



Mogale City

Local Municipality

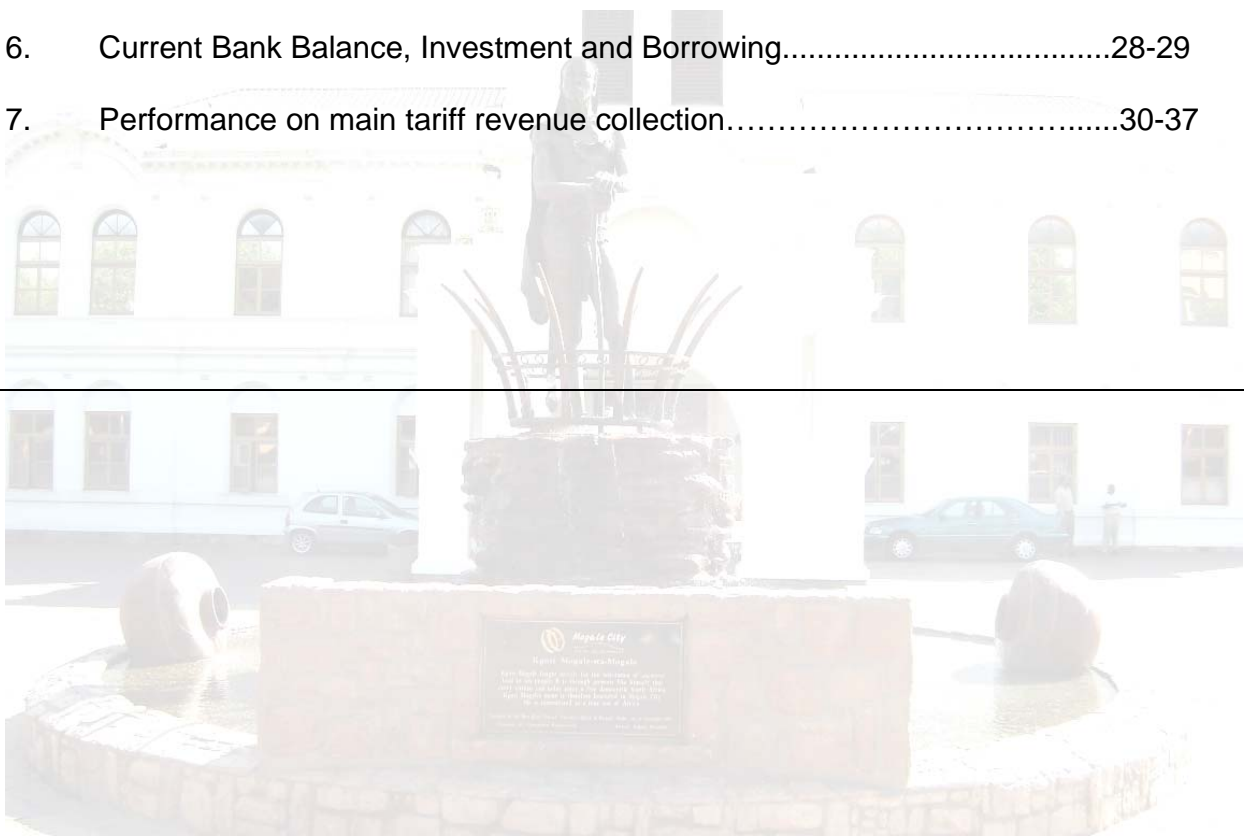
2011/2012 IN YEAR FINANCIAL MONITORING REPORT

FOR THE PERIOD 1st JULY 2011 TO 30th SEPTEMBER 2011

1st QUARTER REPORT

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IN-YEAR BUDGET STATEMENT TABLES: SEPTEMBER 2011 REPORT

The financial results for the period ended 30th September 2011 (the 3rd month of the 2011/2012 financial year) are attached consisting of the following tables, in Annexure A and Annexure B:

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- 1) Table 1: Capital Expenditure to date – by Capital Projects
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1. INTRODUCTION

1.1 PURPOSE

The purpose of this report is to inform the Finance Portfolio about the Financial Status quo of Mogale City Local Municipality and to comply with **Section 52, Sections 71 of the MFMA** and the requirements as promulgated in the Government Gazette No 32141 of 17th April 2009.

1.2 STRATEGIC OBJECTIVE

To ensure sound and sustainable management of the financial affairs of the City.

1.3 BACKGROUND

Section 52(d) and section 71 of the MFMA and in terms of Section 28 of the Government Notice 32141 dated 17 April 2009, regarding the “ Local Government: Municipal Finance Management Act 2003 Municipal Budget and Regulations” necessitates that specific financial particulars be reported on and in the format prescribed.

