



Monthly Budget Statement

MFMA Section 71 Report

October 2013

Govan Mbeki Local Municipality

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1. Introduction

1.1 Purpose

To comply with section 71(1) of the Municipal Finance Management Act (MFMA), by submission of a report in a prescribed format to the Mayor within 10 working days after the end of each month on the state of the Municipality's budget.

The monthly Budget Statement also aims to provide an update on indicators critical to the municipality's viability and serve as an early warning indicator where remedial action is required. The consolidated performance is a high level overview of the municipality's viability and sustainability.

1.2 Background

The Municipal Budget and Reporting Regulations (MBRR) are designed to achieve a range of objectives, including improving the local government sphere's ability to deliver basic services by facilitating sustainability and better medium term planning and policy choices on service delivery.

The report has been prepared in terms of the following legislative framework:

- i. The Municipal Finance Management Act – No.56 of 2003,Section 71
- ii. And the Municipal Budget and Reporting Regulations

The MBRR highlights the format of the monthly budget statements.

"28. The monthly budget statement of a municipality must be in the format specified in Schedule C and includes 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."

The objective of these Regulations is to ensure sound and sustainable management of the budgeting and reporting practices of Municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting process and other relevant matters as required by the Act.

2. Section 13: Quality Certification By Accounting Officer

QUALITY CERTIFICATE

I, **M F Mahlangu**, the municipal manager of **Govan Mbeki Local Municipality**, hereby certify that:-

✓ The monthly budget statement report

and supporting documentation for the month of **October 2013** has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name: J Mokgatsi

Chief Financial Officer of Govan Mbeki Local Municipality (MP307)

Signature:

Date:

Print Name: M F Mahlangu

Municipal Manager of Govan Mbeki Local Municipality (MP307)

Signature:

Date:

3. Executive Summary

The following table provides a summary of the municipality's performance on the Capital and Operational budget as at 31 October 2013:

3.1 Budget Summary statement

MP307 Govan Mbeki - Table C1 Monthly Budget Statement Summary - M04 October

Description R thousands	2012/13	Budget Year 2013/14							
	Unaudited outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Financial Performance									
Property rates	173 787	159 194	-	15 436	63 222	53 065	10 158	19%	189 666
Service charges	698 642	801 167	-	70 550	272 623	267 056	5 568	2%	817 870
Investment revenue	3 769	1 292	-	140	595	431	164	38%	35 312
Transfers recognised - operational	193 751	196 735	-	0	82 784	65 578	17 206	26%	248 353
Other own revenue	123 909	211 079	-	25 219	82 348	70 360	11 989	17%	247 044
Total Revenue (excluding capital transfers and contributions)	1 193 858	1 369 466	-	111 346	501 572	456 489	45 084	10%	1 538 246
Employee costs	313 258	331 374	-	28 044	110 659	110 458	201	0%	331 976
Remuneration of Councillors	15 567	17 331	-	1 299	5 180	5 777	(597)	-10%	15 541
Depreciation & asset impairment	303 633	85 309	-	-	-	28 436	(28 436)	-100%	-
Finance charges	14 986	12 352	-	1 365	3 732	4 117	(385)	-9%	11 197
Materials and bulk purchases	476 456	499 940	-	45 689	163 080	166 647	(3 566)	-2%	489 241
Transfers and grants	31 564	55 175	-	4 203	14 865	18 392	(3 527)		44 595
Other expenditure	35 011	453 293	-	24 813	87 710	151 098	(63 388)	-42%	263 129
Total Expenditure	1 190 475	1 454 775	-	105 413	385 227	484 925	(99 698)	-21%	1 155 680
Surplus/(Deficit)	3 383	(85 309)	-	5 932	116 346	(28 436)	144 782	-509%	382 567
Transfers recognised - capital	107 340	87 245	-	23 425	34 298	29 082	5 216	18%	102 893
Contributions & Contributed assets	10 539	160 870	-	-	4 660	53 623	(48 963)	-91%	13 980
Surplus/(Deficit) after capital transfers & contributions	121 261	162 806	-	29 357	155 304	54 269	101 035	186%	499 439
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	121 261	162 806	-	29 357	155 304	54 269	101 035	186%	499 439
Capital expenditure & funds sources									
Capital expenditure	132 521	257 888	-	7 690	47 081	85 963	(38 881)	-45%	141 244
Capital transfers recognised	114 998	100 395	-	6 795	44 826	33 465	11 361	34%	134 478
Public contributions & donations	-	147 720	-	-	-	49 240	(49 240)	-100%	-
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	17 523	9 773	-	895	2 255	3 258	(1 002)	-31%	6 766
Total sources of capital funds	132 521	257 888	-	7 690	47 081	85 963	(38 881)	-45%	141 244
Financial position									
Total current assets	459 620	395 929	-		606 897				395 929
Total non current assets	3 241 502	3 161 088	-		3 300 544				3 161 088
Total current liabilities	326 287	368 330	-		380 653				368 330
Total non current liabilities	173 455	169 202	-		171 257				169 202
Community wealth/Equity	3 201 381	3 019 486	-		3 355 530				3 019 486
Cash flows									
Net cash from (used) operating	36 455	(25 819)	-	22 872	(60 998)	(8 606)	(52 392)	609%	(182 994)
Net cash from (used) investing	(11 399)	(60 475)	-	(2 852)	(43 512)	(20 158)	(23 354)	116%	(130 535)
Net cash from (used) financing	(7 686)	(1 616)	-	100	(2 757)	(539)	(2 218)	412%	(8 271)
Cash/cash equivalents at the month/year end	35 257	(52 651)	-	-	(71 778)	5 955	(77 732)	-1305%	(286 311)
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 Income Source	25 293	24 814	17 951	26 060	12 582	14 487	57 825	533 858	713 227
Creditors Age Analysis									
Total Creditors	34 114	41 058	30 982	4	1 106	87	71 790	-	179 141

Comments on the Budget Summary Statement

Operating Revenue

The overall performance on the revenue component is 10 % above the budget. This is mainly due to the MSIG and the FMG grant having been received in full as well as investment revenue performing above target by 38%. The property rates have also performed above budget by 19%.

Operating Expenditure

The overall performance on the expenditure component is 21% below the budget. Under the operating expenditure less is being spent than budgeted for. The highest unspent budget is depreciation and impairment. Depreciation and impairment will be done by the end of the second quarter going forward. Repairs and maintenance have also been under spent by 54% contributing to the overall under spending of other expenditure. This spending pattern on repairs needs to be improved to ensure adequate maintenance on our infrastructure assets.

Capital Expenditure

Total Capital Expenditure for the month of October is R7 690 778. Of this amount R6.7m relates to MIG funding whilst the remaining R895 000 is from internally generated funds

Cash Flows

At the end of October 2013 we had a positive bank statement balance of R 14 371 543. Our cash book balance for the same period is overdrawn by R73 636 598. The difference is due to outstanding cheques and EFT payments not yet reflected on the bank statements.

Debtors and Creditors

Our Debtors book had a total balance of R713 million as at October month end. Collection still remains a challenge as indicated by the huge amounts of old outstanding debtors.

