

OFFICE OF THE CHIEF FINANCIAL OFFICER

Date: 14 November 2012

Submission to the Section 80 Committee

SECTION 52 EXPENDITURE REPORT FOR THE QUARTER ENDING 30 SEPTEMBER 2012

Purpose

To table the quarterly financial report for the quarter ending 30 September 2012 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	69 522 601	17 380 650	14 320 867	3 059 783
Councillors Allowances	4 491 948	1 122 987	1 122 987	0
Water Purchases	15 920 184	3 980 046	6 757 268	-2 777 222
Electricity Purchases	688 716	172 179	473 130	-300 951
Repairs & Maintenance	8 100 579	2 025 145	1 095 965	929 180
Fuel	1 329 648	332 412	246 412	86 000
Projects	50 521 000	12 630 250	6 722 765	5 907 485
Transfers	0	0	41 622 000	0
Depreciation	7 000 000	1 750 000	1 750 000	0
Contributions: Funds	10 392 512	2 598 128	2 598 128	0
Cotributions: Capital	2 808 500	702 125	457 325	244 800
Travelling Costs	667 632	166 908	356 777	-189 869
Sundry	30 908 576	7 727 144	7 955 609	-228 465
Total Expenses	202 351 896	50 587 974	43 857 233	6 730 741

From the above table it can be seen that the actual operational expenditure is R 823 256 under the budget for the year. The project spending is R 5 907 485 under the budget. Attached as Annexure A is the payment list for the quarter.

2.0 SALARIES

All salary creditors have been paid during this quarter.

3.0 CREDITORS

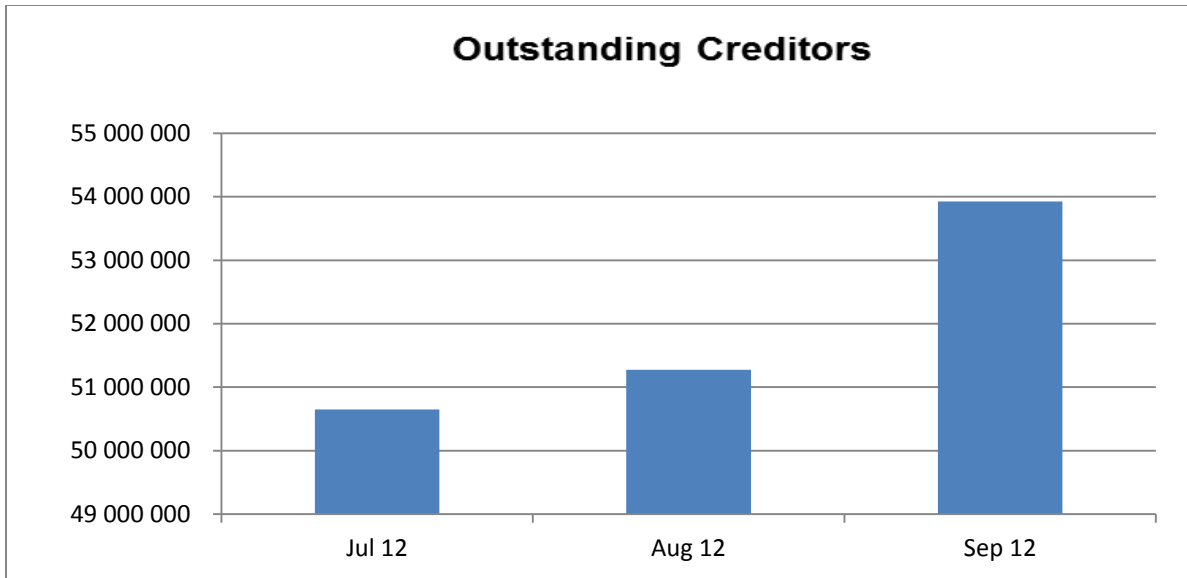
The total outstanding creditors amounts to R 52 982 052 as at the end of September 2012

According to the age analysis it will be seen that 90% of the creditors are outstanding longer than 60 days, which is once again an indication that this problem comes from far back and also the very negative cash flow situation of the municipality.

Current Creditors	R 2 653 112
30 days	R 1 703 382
60 days	-R 4 533 429
Longer than 60 days	R 53 158 987
Total Outstanding Creditors	R 52 982 052

The following table and graph displays the movement of individual large creditors and also the total outstanding amounts as on 30 September 2012:

CREDITOR	BALANCE 01/09/2012	INVOICES RECEIVED	AMOUNTS PAID	BALANCE 30/09/2012
Bloem Water	24 754 066	2 002 321	-	26 756 387
Auditor General	3 239 289	400 000	-	3 639 289
SARS	3 185 147	573 152	474 831	3 283 468
SALA Pens Fund	10 623 850	550 494	522 387	10 651 957
Pens Fund Counc	-	37 739	37 739	-
SAMWU Pens Fund	4 751 028	616 682	335 779	5 031 931
FS Pension Fund	-	44 607	44 607	-
FS Prov. Fund	-	9 647	9 647	-
Medical Aids	-	430 751	430 751	-
Other Sal Creditors	2 174 893	172 587	172 587	2 174 893
Trade Creditors	1 291 657	695 247	542 777	1 444 127
Total	50 019 930	5 533 227	2 571 105	52 982 052



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:.....