“Section 52(d) of the MFMA states that the mayor of the municipality must, **within 30 days of the end of each quarter**, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality;”

“Section 71 (1) of the MFMA states that, The accounting officer of a municipal must by no later than **10 working days after the end of each month** submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality’s budget reflecting the following particulars for that month and for the financial year up to the end of that month.”

“Section 28 of the Government Notice 32141, the monthly budget statement of a municipality must be in the format specified in Schedule C and include all required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.”

2. EXECUTIVE SUMMARY

2.1 SUMMARY STATEMENT OF FINANCIAL PERFORMANCE

Table 1: Operating Budget performance for the year to 30th September 2011

	2011/2012 Approved Budget	Actual billed/spend to date (in R and as a % of the Approved Budget)		Pro-rata Budget to date	Under/ over billed /spend against Pro rata budget	% of pro rata budget billed/ spent
	R 000	R 000	%	R 000	R 000	%
Revenue	1 488 011	418 578	28%	372 003	46 575	113%
Expenditure cash items	(1 283 631)	(299 125)	(23%)	(320 908)	(21 783)	(93%)
Expenditure non-cash items (depreciation and debt impairment)	(90 981)	(22 745)	(25%)	(22 745)	0	(100%)
TOTAL EXPENDITURE	(1 374 612)	(321 870)	(23%)	(343 653)	(21 783)	(94%)
SURPLUS/ (DEFICIT)	113 399	96 708	6%	28 350	24 792	1.66%

Note: Negative (Expenditure) & Positive Revenue

2.1.1 During the 2011/12 financial year we will raise R1, 488,011,028 in billed revenue and operational grants, excluding capital grants of R115, 424,178

2.1.2 In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/ (deficit).

2.1.3 The summary of statement of financial performance in Annexure A, Table C4, is prepared on a similar basis to the prescribed budget format, detailing revenue by source type and expenditure by input type.

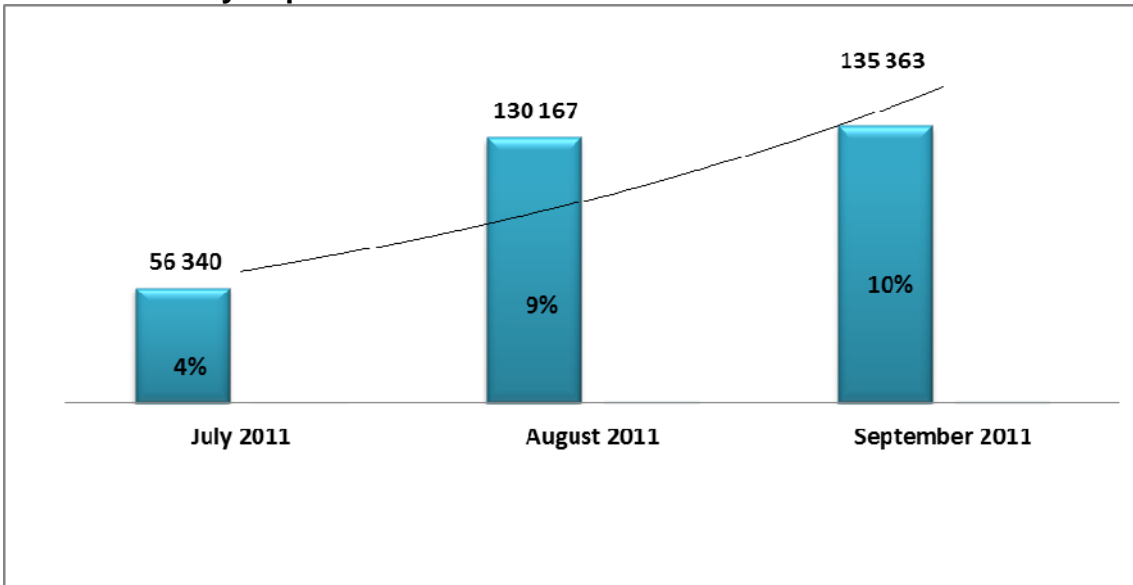
2.1.4 To date, a total of R 322 million has been spent on the operational approved budget this includes non-cash items (this represent 23% of the total approved expenditure budget for the year or 94% of the pro rata budget. These figures include non-cash items such as depreciation and debt impairment. **Chart 2 below shows monthly expenditure per categories.**

2.1.5 To date a total of R 419 million has been billed (representing 28% of the total approved revenue budget for the year or 113% pro rata budget). Section 2 of this report gives more detail on the Operational Budget Performance **Chart 1 in page 7 shows monthly collection rate.**