The total creditors balance amounted to R179 million for the same period.

3.2 Key Financial indicators

Financial		Cash Management	
Overall surplus for the period	155.3 million	Bank statement balance:	R 14,371,543
Debtors Average payment rate for the month	101%	Cashbook balance: (Overdrawn)	R(73,636,598)
Creditors days	247 Days	Investments:	R 17,436,161
		Loan Balance:	R 18,323,573
Overall operating results	R' 000		
Income	R 540 530	Liabilities	
Expenditure	R 385 266	Unspent Conditional grant	R 5,983,493
Surplus	<u>R 155 304</u>	Trade creditors	R 179,140,997
		Total loans	R 18,323,573
Debtors		MIG Capital Expenditure :	
Total debtors outstanding	R 713,227,040	MIG Received at 31 October 2013	R 48,609,435
Distribution Losses	(%)	Expenditure	<u>R 44,825,903</u>
Electricity:	37%	Unspent MIG at 31 October 2013	<u>R 3,783,532</u>
Water:	18%	(includes rollover for 2012/2013 of R14,313,435)	
Capital expenditure		% spent to date	92.2%
The overall Capital expenditure budget spent to date is 18% of the total budget.		Human resources	
		Salary bill for Councillors	R 1,298,681
		Salary bill for employees	R 28,043,817
		Work force cost as a % of income	26%
		Total staff complement	1 341
		Staff resignations	2
		Staff Appointments	34

3.3 Ratio Analysis

MP307 Govan Mbeki - Supporting Table SC2 Monthly Budget Statement - performance indicators - M04 October

Description of financial indicator	Basis of calculation	2012/13	Budget Year 2013/14			
		Unaudited outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management						
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure	0.9%	6.7%	0.0%	1.0%	2.3%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	10.0%	11.1%	0.0%	11.1%	11.1%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%		0.0%
Liquidity						
Current Ratio	Current assets/current liabilities	140.9%	107.5%	0.0%	159.4%	107.5%
Liquidity Ratio	Monetary Assets/Current Liabilities	10.9%	7.5%	0.0%	0.5%	7.5%
Revenue Management						
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing					
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	42.9%	32.6%	0.0%	140.4%	29.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management						
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))					
Funding of Provisions						
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions					
Other Indicators						
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	38.09%	10.0%		37.9%	10.0%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	20.0%	10.0%		18.5%	10.0%
Employee costs	Employee costs/Total Revenue - capital revenue	26.2%	24.2%	0.0%	22.1%	22.1%
Repairs & Maintenance	R&M/Total Revenue - capital revenue	2.8%	7.5%	0.0%	0.7%	0.6%
Interest & Depreciation	I&D/Total Revenue - capital revenue	26.7%	7.1%	0.0%	0.7%	1.8%
IDP regulation financial viability indicators						
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	3140.2%	23456.4%		11094.6%	39471.7%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	73.3%	55.8%		350.7%	55.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	5.3%	-2.8%		-58.9%	-12.9%

4. Monthly statements

4.1 Financial Performance (Revenue and expenditure)

Description R thousands	2012/13	Budget Year 2013/14							
	Unaudited outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue By Source									
Property rates	173 240	159 194	–	15 436	63 222	53 065	10 158	19%	189 666
Property rates - penalties & collection charges	547	–	–	–	–	–	–	–	–
Service charges - electricity revenue	334 268	382 875	–	36 871	143 107	127 625	15 482	12%	429 321
Service charges - water revenue	235 354	269 530	–	20 563	79 079	89 843	(10 765)	-12%	237 236
Service charges - sanitation revenue	51 927	59 446	–	5 903	21 307	19 815	1 491	8%	63 920
Service charges - refuse revenue	77 093	79 316	–	7 214	29 131	26 439	2 692	10%	87 392
Service charges - other	–	10 000	–	–	–	3 333	(3 333)	-100%	–
Rental of facilities and equipment	3 872	4 675	–	239	1 086	1 558	(472)	-30%	3 258
Interest earned - external investments	3 769	1 292	–	140	595	431	164	38%	1 784
Interest earned - outstanding debtors	31 233	35 955	–	2 708	11 176	11 985	(809)	-7%	33 529
Dividends received	–	–	–	–	–	–	–	–	–
Fines	8 014	9 721	–	1 168	2 692	3 240	(548)	-17%	8 077
Licences and permits	1	14	–	–	0	5	(4)	-91%	1
Agency services	47 059	33 935	–	12 266	36 065	11 312	24 754	219%	108 196
Transfers recognised - operational	193 751	196 735	–	0	82 784	65 578	17 206	26%	248 353
Other revenue	13 593	91 778	–	3 892	15 914	30 593	(14 678)	-48%	47 743
Gains on disposal of PPE	20 137	35 000	–	4 946	15 413	11 667	3 747	32%	46 240
Total Revenue (excluding capital transfers and contributions)	1 193 858	1 369 466	–	111 346	501 572	456 489	45 084	10%	1 504 717
Expenditure By Type									
Employee related costs	313 258	331 374	–	28 044	110 659	110 458	201	0%	331 976
Remuneration of councillors	15 567	17 331	–	1 299	5 180	5 777	(597)	-10%	15 541
Debt impairment	(252 836)	50 159	–	–	–	16 720	(16 720)	-100%	–
Depreciation & asset impairment	303 633	85 309	–	–	–	28 436	(28 436)	-100%	–
Finance charges	14 986	12 352	–	1 365	3 732	4 117	(385)	-9%	11 197
Bulk purchases	476 456	499 940	–	45 689	163 080	166 647	(3 566)	-2%	489 241
Other materials	–	–	–	–	–	–	–	–	–
Contracted services	61 108	79 498	–	6 449	24 363	26 499	(2 136)	-8%	73 089
Transfers and grants	31 564	55 175	–	4 203	14 865	18 392	(3 527)	-19%	44 595
Other expenditure	98 254	323 636	–	18 364	63 347	107 879	(44 532)	-41%	190 040
Loss on disposal of PPE	128 486	–	–	–	–	–	–	–	–
Total Expenditure	1 190 475	1 454 775	–	105 413	385 227	484 925	(99 698)	-21%	1 155 680
Surplus/(Deficit)	3 383	(85 309)	–	5 932	116 346	(28 436)	144 782	(0)	349 038
Transfers recognised - capital	107 340	87 245	–	23 425	34 298	29 082	5 216	0	102 893
Contributions recognised - capital	1 000	147 720	–	–	–	49 240	(49 240)	(0)	–
Contributed assets	9 539	13 150	–	–	4 660	4 383	277	0	13 980
Surplus/(Deficit) after capital transfers & contributions	121 261	162 806	–	29 357	155 304	54 269			465 911
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	121 261	162 806	–	29 357	155 304	54 269			465 911
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	121 261	162 806	–	29 357	155 304	54 269			465 911
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	121 261	162 806	–	29 357	155 304	54 269			465 911

Detailed Analysis of Financial Performance

Revenue

The water revenue is below target with 12%, due to the high number of faulty water meters – 9 944 meters are billed on interim.

The rental of facilities is below target with 30%, an investigation by the department on cost effectiveness of tariffs charged for the rental fees is envisaged.

