282
Surplus/(Deficit)		26,878	-	169	26,905	158,314	114,321	43,993	0	169
Transfers recognised - capital				91,893				-		91,893
Contributions recognised - capital				-				-		
Contributed assets				-				-		
Surplus/(Deficit) after capital transfers & contributions		26,878	-	92,062	26,905	158,314	114,321			92,062
Taxation								-		
Surplus/(Deficit) after taxation		26,878	-	92,062	26,905	158,314	114,321			92,062
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		26,878	-	92,062	26,905	158,314	114,321			92,062
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		26,878	-	92,062	26,905	158,314	114,321			92,062

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M08 February

Vote Description	Ref	2010/11	Budget Year 2011/12							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - EXECUTIVE AND COUNCIL		106	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL AND GENERAL		396	-	-	-	-	-	-	-	-
Vote 3 - MUNICIPAL MANAGER		36	-	-	-	-	-	-	-	-
Vote 4 - CORPORATE SERVICES		271	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY SERVICES		7,689	3,800	1,400	-	477	787	(310)	-39%	1,400
Vote 6 - FINANCIAL SERVICES		1,948	850	850	-	337	404	(67)	-17%	850
Vote 7 - STRATEGY ECONOMIC DEVELOPMENT AND PLANNING		1,354	17,831	13,095	380	4,200	3,909	292	7%	13,095
Vote 8 - INFRASTRUCTURE AND SERVICES		67,397	223,938	162,060	4,173	52,748	53,110	(362)	-1%	162,060
Total Capital Multi-year expenditure	4,7	79,196	246,419	177,405	4,553	57,763	58,210	(447)	-1%	177,405
Total Capital Expenditure		79,196	246,419	177,405	4,553	57,763	58,210	(447)	-1%	177,405
Capital Expenditure - Standard Classification										
Governance and administration		1,948	850	4,700	-	337	404	(67)	-17%	4,700
Executive and council				3,400			-	-		3,400
Budget and treasury office				850		337	404	(67)	-17%	850
Corporate services		1,948	850	450	-					450
Community and public safety		7,689	3,800	1,400	-	477	477	(0)	0%	1,400
Community and social services		7,689	3,800	1,400	-	477	477	(0)	0%	1,400
Sport and recreation										
Public safety										
Housing										
Health										
Economic and environmental services		13,710	17,831	13,095	380	4,200	4,219	(19)	0%	13,095
Planning and development		1,354	9,831	13,095	380	4,200	4,219	(19)	0%	13,095
Road transport		12,356	3,000	-						
Environmental protection			5,000	-						
Trading services		50,505	223,938	138,730	4,173	52,681	53,083	(402)	-1%	138,730
Electricity		8,210	88,503	44,745	85	15,293	15,002	291	2%	44,745
Water		7,001	27,800	27,800	958	8,845	8,431	415	5%	27,800
Waste water management		34,203	105,785	66,185	3,131	28,543	29,651	(1,107)	-4%	66,185
Waste management		1,090	1,850	-						
Other		5,345		19,480	-	67	27	40	147%	19,480
Total Capital Expenditure - Standard Classification	3	79,196	246,419	177,405	4,553	57,763	58,210	(447)	-1%	177,405
Funded by:										
National Government		43,457	78,988	71,018	1,472	19,749	47,345	(27,596)	-58%	71,018
Provincial Government		11,297	5,831	4,875	149	2,189	3,250	(1,061)	-33%	4,875
District Municipality		1,563		-						
Other transfers and grants		3,005		16,000			10,667	(10,667)	-100%	16,000
Transfers recognised - capital		59,322	84,819	91,893	1,621	21,938	61,262	(39,324)	-64%	91,893
Public contributions & donations	5									
Borrowing	6	6,669	149,600	71,042	2,932	34,809	47,361	(12,552)	-27%	71,042
Internally generated funds		13,205	12,000	14,470	-	1,015	9,647	(8,631)	-89%	14,470
Total Capital Funding		79,196	246,419	177,405	4,553	57,763	118,270	(60,507)	-51%	177,405