2.1.6 The revenue shown in the above table is largely the amount of revenue billed for the year to date.

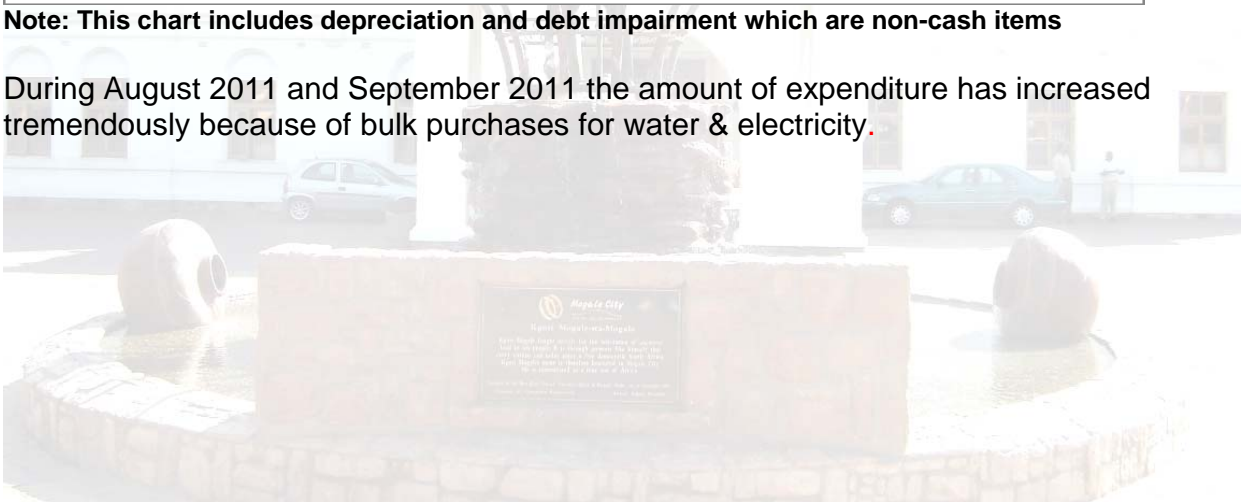
2.1.7 The amount of actual cash collected or received for the main tariffs is R274 million (representing 92% of the billed revenue) **as shown in paragraph 2.1.8 in page 8 and in detail in section 7 of this report.**

Chart 2 Monthly Expenditure Trends



Note: This chart includes depreciation and debt impairment which are non-cash items

- ✓ During August 2011 and September 2011 the amount of expenditure has increased tremendously because of bulk purchases for water & electricity.



2.1.8 PERFORMANCE ON REVENUE COLLECTION

Table 2: Billed income – amount billed to date and cash received. Figures in R 000

Periods	Amount billed for year to date	Cash received as at 30 th September 2011	Collection rate as at 30 th September 2011
July 2011	90 028	82 795	92%
August 2011	103 601	90 924	88%
September 2011	104 316	99 978	96%
Total	297 945	273 696	92%

Note: This table excludes service reconnections and sundry billing. Billing is only on Property Rates and four main tariffs.

- The Cumulative Collection Rate as at the end of September 2011 stands at 92% - that is the amount of cash that has been received to date for the year is 92% of the billed amount. The payment level for the month of September 2011 is 96%, more information and detail on this performance is given in section 7 of the report.

Chart 1 Monthly Collection Rate

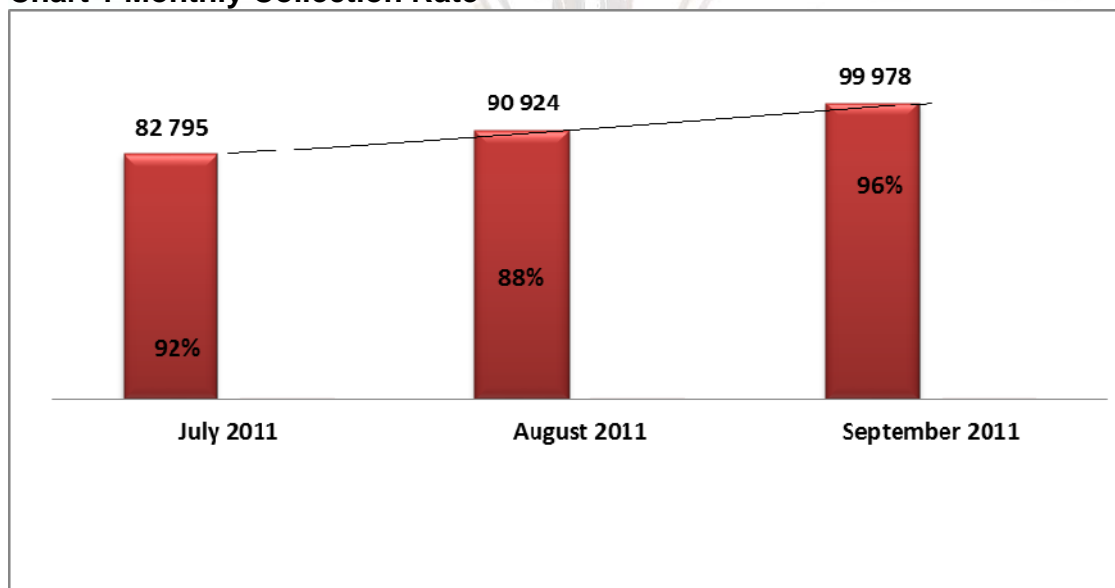


Table 3: Capital Budget performance for the year to 30th September 2011

	2011/2012 Approved Budget R 000	Actual spend to date (in R and as a % of the Approved Budget)		Pro rata Budget to date R 000	Under over spend against pro rata budget R 000	% of pro rata budget spent
		R 000	%			
EXPENDITURE	226 213	25 773	11%	56 553	30 781	46%