The fines are below target by 17%, the fines issued by the respective departments are not being followed up to pursue recovery.

The licences and permits are below target by 91%, the permits and licences issued to hawkers are not monitored for payment by the respective department.

Other revenue is below performance by 48%, due to sundry debtors not followed up; investigation should be conducted to improve the level of payment.

The performance of interest earned-outstanding debtors for the quarter is below target by 7%; this may be attributed to the effective collection strategies which are in place.

Expenditure

Debt Impairment

There were no bad debts written off in the period under review and also the provision for debt impairment will only be done at year end.

Depreciation and asset impairment

No depreciation calculations were done. This is mainly due to the fact that the asset management unit was not yet fully functional. The depreciation charge will be calculated on a monthly basis going forward.

Transfers and grants

At the time of reporting grants paid to indigent customers were R14 865 131. There is an under spending of 19% and this is attributable to the timing differences between the billing date (15th of each month) and the reporting date (month end)

Other expenditure

Other expenditure was under spent by 41%. To address the cash management constraints challenges we are currently experiencing, management are cutting costs where possible. These cost curtailment measures results in under spending of other expenditure.

4.2 Financial Performance (Standard classification)

MP307 Govan Mbeki - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M04 October

Description R thousands	2012/13	Budget Year 2013/14							
	Unaudited outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue - Standard									
Governance and administration	265 549	444 005	-	19 516	165 229	148 002	17 228	12%	495 688
Executive and council	(38 241)	28	-	-	-	9	(9)	-100%	-
Budget and treasury office	281 688	442 948	-	19 490	164 905	147 649	17 255	12%	494 714
Corporate services	22 102	1 028	-	25	325	343	(18)	-5%	974
Community and public safety	29 152	51 134	-	6 371	19 472	17 045	2 427	14%	58 415
Community and social services	8 581	3 334	-	191	1 003	1 111	(108)	-10%	3 010
Sport and recreation	284	362	-	9	64	121	(57)	-47%	192
Public safety	8 178	9 563	-	1 156	2 712	3 188	(476)	-15%	8 136
Housing	12 109	37 875	-	5 016	15 692	12 625	3 067	24%	47 077
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	169 568	301 075	-	36 015	78 030	100 358	(22 329)	-22%	234 089
Planning and development	122 389	253 589	-	23 689	41 677	84 530	(42 853)	-51%	125 031
Road transport	47 116	39 761	-	12 278	36 139	13 254	22 885	173%	108 416
Environmental protection	63	7 726	-	48	214	2 575	(2 361)	-92%	642
Trading services	718 982	821 366	-	72 868	277 799	273 789	4 011	1%	833 398
Electricity	351 277	404 942	-	38 323	146 612	134 981	11 631	9%	439 836
Water	237 724	274 046	-	21 277	80 440	91 349	(10 909)	-12%	241 319
Waste water management	52 772	62 660	-	6 045	21 578	20 887	691	3%	64 735
Waste management	77 209	79 718	-	7 223	29 169	26 573	2 597	10%	87 508
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	1 183 251	1 617 581	-	134 770	540 530	539 194	1 336	0%	1 621 590
Expenditure - Standard									
Governance and administration	79 685	266 410	-	19 791	68 493	88 803	(20 310)	-23%	205 479
Executive and council	43 814	48 482	-	3 047	14 051	16 161	(2 109)	-13%	42 154
Budget and treasury office	1 385	170 710	-	12 315	39 509	56 903	(17 395)	-31%	118 526
Corporate services	34 486	47 217	-	4 430	14 933	15 739	(806)	-5%	44 799
Community and public safety	112 311	146 024	-	8 271	35 550	48 675	(13 124)	-27%	106 651
Community and social services	40 048	57 315	-	2 989	12 392	19 105	(6 713)	-35%	37 176
Sport and recreation	2 656	3 506	-	237	945	1 169	(223)	-19%	2 836
Public safety	61 837	68 460	-	4 332	19 325	22 820	(3 495)	-15%	57 975
Housing	7 770	16 743	-	714	2 888	5 581	(2 693)	-48%	8 664
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	129 173	246 907	-	13 375	53 280	82 302	(29 022)	-35%	159 840
Planning and development	18 077	34 816	-	890	5 595	11 605	(6 011)	-52%	16 784
Road transport	89 429	184 388	-	10 789	40 609	61 463	(20 854)	-34%	121 828
Environmental protection	21 668	27 703	-	1 697	7 076	9 234	(2 158)	-23%	21 229
Trading services	740 821	795 434	-	63 975	227 903	265 145	(37 242)	-14%	683 709
Electricity	619 550	472 572	-	37 811	145 342	157 524	(12 182)	-8%	436 027
Water	153 996	197 176	-	17 462	51 894	65 725	(13 831)	-21%	155 683
Waste water management	6 475	62 113	-	4 652	14 730	20 704	(5 974)	-29%	44 189
Waste management	(39 201)	63 574	-	4 050	15 936	21 191	(5 255)	-25%	47 809
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	1 061 989	1 454 775	-	105 413	385 227	484 925	(99 698)	-21%	1 155 680
Surplus/ (Deficit) for the year	121 261	162 806	-	29 357	155 304	54 269	101 035	186%	465 911

4.3 Financial Performance (Revenue and expenditure per Municipal vote)

MP307 Govan Mbeki - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M04 October

Vote Description R thousands	2012/13	Budget Year 2013/14							
	Unaudited outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue by Vote									
Vote 1 - Executive & Council	80 637	90 448	-	23 423	36 046	30 149	5 897	19.6%	108 139
Vote 2 - Corporate Services	22 102	1 028	-	25	325	343	(18)	-5.3%	974
Vote 3 - Planning & Development	15 620	201 044	-	5 282	21 323	67 015	(45 692)	-68.2%	63 969
Vote 4 - Community Services	140 128	133 048	-	20 817	68 927	44 349	24 577	55.4%	206 780
Vote 5 - Financial Services	281 688	442 948	-	19 490	164 905	147 649	17 255	11.7%	494 714
Vote 6 - Technical services	643 076	749 064	-	65 733	249 005	249 688	(683)	-0.3%	747 014
Total Revenue by Vote	1 183 251	1 617 581	-	134 770	540 530	539 194	1 336	0.2%	1 621 590
Expenditure by Vote									
Vote 1 - Executive & Council	44 015	55 403	-	2 584	15 436	18 468	(3 032)	-16.4%	46 308
Vote 2 - Corporate Services	34 486	46 996	-	4 430	14 933	15 665	(732)	-4.7%	44 799
Vote 3 - Planning & Development	25 646	44 859	-	2 066	7 098	14 953	(7 855)	-52.5%	21 294
Vote 4 - Community Services	117 029	260 681	-	19 373	77 957	86 894	(8 937)	-10.3%	233 870
Vote 5 - Financial Services	1 385	170 710	-	12 315	39 509	56 903	(17 395)	-30.6%	118 526
Vote 6 - Technical services	839 428	876 126	-	64 645	230 294	292 042	(61 748)	-21.1%	690 882
Total Expenditure by Vote	1 061 989	1 454 775	-	105 413	385 227	484 925	(99 698)	-20.6%	1 155 680
Surplus/ (Deficit) for the year	121 261	162 806	-	29 357	155 304	54 269	101 035	186.2%	465 911