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M08 February

Description	Ref	2010/11	Budget Year			
		Audited Outcome	2011/12	Original Budget	Adjusted Budget	YearTD actual
R thousands	1					
ASSETS						
Current assets						
Cash					16,640	
Call investment deposits		70,003	87,000	110,000	144,971	110,000
Consumer debtors		157,918	318,803	318,803	243,272	318,803
Other debtors		133,417	94	94	18,438	94
Current portion of long-term receivables						
Inventory		19,586	16,854	16,854	23,152	16,854
Total current assets		380,924	422,751	445,751	446,474	445,751
Non current assets						
Long-term receivables						
Investments						
Investment property		115,350	57,459	57,459	115,350	57,459
Investments in Associate						
Property, plant and equipment		792,557	940,928	867,328	850,319	867,328
Agricultural						
Biological assets						
Intangible assets		2,486	3,813	3,813	2,486	3,813
Other non-current assets						
Total non current assets		910,392	1,002,200	928,600	968,155	928,600
TOTAL ASSETS		1,291,316	1,424,951	1,374,351	1,414,628	1,374,351
LIABILITIES						
Current liabilities						
Bank overdraft		9,418	18,074	18,074		18,074
Borrowing		17,897	44,357	44,357		44,357
Consumer deposits		11,857	11,489	11,489	13,556	11,489
Trade and other payables		155,125	157,710	157,710	26,004	157,710
Provisions		4,768	5,955	5,955	57,366	5,955
Total current liabilities		199,066	237,585	237,585	96,926	237,585
Non current liabilities						
Borrowing		96,758	233,270	154,712	147,725	154,712
Provisions		167,912	170,347	170,347	172,679	170,347
Total non current liabilities		264,670	403,617	325,059	320,405	325,059
TOTAL LIABILITIES		463,735	641,202	562,644	417,331	562,644
NET ASSETS	2	827,581	783,749	811,707	997,297	811,707
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		798,884	756,589	784,547	968,600	784,547
Reserves		28,697	27,160	27,160	28,697	27,160
TOTAL COMMUNITY WEALTH/EQUITY	2	827,581	783,749	811,707	997,297	811,707

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M08 February

Description	Ref	2010/11	Budget Year 2011/12							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other		741,164	883,354	923,892	69,172	576,883	528,396	48,487	9%	923,892
Government - operating		138,963	164,026	166,503	1,380	103,543	102,163	1,381	1%	166,503
Government - capital		51,844	84,819	91,893	-	60,986	60,986	-		91,893
Interest		36,084	34,800	11,840	470	6,767	6,938	(171)	-2%	11,840
Dividends										
Payments										
Suppliers and employees		(873,901)	(999,228)	(995,234)	(75,533)	(647,471)	(660,609)	(13,138)	2%	(995,234)
Finance charges		(14,697)	(44,726)	(30,725)	(3)	(36)	(7,739)	(7,703)	100%	(30,725)
Transfers and Grants		(3,191)		(3,550)		(1,807)	(1,807)			(3,550)
NET CASH FROM/(USED) OPERATING ACTIVITIES		76,266	123,045	164,619	(4,513)	98,866	28,328	70,538	249%	164,619
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-		
Decrease (Increase) in non-current debtors								-		
Decrease (increase) other non-current receivables								-		
Decrease (increase) in non-current investments								-		
Payments										
Capital assets		(79,559)	(246,419)	(177,405)	(4,553)	(57,762)	(58,210)	(448)	1%	(177,405)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(79,559)	(246,419)	(177,405)	(4,553)	(57,762)	(58,210)	(448)	1%	(177,405)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans			-	-	-	-	-	-		
Borrowing long term/refinancing		39,818	149,600	71,042	-	36,548	36,548	(0)	0%	71,042
Increase (decrease) in consumer deposits			650	-	-	-	-	-		-
Payments										
Repayment of borrowing		(2,112)	(8,408)	(8,408)	-	(3,478)	(3,479)	(1)	0%	(8,408)
NET CASH FROM/(USED) FINANCING ACTIVITIES		37,706	141,842	62,634	-	33,070	33,070	(0)	0%	62,634
NET INCREASE/ (DECREASE) IN CASH HELD		34,413	18,468	49,848	(9,066)	74,174	3,187			49,848
Cash/cash equivalents at beginning:		26,171	65,000	60,584		60,584	65,000			60,584
Cash/cash equivalents at month/year end:		60,584	83,468	110,432		134,758	68,187			110,432

