

OFFICE OF THE CHIEF FINANCIAL OFFICER

Date: 6 May 2013

Submission to the Section 80 Committee

SECTION 52 EXPENDITURE REPORT FOR THE QUARTER ENDING 31 MARCH 2013

Purpose

To table the quarterly financial report for the quarter ending 31 March 2013 to the Section 80 Committee for discussion

Background

According to MFMA Section 52 the Accounting officer must quarterly submit a report in the prescribed format to the Mayor and council explaining the financial standing of the municipality for the quarter.

Discussion

1.0 EXPENDITURE

1.1 CURRENT SITUATION

The following table indicates the budget vs. actual expenditure:

	Budget for the Year	Budget Quarter	Actual Quarter	Variance Actual vs Budget Quarter
Salaries	67 366 987	16 841 747	17 280 345	-438 598
Councillors Allowances	3 340 000	835 000	632 046	202 954
Water Purchases	15 920 184	3 980 046	408 386	3 571 660
Electricity Purchases	3 141 457	785 364	622 974	162 390
Repairs & Maintenance	7 886 832	1 971 708	952 800	1 018 908
Fuel	1 570 600	392 650	229 771	162 879
Projects	34 329 000	8 582 250	16 686 116	-8 103 866
Transfers	0	0	27 346 380	0
Depreciation	42 000 000	10 500 000	10 500 000	0
Contributions: Funds	17 642 816	4 410 704	4 410 703	1
Cotributions: Capital	2 808 500	702 125	815 457	-113 332
Travelling Costs	1 520 299	380 075	247 967	132 108
Sundry	31 618 165	7 904 541	2 488 471	5 416 070
Total Expenses	229 144 840	57 286 210	55 275 036	2 011 174

From the above table it can be seen that the actual operational expenditure is R 10 115 040 under the budget for the quarter and this is due to cash flow problems. The project spending is R 8 103 866 over the budget and this is due to the late start of the projects. Attached as Annexure A is the payment list for the quarter

2.0 SALARIES

All salary creditors have been paid for January 2013 and in February and March 2013 all salary creditors had been paid except SAMWU Provident Fund and SALA Pension Fund due to cash flow problems.

3.0 CREDITORS

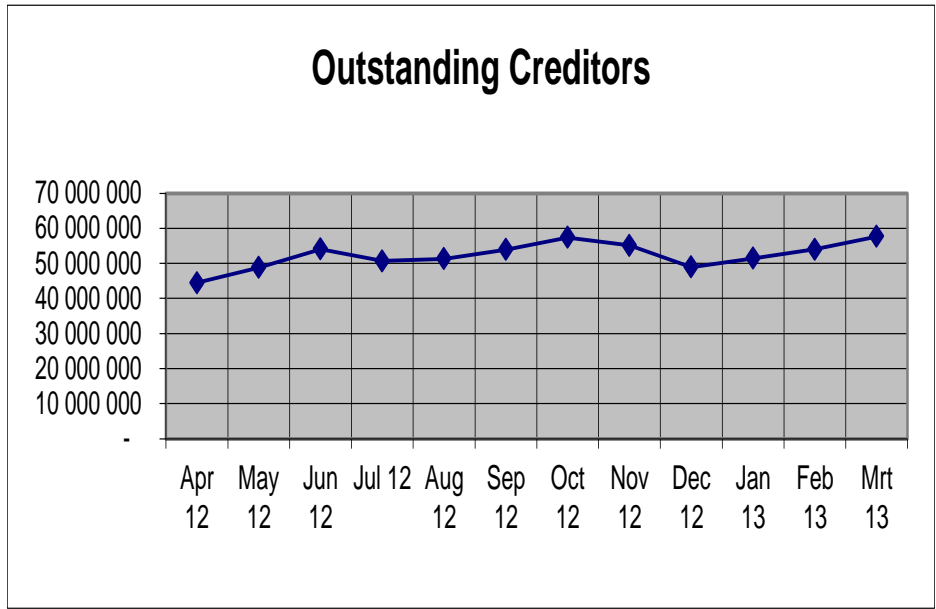
The total outstanding creditors amounts to R 57 675 767 as at the end of March 2013

The following table shows the aging of the creditors:

	30 Days	60 Days	90 Days	120 Days	150 days	180 days	181 - 365 days	More than a year	Total
Bulk Water	2 502 934	1 891 086	-	2 313 585	2 254 673	1 047 995	1 540 384	21 128 125	32 678 782
Paye Deductions	610 235	642 953	622 635	588 555	563 776	573 152	7 718 688	946 702	12 266 696
VAT	(1 033 535)	(1 018 584)	(214 583)	(1 284 751)	(409 405)	(247 600)	(5 358 735)	-	(9 567 193)
SALA Pension Fund	628 035	628 035	-	-	-	-	4 536 420	5 115 537	10 908 027
Mun PF Councilors	-	-	-	-	-	-	-	-	-
SAMWU Provident Fund	352 822	352 822	-	-	-	-	1 190 008	1 341 923	3 237 575
FS Pension Fund	-	-	-	-	-	-	-	-	-
FS Provident Fund	-	-	-	-	-	-	-	-	-
Other Salary Creditors	-	-	-	-	-	-	217 330	1 852 425	2 069 755
Auditor-General	-	-	-	327 886	1 103 519	(179 829)	3 639 290	-	4 890 866
Trade Creditors	542 604	-	648 654	-	-	-	-	-	1 191 258
TOTAL	3 603 095	2 496 312	1 056 706	1 945 275	3 512 563	1 193 718	13 483 385	30 384 712	57 675 767

The following table and graph displays individual large creditors and also the total outstanding amounts as on 31 March 2013:

CREDITOR	BALANCE 01/03/2013	INVOICES RECEIVED	AMOUNTS PAID	BALANCE 31/03/2013
Bloem Water	30 175 848	2 502 934	-	32 678 782
Auditor General	4 890 866	-	-	4 890 866
SARS	3 122 803	610 235	1 033 535	2 699 503
SALA Pens Fund	9 651 957	1 256 070	-	10 908 027
Pens Fund Counc	-	50 557	50 557	-
SAMWU Pens Fund	2 531 931	705 641	-	3 237 572
FS Pension Fund	-	46 244	46 244	-
FS Prov. Fund	-	10 326	10 326	-
Medical Aids	-	526 156	526 156	-
Other Sal Creditors	2 069 755	215 635	215 631	2 069 759
Trade Creditors	1 573 283	956 872	1 338 897	1 191 258
Total	54 016 443	6 880 670	3 221 346	57 675 767



4.0 CAPITAL PROJECTS

Attached as annexure A is a reconciliation of the progress with the capital program.

Financial Implications

None

Legal Implications

To comply with MFMA Section 71.

Parties Consulted

Provincial Treasury

National Treasury

Recommendations

That the Section 80 Committee takes note of the report as it is a compliance matter.

MJ Mekhoe
Chief Financial Officer

LY Moletsane
Municipal Manager

Date:.....

Date:.....