4.4 Financial Position

MP307 Govan Mbeki - Table C6 Monthly Budget Statement - Financial Position - M04 October

Description R thousands	Ref	2012/13	Budget Year 2013/14			
		Unaudited outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash		35 489	–	–	1 835	–
Call investment deposits		–	27 525	–	–	27 525
Consumer debtors		399 869	346 780	–	579 182	346 780
Other debtors		8 041	6 294	–	8 497	6 294
Current portion of long-term receivables		9 726	8 753	–	9 726	8 753
Inventory		6 495	6 577	–	7 657	6 577
Total current assets		459 620	395 929	–	606 897	395 929
Non current assets						
Long-term receivables		94 672	85 205	–	106 674	85 205
Investments		15 497	18 271	–	15 781	18 271
Investment property		855 098	828 848	–	855 098	828 848
Investments in Associate		–	–	–	–	–
Property, plant and equipment		2 276 149	2 228 679	–	2 322 905	2 228 679
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		85	85	–	85	85
Other non-current assets		–	–	–	–	–
Total non current assets		3 241 502	3 161 088	–	3 300 544	3 161 088
TOTAL ASSETS		3 701 122	3 557 017	–	3 907 440	3 557 017
LIABILITIES						
Current liabilities						
Bank overdraft		–	80 176	–	73 613	80 176
Borrowing		6 755	3 633	–	6 755	3 633
Consumer deposits		19 016	21 108	–	19 440	21 108
Trade and other payables		297 241	237 042	–	277 570	237 042
Provisions		3 275	26 370	–	3 275	26 370
Total current liabilities		326 287	368 330	–	380 653	368 330
Non current liabilities						
Borrowing		16 917	13 106	–	14 720	13 106
Provisions		156 538	156 096	–	156 538	156 096
Total non current liabilities		173 455	169 202	–	171 257	169 202
TOTAL LIABILITIES		499 741	537 531	–	551 910	537 531
NET ASSETS	2	3 201 381	3 019 486	–	3 355 530	3 019 486
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		3 201 381	3 019 486	–	3 355 530	3 019 486
Reserves		(0)	–	–	(0)	–
TOTAL COMMUNITY WEALTH/EQUITY	2	3 201 381	3 019 486	–	3 355 530	3 019 486

4.5 Cash flow statement

MP307 Govan Mbeki - Table C7 Monthly Budget Statement - Cash Flow - M04 October

Description R thousands	2012/13	Budget Year 2013/14							
	Unaudited outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	864 697	896 974	-	110 146	402 446	298 991	103 455	35%	1 207 338
Government - operating	193 751	196 735	-	0	82 893	65 578	17 315	26%	248 679
Government - capital	102 403	87 245	-	23 425	34 298	29 082	5 216	18%	102 893
Interest	35 549	1 292	-	140	595	431	164	38%	1 784
Dividends	-	-	-	-	-	-	-		-
Payments									(1 709)
Suppliers and employees	(1 084 629)	(1 147 727)	-	(105 271)	(569 735)	(382 576)	187 159	-49%	204
Finance charges	(11 010)	(5 162)	-	(1 365)	(3 732)	(1 721)	2 012	-117%	(11 197)
Transfers and Grants	(64 306)	(55 175)	-	(4 203)	(7 762)	(18 392)	(10 630)	58%	(23 286)
NET CASH FROM/(USED) OPERATING ACTIVITIES	36 455	(25 819)	-	22 872	(60 998)	(8 606)	(52 392)	609%	(182 994)
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	135 434	26 250	-	4 946	15 413	8 750	6 663	76%	46 240
Decrease (Increase) in non-current debtors	(23 801)	9 467	-	(2 722)	(12 002)	3 156	(15 158)	-480%	(36 006)
Decrease (increase) other non- current receivables	-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments	(834)	(2 774)	-	(72)	(284)	(925)	641	-69%	(852)
Payments									
Capital assets	(122 198)	(93 418)	-	(5 005)	(46 639)	(31 139)	15 500	-50%	(139 917)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(11 399)	(60 475)	-	(2 852)	(43 512)	(20 158)	23 354	-116%	(130 535)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-		-
Borrowing long term/refinancing	(3 986)	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		2 092	-	100	(92)	697	(789)	-113%	(276)
Payments									
Repayment of borrowing	(3 700)	(3 707)	-	-	(2 665)	(1 236)	1 429	-116%	(7 995)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(7 686)	(1 616)	-	100	(2 757)	(539)	2 218	-412%	(8 271)
NET INCREASE/ (DECREASE) IN CASH HELD	17 369	(87 909)	-	20 119	(107 267)	(29 303)			(321 800)
Cash/cash equivalents at beginning:	17 888	35 257	-		35 489	35 257			35 489
Cash/cash equivalents at month/year end:	35 257	(52 651)	-		(71 778)	5 955			(286 311)

4.6 Capital expenditure

MP307 Govan Mbeki - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M04 October

Vote Description R thousands	2012/13	Budget Year 2013/14							
	Unaudited outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Single Year expenditure appropriation									
Vote 1 - Executive & Council	62	120	-	-	66	40	26	64%	197
Vote 2 - Corporate Services	770	30	-	-	46	10	36	357%	137
Vote 3 - Planning & Development	6 253	19 788	-	35	98	6 596	(6 498)	-99%	294
Vote 4 - Community Services	39 245	80 631	-	1 888	10 988	26 877	(15 889)	-59%	32 964
Vote 5 - Financial Services	71	7 222	-	25	120	2 407	(2 287)	-95%	361
Vote 6 - Technical services	86 120	150 097	-	5 743	35 763	50 032	(14 269)	-29%	107 290
Total Capital single-year expenditure	132 521	257 888	-	7 690	47 081	85 963	(38 881)	-45%	141 244
Total Capital Expenditure	132 521	257 888	-	7 690	47 081	85 963	(38 881)	-45%	141 244
Capital Expenditure - Standard Classification									
Governance and administration	904	7 372	-	25	232	2 457	(2 226)	-91%	696
Executive and council	62	120	-	-	66	40	26	64%	197
Budget and treasury office	71	7 222	-	25	120	2 407	(2 287)	-95%	361
Corporate services	770	30	-	-	46	10	36	357%	137
Community and public safety	37 801	80 101	-	1 888	10 988	26 700	(15 712)	-59%	32 964
Community and social services	17 244	43 301	-	1 121	9 343	14 434	(5 090)	-35%	28 030
Sport and recreation	8 075	9 100	-	766	1 645	3 033	(1 388)	-46%	4 935
Public safety	12 483	17 700	-	-	-	5 900	(5 900)	-100%	-
Housing	-	10 000	-	-	-	3 333	(3 333)	-100%	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	62 814	81 878	-	4 289	21 607	27 293	(5 685)	-21%	64 822
Planning and development	6 253	9 788	-	35	98	3 263	(3 165)	-97%	294
Road transport	55 118	72 090	-	4 255	21 509	24 030	(2 521)	-10%	64 528
Environmental protection	1 444	-	-	-	-	-	-	-	-
Trading services	31 002	88 537	-	1 488	14 254	29 512	(15 258)	-52%	42 762
Electricity	8 428	20 615	-	-	12	6 872	(6 860)	-100%	36
Water	7 099	5 970	-	13	2 948	1 990	958	48%	8 843
Waste water management	15 475	51 422	-	1 475	11 294	17 141	(5 846)	-34%	33 883
Waste management	-	10 530	-	-	-	3 510	(3 510)	-100%	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard Classification	132 521	257 888	-	7 690	47 081	85 963	(38 881)	-45%	141 244
Funded by:									
National Government	107 340	87 245		6 795	44 826	29 082	15 744	54%	134 478
Provincial Government						-	-		-
District Municipality	5 628	13 150				4 383	(4 383)	-100%	-
Other transfers and grants	2 030					-	-		-
Transfers recognised - capital	114 998	100 395	-	6 795	44 826	33 465	11 361	34%	134 478
Public contributions & donations		147 720				49 240	(49 240)	-100%	-
Borrowing							-		
Internally generated funds	17 523	9 773		895	2 255	3 258	(1 002)	-31%	6 766
Total Capital Funding	132 521	257 888	-	7 690	47 081	85 963	(38 881)	-45%	141 244