2.1 To date, only R25 773 million has been spent from the capital budget (this represents only 11% of the total approved expenditure budget for year or 46% of pro rata budget). Section 3 of this report gives more detail on this performance.

Chart 3 2011/12 Capital Expenditure Monthly Trends: actual v target

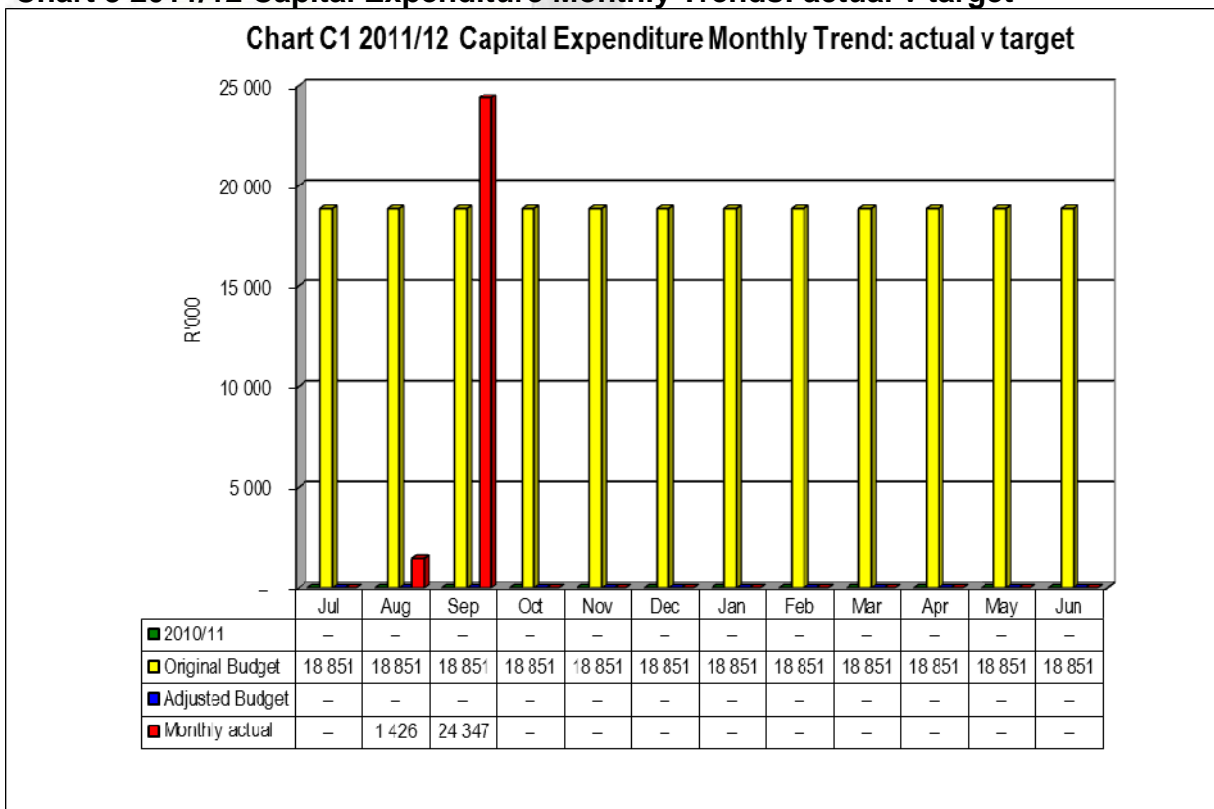
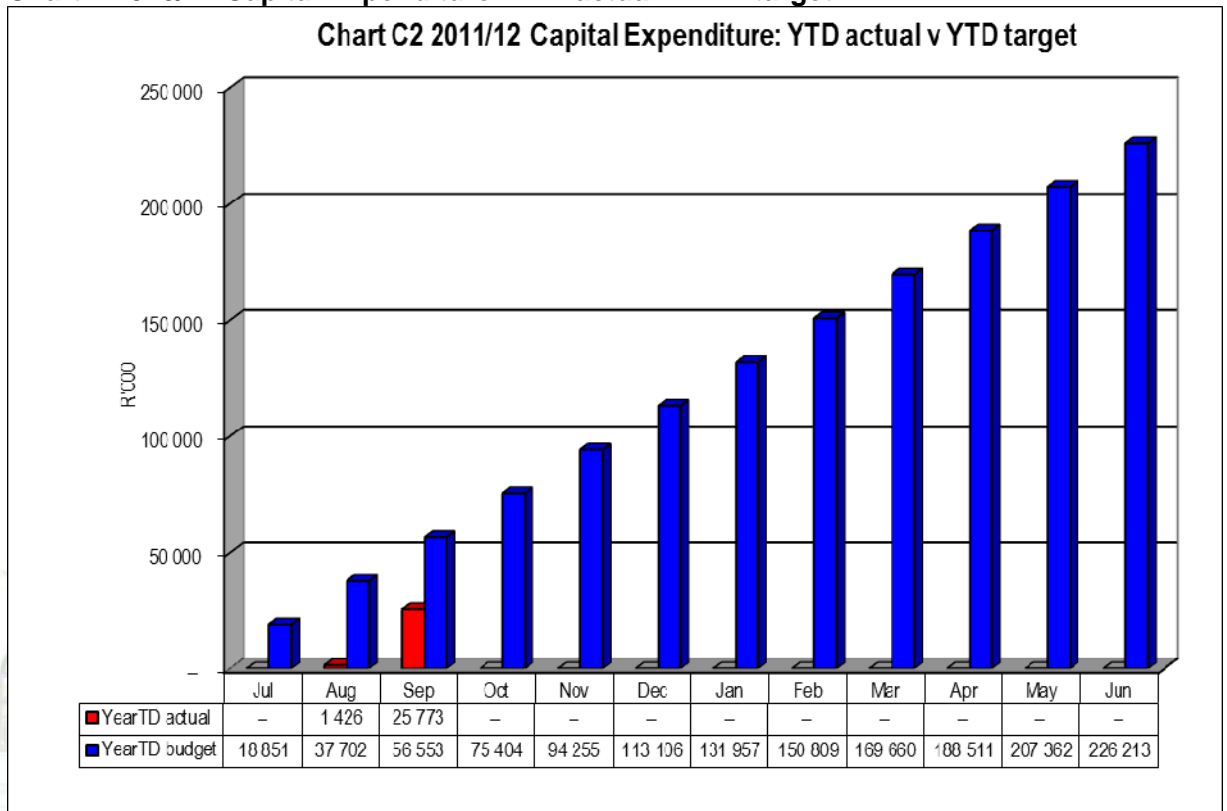