NC091 Sol Plaatje - Supporting Table SC1 Material variance explanations - M08 February

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
R thousands				
1	Revenue By Source			
	Property rates	1%	Positive	
	Property rates - penalties & collection charges			
	Service charges - electricity revenue	7%	Positive	
	Service charges - water revenue	8%	Positive	
	Service charges - sanitation revenue	1%	Positive	
	Service charges - refuse revenue	1%	Positive	
	Service charges - other		Revenue is not materialising due to non-payment of poorer community	Source of revenue removed from budget for 2012/13
	Rental of facilities and equipment	-2%	Below target. Will possibly increase during summer period	Needs to be investigated
	Interest earned - external investments	22%	Realised at year-end	
	Interest earned - outstanding debtors	0%		
	Dividends received			
	Fines	2%	It is being monitored.	User department to investigate
	Licences and permits	3%	Acceptable	
	Agency services	26%	Increased transactions. Transfer to Province made in March.	
	Transfers recognised - operational	1%	Acceptable.	
	Other revenue	-6%	Acceptable, but it should be monitored	Needs to be investigated
2	Expenditure By Type			
	Employee related costs	0%		
	Remuneration of councillors	0%		
	Debt impairment		Provided for annually	
	Depreciation & asset impairment		Provided for annually and in future at least quarterly	
	Finance charges	1%	Acceptable	
	Bulk purchases	-5%	Bulk Purchases Water not fully resolved with DWA. Invoices for Jan and Feb 2012 still outstanding. Duplicate payment made in Feb. Net recognised as creditor.	Payment will be made as soon as matter is resolved
	Other materials	-6%	Expenditure on R&M a concern. Addressed in Adjustments budgets. Accelerated exp on maintenance of roads and street lights	Investigate over expenditure
	Transfers and grants			
	Other expenditure	1%	Expenditure on General Expenses acceptable.	
3	Capital Expenditure			
	Vote 5 - COMMUNITY SERVICES	-39%	Project halted due to problems with the service provider. Contractor has once again failed to deliver on his commitment.	
	Vote 6 - FINANCIAL SERVICES	-17%	Project to be completed by latest end of April 2012	
	Vote 7 - STRATEGY ECONOMIC DEVELOPMENT AND PLANNING	7%	Expenditure on roll-over projects still concerning.	
	Vote 8 - INFRASTRUCTURE AND SERVICES	-1%	Acceptable within limits. Capex still a huge concern overall. Not sufficient remedial action taken to improve on capital expenditure	
4	Financial Position			
	Current assets	(723)	Acceptable	
	Non current assets	(39,555)	Capital expenditure not materialising	
	Current liabilities	140,659	Current portion of long-term liabilities not yet recognised and trade & other payables below budget	
	Non current liabilities	4,654	Acceptable	
5	Cash Flow			
	NET CASH FROM/(USED) OPERATING ACTIVITIES	249%	Positive YTD receipts exceeds YTD cash payments	
	NET CASH FROM/(USED) INVESTING ACTIVITIES	1%	Progress on capital not as desired	
	NET CASH FROM/(USED) FINANCING ACTIVITIES	0%	Long-term borrowing used to finance capital projects not materialising	
6	Measureable performance			