5. Detailed analysis on balances

5.1 Loans & Investments

Long Term External Loans

The following table indicates the long term loans of council

Details	Original Loan Amount	Interest Rate	Redeemable	Balance 30 th June 2013	Accrued Interest	Capital Portion	Payments	Balance 31 st Octoberr 2013
Annuity Loans								
DBSA	321,368	15,50%	30/09/2019	220,239	10,955		26,485	204,710
DBSA	585,000	15,50%	30/09/2019	400,911	19,944		48,212	372,642
DBSA	4,918,492	16,50%	30/09/2019	3,464,392	183,076		427,214	3,220,254
DBSA	10,000,000	8.93%	31/03/2021	7,031,943	205,064		611,333	6,625,675
DBSA	17,500,000	11.55%	31/03/2016	9,403,349	344,174		1,847,231	7,900,292
Total Annuity Loans	33,324,860			20,520,835	763,213		2,960,475	18,323,573

Investments

The following table indicates the Investments of council

Category	Type	Balance 30/06/2013	Balance 31/10/2013
Short term Investment	Absa Call 9115185354	91,044	1,046,889
	Absa Cheque 40-7914-7257(MIG)	28,718,862	53,783
	Absa Cheque 40-7004-3430	189,062	221,476
	Absa Cheque 40-7914-1366(Traffic)	0	0
Notice Deposits	Notice 30-7438-4195	327,798	330,712
Listed Investments	Old Mutual Shares 2,187	60,279	60,279
	Old Mutual Shares 31,400	829,255	829,255
	Sanlam Shares 2452	112,792	112,792
Fixed Deposits	ABSA Deposit 20-6447-1346	14,496,980	14,780,975
Total Investments		44,826,074	17,436,161

5.2 Debtors

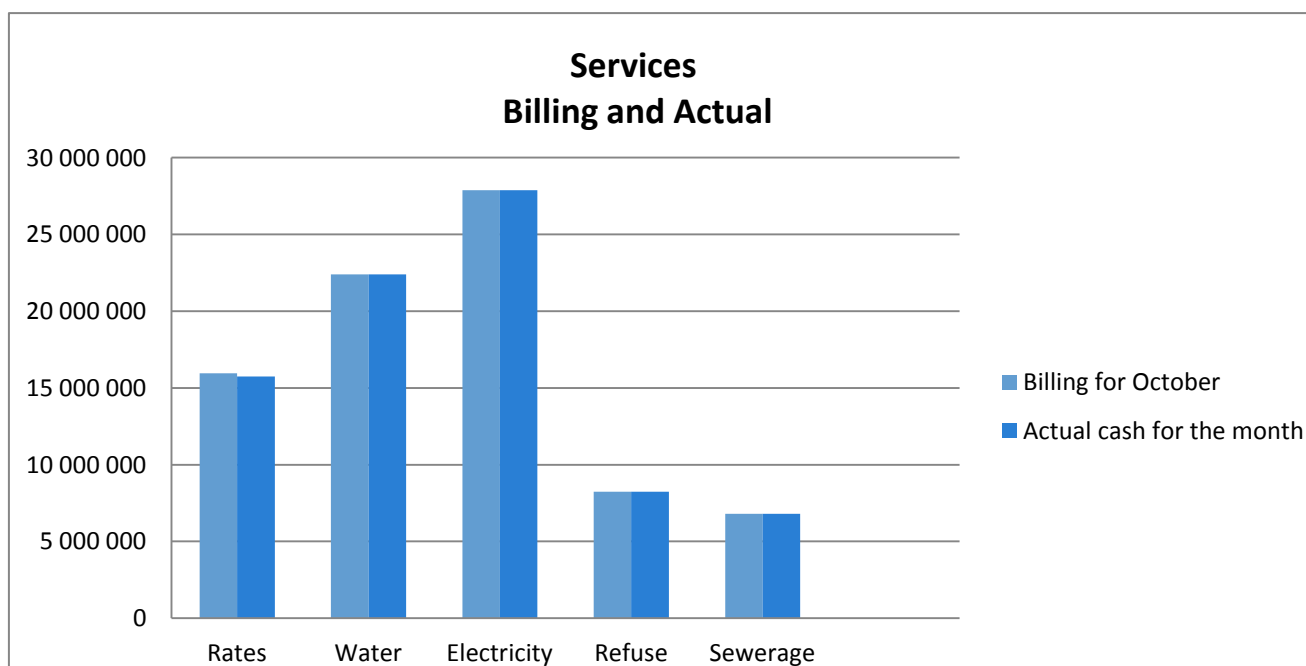
The following table indicates the consumer debtors for the month:

Category	Opening Balance	Billing for September'13	Billing for October'13	Actual Cash for the month	Adjustments	Interest	Closing Balance	Payment Rate
Water	224,419,224	21,819,028	22,387,689	21,454,951	-849,654	867,960	225,370,271	98%
Electricity	91,841,614	25,488,826	27,879,598	25,337,995	1,796,439	312,589	96,492,083	92%
Rates	69,127,041	15,769,851	15,958,794	15,747,785	-857,477	273,480	68,754,053	104%
Refuse	109,694,053	8,241,181	8,237,248	5,516,566	-2,530,064	480,705	110,365,377	89%
Sewerage	112,091,537	6,319,142	6,806,304	3,968,336	-1,780,379	483,117	113,631,743	79%
Miscellaneous	78,924,632	119,045	119,845	268,070	-394,055	204,448	79,122,940	380%
Total	686,097,940	77,757,074	81,379,479	71,757,562	-4,615,690	2,622,299	693,736,466	101%