Chart 4 2010/11 Capital Expenditure: YTD actual v YTD target



2.3 CASH FLOW REPORT OF MOGALE CITY FOR SEPTEMBER 2011:

2.3.1 CASH FLOW POSITION

Table 4: Cash Flow Position as at 30th September 2011. Figures in Rm's

Cash balance brought forward from 2010/11	17,649
Cash received for the year to date	487,787
Cash payments made for the year to date	497,725
Current cash position	7,711

2.3.2 Mogale City's cash in hand as at the end of September 2011 was R7,711m amount was made up as follows:

Source	RM
Absa-MIG	24,399
Sanlam Shares	264
Bank Balance	-16,952
Total cash in hand	7,711

The Operating Income for the month of August 2011 was R26,037m more than the operating income for the month of September 2011 which was R116,375m, the operating expenditure for the same period was R5,796m less than the previous month.

Month	Operating Income	Operating Expenditure	Difference
	RM	RM	RM
Jul-11	104,185	160,759	-56,574
Aug-11	116,375	143,051	-26,676
Sep-11	142,412	137,255	5,157
Total	362,971	441,064	-78,093

BANK BALANCE, INVESTMENTS, AND BORROWING

Table 5: Key Treasury Information as at 30th September 2011

	Previous Month	Current Position	Change from previous month	
Balance in current account	-R 16,190,305	-R 16,951,538	Decrease	-R 761,233
Total investments held : Uncommitted Call (Sanlam Shares)	R 266,936	R 264,008	Decrease	-R 2,928
60 days Fixed deposit	R 10,000,000	R 0	Decrease	-R 10,000,000
Committed : Call (MIG Grant)	R 25,479,000	R 24,399,011	Decrease	-R 1,079,989
Committed : Call (Housing Grant)	R 105,507	R 0	Decrease	-R 105,507
Committed : Call (Other Grants)	R 44,568	R 0	Decrease	-R 44,568
Committed Call(MIG Grant 2010/11)	R 454,113	R 0	Decrease	-R 454,113
Committed : Call (BWST Grant)	R 7,898	R 0	Decrease	-R 7,898
Committed : Call (Other Grants)	R 21,852	R 0	Decrease	-R 21,852
Committed : Fixed Deposits	R 72,504,902	R 72,596,687	Increase	R 91,786
Total external borrowing	R 205,441,793	R 200,039,512	Decrease	-R 5,402,281

More information on these treasury matters is given in section 5 of this report.

3. FINANCIAL PERFORMANCE (EXPENDITURE BY MUNICIPAL VOTE)

Table 6: Operating expenditure for the year to 30th September 2011– by vote

Vote Description R thousand	2011/12						
	Original Budget	Monthly actual	Year TD actual	Year TD budget	variance/ under over spend against pro rata budget	YTD variance/ % pro rata budget spent	Full Year Forecast %
Expenditure by Vote							
Vote1 - POLITICAL OFFICE	28,844	2,092	6,317	7,211	893	88%	28,844
MAYOR'S OFFICE	11,997	1,011	3,140	2,999	-141	105%	11,997
SPEAKER'S OFFICE	16,847	1,081	3,177	4,212	1,034	75%	16,847
Vote2 - MUNICIPAL MANAGER'S OFFICE	46,742	3,276	9,279	11,686	2,407	79%	46,742
ADMINISTRATION(MM)	1,992	216	482	498	16	97%	1,992
INTERNAL AUDIT	3,754	298	831	938	107	89%	3,754
PROJECT MANAGEMENT UNIT	5,194	367	1,021	1,298	277	79%	5,194
IDP & PERFORMANCE MANAGEMENT	2,300	165	482	575	94	84%	2,300
INFORMATION MANAGEMENT	22,319	731	3,782	5,580	1,798	68%	22,319
MARKETING & COMMUNICATION	10,281	1,433	2,477	2,570	94	96%	10,281
2010 PROJECTS & BEYOND	901	68	203	225	-22	90%	901
Vote3 - CORPORATE SUPPORT SERVICES	62,377	4,935	18,089	15,594	-2,495	116%	62,377
ADMINISTRATION(EM)	2,609	707	1,526	652	-873	234%	2,609
LEGAL SERVICES	13,747	1,729	2,603	3,437	833	76%	13,747
INTERGOVERNMENTAL & CORPORATE ADMIN	29,985	1,842	6,309	7,496	1,188	84%	29,985
HUMAN CAPITAL MANAGEMENT	4,464	313	914	1,116	202	82%	4,464
HUMAN CAPITAL SUPPORT	11,573	345	6,737	2,893	-3,844	233%	11,573
Vote4 - FINANCIAL SERVICES	107,261	17,623	33,739	26,815	-6,923	126%	107,261
ADMINISTRATION(CFO)	6,011	795	1,216	1,503	287	81%	6,011
VALUATIONS	3,030	297	738	757	20	97%	3,030
REVENUE	46,199	6,997	15,759	11,550	-4,209	136%	46,199
CREDIT CONTROL	15,755	2,299	4,387	3,939	-449	111%	15,755
CREDITORS	11,557	860	2,217	2,889	672	77%	11,557
SUPPLY CHAIN MANAGEMENT	10,426	866	2,231	2,606	375	86%	10,426
BUDGET & TREASURY	14,285	5,508	7,190	3,571	-3,619	201%	14,285
Vote5 - SOCIAL SERVICES	138,152	13,397	32,634	34,538	1,903	94%	138,152
ADMINISTRATION(EM)	4,328	291	1,030	1,082	52	95%	4,328
SOCIAL UPLIFTMENT	13,536	1,488	2,815	3,384	570	83%	13,536
CLINICS	2,796	21	137	699	562	20%	2,796
SPORTS, RECREATION, LIBRARIE S, HERITAGE & MUSEUM	35,492	2,885	8,077	8,873	796	91%	35,492
LICENCES	10,946	884	2,696	2,737	40	99%	10,946
PUBLIC SAFETY	71,053	7,828	17,879	17,763	-116	101%	71,053
Vote6 - INTEGRATED ENVIRONMENTAL MANAGEMENT	126,955	11,168	28,976	31,739	2,763	91%	126,955

ADMINISTRATION(EM)	2,086	163	621	522	-99	119%	2,086
ENVIRONMENTAL MANAGEMENT	12,426	1,128	3,041	3,106	65	98%	12,426
MUNICIPAL HEALTH	65,553	6,681	17,149	16,388	-761	105%	65,553
PARKS MANAGEMENT	46,890	3,196	8,164	11,723	3,558	70%	46,890
Vote7 - ECONOMIC SERVICES	42,185	3,100	8,051	10,546	2,496	76%	42,185
DEVELOPMENT & PLANNING	17,022	1,210	3,715	4,255	541	87%	17,022
ENTERPRISE DEVELOPMENT & TOURISM	4,553	276	836	1,138	303	73%	4,553
RURAL DEVELOPMENT	10,034	861	1,365	2,509	1,144	54%	10,034
HUMAN SETTLEMENTS	10,577	754	2,135	2,644	509	81%	10,577
Vote8 - INFRASTRUCTURE SERVICES	822,096	79,772	184,785	205,524	20,739	90%	822,096
ADMINISTRATION(EM)	2,142	144	462	536	73	86%	2,142
WATER & SANITATION	237,253	22,140	50,976	59,313	8,338	86%	237,253
FLEET MANAGEMENT	5,869	579	1,479	1,467	-12	101%	5,869
ELECTRICITY DISTRIBUTION	510,768	49,329	118,359	127,692	9,333	93%	510,768
MUNICIPAL BUILDINGS	26,033	1,656	3,478	6,508	3,030	53%	26,033
ROADS & STORMWATER	40,031	5,925	10,031	10,008	-23	100%	40,031
Total Expenditure by Vote	1,374,612	135,363	321,870	343,653	21,783	94%	1,374,612