Arrears Debts for the month

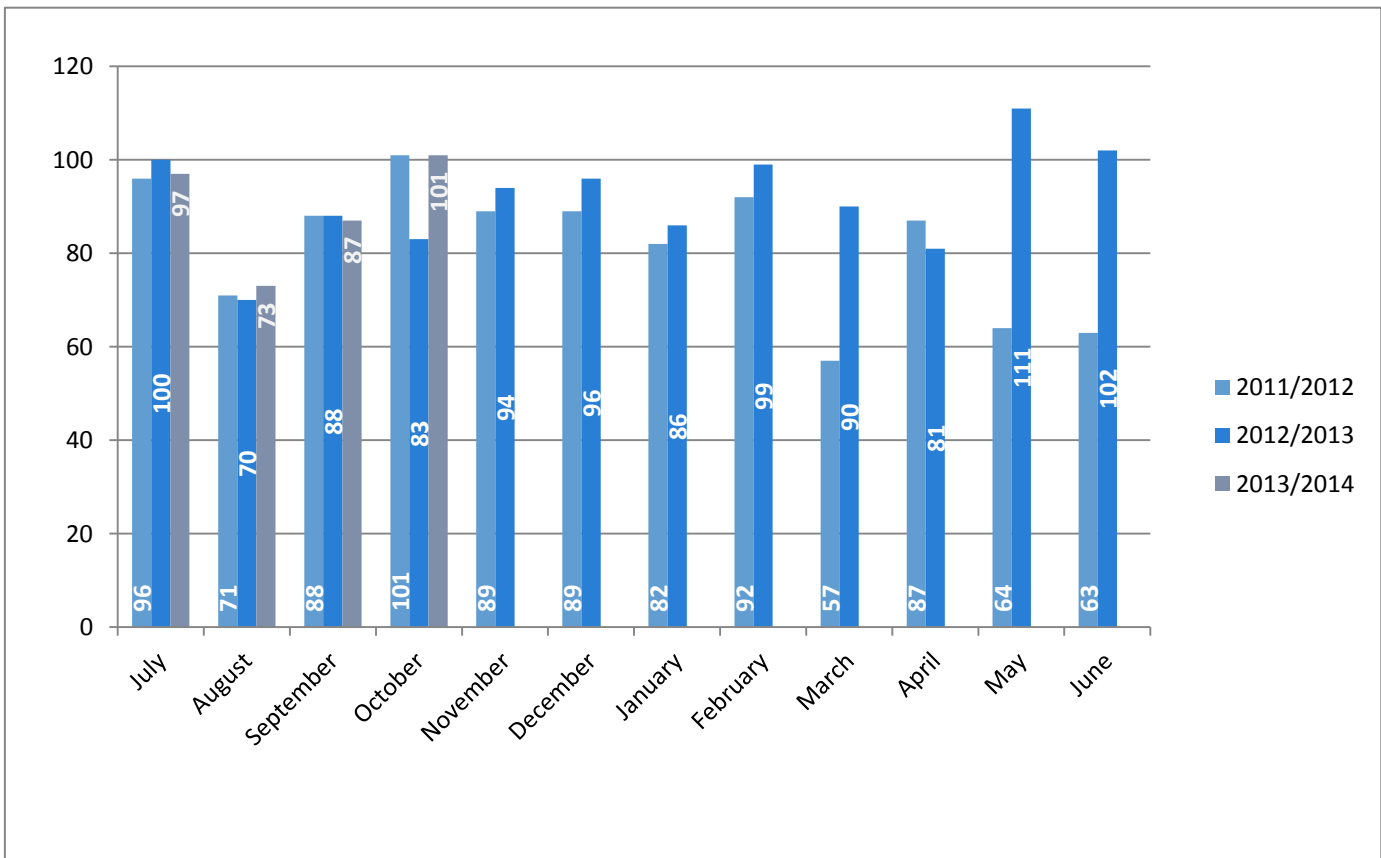
Category	Opening Balance	Billing for September'13	Billing for October'13	Actual Cash for the month	Adjustments	Interest	Closing Balance	Payment Rate
Capital	19,583,473	984,514	941,635	104,648	79,910	86,654	19,490,203	105%

The payment rate for the month is 87 % and the debtors have increased by 1.01% since September 2013.



The following table indicates payment rate per month.

Month	2011/2012	2012/2013	2013/2014
July	96%	100%	97%
August	71%	70%	73%
September	88%	88%	87%
October	101%	83%	101%
November	89%	94%	
December	89%	96%	
January	82%	86%	
February	92%	99%	
March	57%	90%	
April	87%	81%	
May	64%	111%	
June	63%	102%	



Monthly Budget statement- October 2013

i. The following table indicates the capitalized debt

Category	Balance at 18/09/2013	Capitalized for the period	Actual Cash received for the period	Current portion of Cap. Debt	Interest	Balance at 17/10/2013
Consumer Debtors	19, 583, 473	0	-1, 041, 648	941, 635	86, 654	19, 490, 203

ii. Number of accounts for the month:

Category	Number
Mailed (Post Office)	69,764

iii. The following table indicates the credit control actions taken during the month ending 31 October 2013

Category	Month ending 31 October 2013	
	NR	Amount
Disconnections	1,540	11,685,454.08
Re-connections	309	486,109.00
No response	1,231	11,196,971.08
Bridges (Electricity)	15	55,482.53
Arrangements	-	-
Legal actions	-	-

iv. Indigents

Description	October	Total Year to date
Indigent applications Received	97	341
Indigent applications Approved		
Indigent Amount Written Off		
Total No. on Database	22,208	22,208
Indigent Subsidy Granted	3,322,833.26	10,625,557.99
Free Basic Services - Water		
Kilolitres per household for Indigent	10	10
No. of households	19 989	19 989
No. of kilolitres	98 415	555 915

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Total Amount of free water	R970 722.48	R3 803 960.27
Free Basic Services - Electricity		
Units per Indigent households	50	50
No. of households	19 989	19 989
No. of units	384 750	1,766 994
Total Amount of free electricity	R257,942.31	R755,062.65

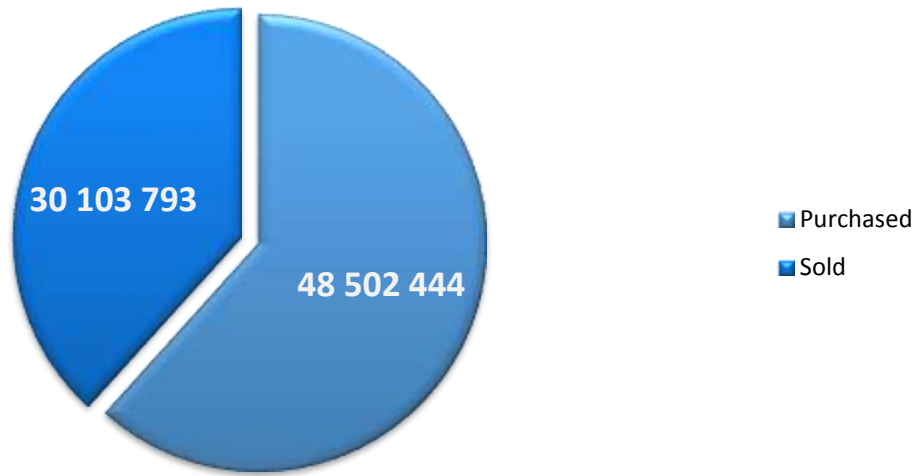
v. **Water and Electricity Distribution Losses October 2013 (KL's / Units)**