3.3.1 OPERATING EXPENDITURE BY VOTE

3.3.1 Table 6 above shows that R322 million had been spent at the end of September 2011 from the operational budget these include non-cash items. The spend-to-date represents 23% of the total Approved Budget or 93% of the pro rata budget exclude non-cash items.

3.3.2.1 OPERATING EXPENDITURE BY TYPE

GT481 Mogale City - Table C4 Monthly Budget Statement - Financial Performance (expenditure) - M03 September 2011

Description	Budget Year 2011/12						
	Original Budget	Monthly actual	Year TD actual	Year TD budget/ or pro rata budget	YTD variance/ under over spend against pro rata budget	YTD variance/ % pro rata budget spent	Full Year Forecast
R thousands						%	
Expenditure By Type							
Employee related costs	418 215	32 735	96 718	104 554	7 836	93%	418 215
Remuneration of councillors	19 312	1 430	4 275	4 828	553	89%	19 312
Debt impairment	80 528	6 711	20 132	20 132	0	100%	80 528
Depreciation & asset impairment	10 453	871	2 613	2 613	(0)	100%	10 453
Finance charges	22 984	7 007	9 614	5 746	(3 868)	167%	22 984
Bulk purchases	484 452	50 642	114 531	121 113	6 582	95%	484 452
Contracted services	87 992	14 278	28 231	21 998	(6 233)	128%	87 992
Transfers and grants	7 236	806	1 874	1 809	(65)	104%	7 236
Other expenditure	243 440	20 884	43 883	60 860	16 977	72%	243 440
Total Expenditure	1 374 612	135 363	321 870	343 653	21 783	94%	1 374 612

3.3.2.1 **Annexure A, Table C4** sets out the monthly expenditure to date on the operating budget analysed by type.

In overall terms:

- Expenditure on employees costs and remuneration to council is 23% of the total Approved Budget for the year or 92% of pro rata budget.
- Depreciation and debt impairment is showing movements against approved budget – but these are an ‘internal’ costs and have not yet been processed into the financial system for the purpose of accurate reporting Finance department has include them in the total actual expenditure: however this is not a cause for any concern to the final expenditure position of the council. We normally process these two line items during the process of closing the financial year.

3.3.2.2 **The discussion set out below looks at the major (under) and over expenditure on individual budgets.**

- **Interest on External borrowings.** Expenditure on this item is 42% of the total Approved Budget for the year. The interest payments are contractually fixed but vary on a monthly basis due to different banks being involved and different payment dates agreed to.
- **Insurance Costs.** R1 212 million has been spent to date (36%) of the Approved Budget for the year). The expenditure reflected will change as insurance premiums have not yet been paid for the whole year.

3.3.2.3 EXPENDITURE ON STAFF BENEFITS

GT481 Mogale City - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September

Budget Year 2011/12

Summary of Employee and Councillor remuneration	Budget Year 2011/12						
	Original Budget	Monthly actual	YearTD actual	YearTD budget/or pro rata budget	YTD variance/ under over spend against pro rata budget	YTD variance/ % pro rata budget spent %	Full Year Forecast
R thousands							
Councillors (Political Office Bearers plus Other)							
Salary	11,266	853	2,551	2,816	265	91%	11,266
Pension Contributions	1,988	125	374	497	123	75%	1,988
Medical Aid Contributions	1,175	46	138	294	156	47%	1,175
Motor vehicle allowance	4,016	335	1,000	1,004	4	100%	4,016
Cell phone and other allowances	867	71	211	217	5	97%	867
Sub Total - Councillors	19,312	1,430	4,275	4,828	553	89%	19,312
Senior Managers of the Municipality							
Salary	8,369	666	1,539	2,092	553	74%	8,369
Pension Contributions	511	46	98	128	30	77%	511
Medical Aid Contributions	111	5	10	28	17	38%	111
Motor vehicle and cell phone	1,131	103	260	283	23	92%	1,131
Performance Bonus	1,068	113	924	267	(657)	346%	1,068
Sub Total - Senior Managers of Municipality	11,189	934	2,831	2,797	(33)	101%	11,189
Other Municipal Staff							
Basic Salaries and Wages	266,743	21,443	63,436	66,686	3,250	95%	266,743
Pension Contributions	52,229	4,059	12,281	13,057	776	94%	52,229
Medical Aid Contributions	21,750	1,678	4,585	5,438	852	84%	21,750
Motor vehicle and cell phone	31,291	2,505	7,411	7,823	411	95%	31,291
Housing allowance	3,448	268	819	862	43	95%	3,448
Overtime	10,533	1,761	5,226	2,633	(2,593)	198%	10,533
Performance Bonus	21,032	86	128	5,258	5,130	2%	21,032
Sub Total - Other Municipal Staff	407,026	31,801	93,887	101,756	7,870	92%	407,026
Total Parent Municipality	437,527	34,165	100,992	109,382	8,389	92%	437,527
TOTAL SALARY, ALLOWANCES & BENEFITS	437,527	34,165	100,992	109,382	8,389	92%	437,527
TOTAL MANAGERS AND STAFF	418,215	32,735	96,718	104,554	7,837	93%	418,215