Service	Purchased	Sold	% Loss	Average 12/13	Average 11/12
Electricity	48,502,444	30,103,793	-37.93%	-39.00%	-38.36%
Water	2,363,139	1,926,694	-18.47%	-26.67%	-20.65%

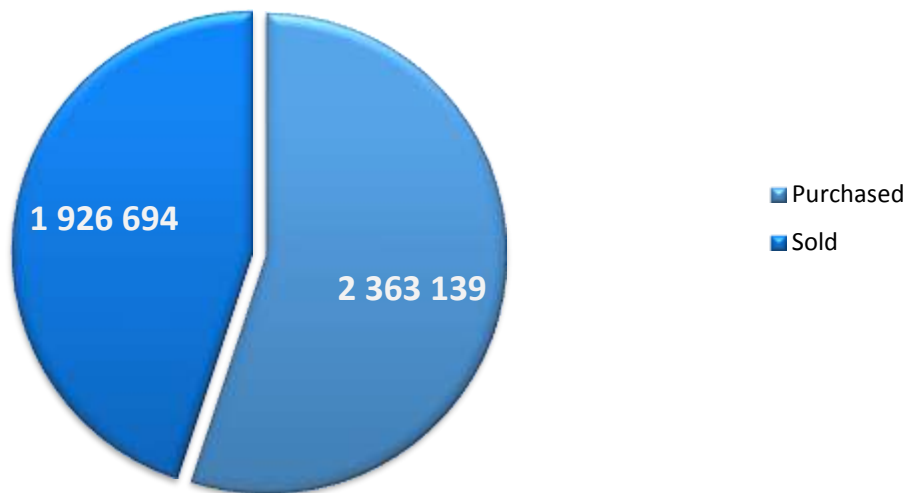
Water and Electricity Distribution Losses accumulated from July 2013 (KL's / Units)

Service	Purchase	Sold	% Loss
Electricity	167,371,275	90,043,444	-46.20%
Water	7,346,484	5,847,436	-20.40%

ELECTRICITY



WATER



5.3 Creditors

The following table indicates the highest outstanding creditors at month-end.

Name	Amount	Type of Expenditure	Depart./Section
Mayivuthe Contractors Cc	532,499.40	Transformers	Finance/Stores
Bgb Vrede Trekkers	408,804.00	Hiring Of Machines	Roads And Storm water
Sanmix Construction	350,000.00	Hiring Of Machines	Cleaning Of Landfill Site/Waste Management
Otto Waste Systems	328,630.08	Purchases Of Bins	Health And Waste
Countrywide Gearbox	250,222.95	Gearboxes/ Services	Workshop
Thisila Trading	239,548.20	Various Water / Sewer Duties Performed	Water And Sewerage
B.E. Motshweni Transport	205,200.00	Hiring Of Trucks	Roads And Storm water
Supreme Sanitation	201,852.00	Cleaning Of Vip Toilets	Water And Sewer
Vicks Brake Trading	184,224.00	Hiring Of Trucks	Roads And Storm water
Msoroki Trading Enterprise	175,000.00	Rehabilitation Of Borrow Pit	Water And Sewer
Majahonke Hydraulics	150,480.00	Hiring Of Compactor Trucks	Waste Management
La-Macusi Logistics And Plant Hire	48,600.00	Hiring of Trucks	Roads and Storm water
The Ramp Transport	134,400.00	Hiring Of Trucks For Re Gravelling	Roads And Storm water
Ukwakhana Electrical Services	107,103.23	Repairing Of Pump Stations	Roads And Storm water

5.4 Capital Projects

No	Project Description	2013-2014 Approved Budget	Month's Actual	Year to Date Expenditure September	Funding
1	Sewer Reticulation Leandra	18,304,882	-	-	Anglo
2	Sewer pump station Bethal;	5 000 000	-	-	Anglo
3	Electrification Programme	115 000	-	-	Gert Sibande
4	New Borehole In Gmm;	1 000 000	-	-	Gert Sibande
5	Upgrade Of Medium Voltage Network	7 000 000	-	-	Gert Sibande
6	Water Quality Testing-Blue/G	650 000	-	-	Gert Sibande
7	Borehole Maintenance-Gmm;	800 000	-	-	Gert Sibande
8	Water & Sanitation Maintenance	1 000 000	-	-	Gert Sibande
9	Upgrading Of Sport Facilities	1 000 000	-	-	Gert Sibande
10	Potholes in GMM	500 000	-	-	Gert Sibande
11	Conversion Of VIP	1 200 000	-	-	Gert Sibande
12	Fencing Of Cemeteries	-	-	9,175	MIG
13	Provision Of Full Water Borne Sewer Kinross		-	568,989	MIG
14	Conversion Of VIP's Emzinoni Ext 5			2,042,567	MIG
15	Construction Of Paved Roads In Emba		-	1,258,951	MIG
16	Embalenhle WWTP- Uprading;	5 750 420		1,006,940	MIG
17	WWTP Kinross	1 000 000		-	MIG
18	PMU Cost Component;	3 877 560	13,692	65,446	MIG
19	Lebohang Bulk Water Supply	1 000 000	-	1,362,137	MIG
20	Installation Of Streetlight GMM	1 000 000		-	MIG
21	Renovation Of Emz Thusong Centre	3 000 000	1,109,762	3,398,542	MIG
22	Construction Leboha/ Leand Reg Par	5 000 000		-	MIG
23	Erad Of Gravel Roads Lebohan	10 145 156		1,115,455	MIG
24	Eradication Of Gravel Roads-Em	2 500 000	3,387,040	7,298,725	MIG
25	Const Of Regional Park-Emzin	5 000 000	685,227	3,953,058	MIG
26	Provision Of Waterborne Sewer Emz	3 300 000	173,407	173,407	MIG
27	Eradication of Gravel Roads Emzinon	6 000 000	85,552	5,984,449	MIG
28	Eradication Of Gravel Roads In C/Ci	5 018 257		2,842,583	MIG
29	Upgrading Of WWTP-Em Pump station	6 000 000	3,157,877	7,466,356	MIG
30	Sports & Recreation Centre In Emzin	4 000 000	766,095	1,644,842	MIG
31	Emba X22 Cemetery Link Road;	6 000 000	-		MIG
32	Albert Luthuli Road Phase 2;	4 000 000	-	-	MIG
33	Velabahleke Street Phase 2;T	1 688 483		640,058	MIG
34	Emba Internal Rd Albert Luthuli	4 559 062		2,025,242	MIG
35	Emba Internal Rd Joe Makhubu	4 559 062	-	-	MIG
36	Emba Sewer Reticulation Upgrade Ext	3 847 000	-	-	MIG
37	Various Projects In GMM;TO B	0	-435,949	-121,469	EPWP
38	Electrification Programme	115 000			DME
39	MM Furniture & Equipment (0001)	100 000		65,711	REVENUE
40	Mayor Furniture And Equipment (0105)	20 000	-	-	REVENUE
41	Furniture & Equipment(0201)	30 000		45,722	REVENUE
42	Furniture & Equipment(0301)	30 000	-	-	REVENUE
43	Furniture & Equipment(0302)	1 800 000	13,400	13,400	REVENUE
44	Furniture & Equipment (0304)	50 000	14,130	14,130	REVENUE
45	Furniture & Equipment(0401)	71 164	-	-	REVENUE
46	Furniture & Equipment (0409)	30 000	11,733	11,733	REVENUE
47	Reserves Finance(0501)	7 122 056		21,647	REVENUE
48	Furniture & Equipment (0504)	100 000	24,752	98,755	REVENUE
49	Furniture & Equipment(0601)	30 000	3	5,029	REVENUE
50	Furniture & Equipment(0602)	30 000	-		REVENUE
51	Furniture & Equipment (0604)	20 000	13,400	13,400	REVENUE
52	Furniture & Equipment(0605)	20 000	36,092	36,092	REVENUE

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53	Furniture & Equipment(0608);	20 000	13,575	13,575	REVENUE
54	Furniture & Equipment(0609)	300 000	620,570	1,584,149	REVENUE
55	Const Multipurpose Centre Cc	4 000 000	-	-	SASOL
56	Kinross Water Connection	1 500 000	-	-	SASOL
57	Construct Leandra Fire Station	8 000 000	-	-	SASOL
58	Con Phase 2 Lebohang Storm W	3 000 000	-	-	SASOL
59	Upgrading Of Sewer Emba Ext	8 000 000	-	-	SASOL
60	Install Public Lights Emba ;	200 000	-	-	SASOL
61	Constr uction of Emba Foot Bridges;	100 000	-	-	SASOL
62	Evaluation of Emzinoni Community Health Centre	1 000 000	-	-	SASOL
63	Ikusasa Projects	96 300 000	-	-	SASOL
64	Community Hall Bethal Ext 22/23;	2 200 000	-	-	SHANDUKA
	Total	257,888,102	7,690,006	47,081,373	

5.5 Stores

Inventory Reconciliation Report

The following table indicates the movement on stock levels.

Inventory	Current month	Previous month	Increase/(decrease)	Variance
Stock value	R 7 493 652.57	R 6 612 766.88	880 885.69	13%

The following table indicates the 10 highest stock items in store, or on order

Description	Quantity on hand	Price per item	Value
Diesel Standard Turbo	36 558	R 13.33	R 487 318.14
Petrol LP 93	9 078	R 13.91	R 126 274.98
Meter Taurus-TSK/1	596	R 238.45	R 142 116.20
Cable 300mm X 3 Core Xlpe	188	R 1 146.45	R 215 533.01
Diesel Standard Turbo	9 713	R 12.54	R121 801.02
House Wire PVC 10mm Black	199	R 1 153.60	R 229 566.40
Overalls Orange 2-Piece	666	R 235.64	R 156 936.24
Transformer 200kva 11/415	3	R 52 540.68	R 157 622.04
Cable 240MM X 3 Core 11KV	112	R 1 158.65	R 129 769.80
Water Meter V110t NRV 25	535	R 424.24	R 226 968.40

Monthly Budget statement- October 2013

The following table indicates the 10 slowest moving stock items

Description	On hand	Value
Cable 95mmx3 Core Xlpe Insola	66	26,136.00
Application Learners License	6,010	7,151.90
Filter Air Inner Adg523	6	902.94
Cartridge Hp C4811a Cyan	3	729.81
Cartridge Hp C4812a Magenta	3	729.81
Filter Hydraulic 210466	2	656.22
Cards Family Planning	500	625.00
Tyre New 185/65 R14 F/Stone	1	520.22
Cartridge HP C4810a Black	2	485.00
Cartridge HP C4813a Yellow	2	485.00

5.6 Supporting Documents – C Schedules

The following are supporting documentation to the C-schedules:

5.6.1 Debtors analysis

Supporting table SC3 provides a breakdown of the consumer debtors. The outstanding debtors at the end of October 2013 amounted to R713 millions of which current debt constitutes 4%. No bad debt was written off during the month.

5.6.2 Creditor's analysis

Supporting table SC4 provides detail on aged creditors. In terms of the MFMA all creditors should be paid within 30 days of receiving the invoice or statement. For the month of October 2013, creditors to the amount of R179.1-million were outstanding and of this amount R145 million creditors were outstanding for more than 30 days.

5.6.3 Investment portfolio analysis

Supporting table SC5 displays the Council's investment portfolio and indicates that R17.4-million is currently invested. During the month of October 2013, no new investments were made. Accrued interest for the month amounts to R435 898.

5.6.4 Allocation and grant receipts and expenditure

Supporting tables SC6 & 7 provide detail of grants separately as income and expenditure, as far as revenue is recognised and expenditure is appropriated. On the receipt of grants, the year-to-date actual amounts to 117-million which is mainly the equitable share and the MIG received.

5.6.5 Councillor allowances and employee benefits

This table (SC8) provides the detail for Councillor and employee benefits. For the month of October 2013, the total salaries, allowances and benefits paid amounts to R28.04-million. The year-to-date amounts to R110.6-million which deviate slightly from the planned figure of R110.5-million.

5.6.6 Actual and revised targets for cash receipts

Supporting table SC9 provides the detail of the cash flow actuals and revised targets - setting out receipts by source and payments by type per month. The monthly receipts and payments were R135-million and 115-million respectively, resulting in a net increase in cash held by R20-million.

5.6.7 Bank reconciliation:

The closing cash book balance of R73-million (overdrawn), is confirmed by the following:

Bank Reconciliation as at 31 October 2013

Cash book balance			-73,636,598.37
ADD	Outstanding cheques	8,900,801.41	
	EFT payments not on statement	79,107,340.02	123 882 005.55

Bank Statement Balance			14,371,543.06
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The outstanding cheques are cheque payments to creditors or consumers to whom the municipality owes money which is not cash or banked by the creditors. EFT payments not on statements are payments made but not yet reflected as such on our bank statement

5.6.8 Capital programme performance

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for October 2013 amounts to R7.6-million and the year-to-date figure amounts to R47-million against the planned figure of R85.9-million.

Supporting tables SC13a provide the detail of capital expenditure by asset classification for both new and replacement of assets.

5.6.9 Repairs and maintenance analysis

Supporting table SC13c measures the extent to which Council's assets are maintained per asset class. The repairs and maintenance expenditure to date is R 13.8-million. There is a deviation of 59.5% against the planned figure of R34 million. The actual expenditure for the month of October is indicated in figures and percentage of the total expenditure on repairs and maintenance for the month.

5.7 Additional Reports Annexures

Supply Chain Management

Copy of the Supply Chain Report that comprises of the following items is attached as **Annexure "A"**:

- Deviation from Supply Chain Management process in terms of Section 36 of the regulation.
- Disclosure of Supply Chain Management purchase above R100, 000. **Annexure "B"**:

Insurance Claims

Details of insurance claims for the quarter are attached as **Annexure "C"**.

Fruitless and Wasteful Expenditure

For the quarter under review, details of fruitless and Wasteful expenditure are attached as **Annexure "D"**. This relate to interest and penalty charged by Eskom for late payment.