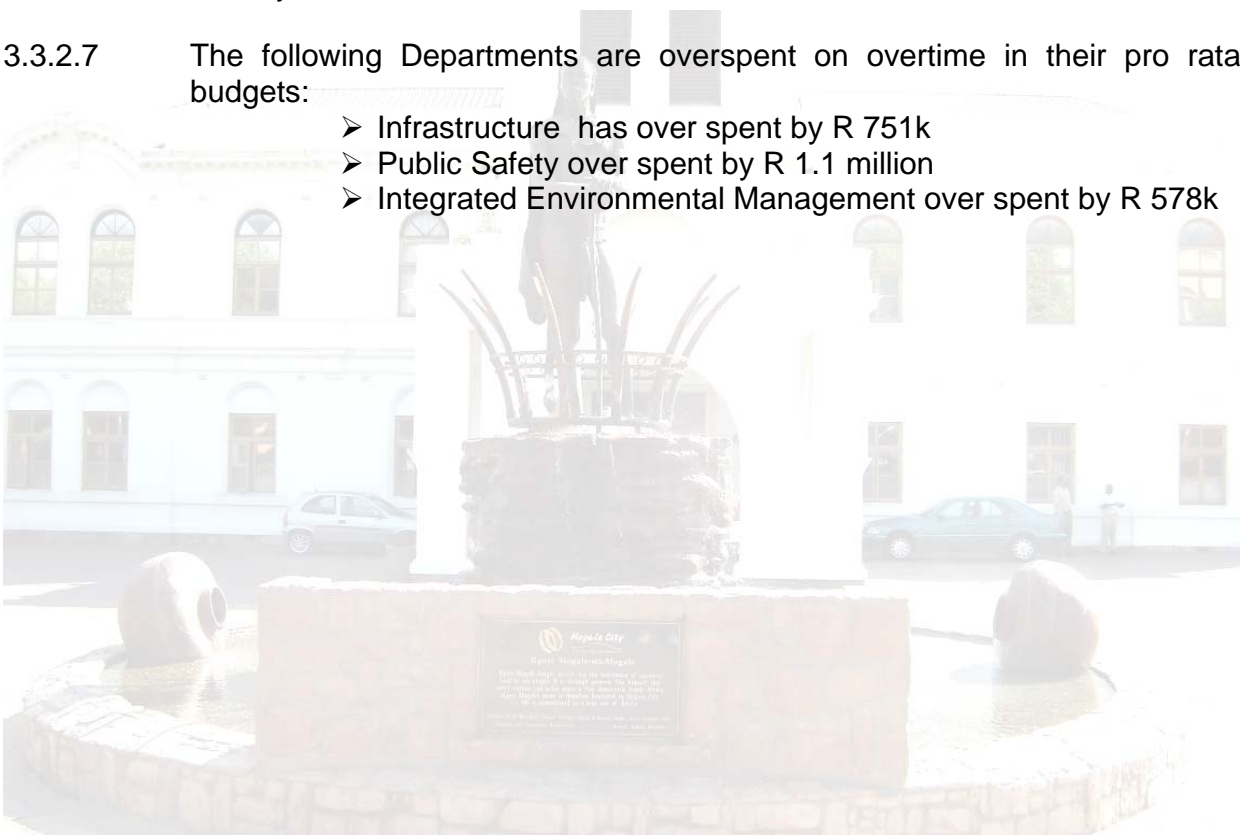
3.3.2.4 Section 66 of the MFMA (Municipal Finance Management Act, 2003) requires that expenditures incurred by the municipality on staff salaries; wages, allowances and benefits are regularly reported to Council. This information is given in **Annexure A, Table SC8** above for this report, along with the equivalent information on Councillor Allowances.

3.3.2.5 Total expenditure on staff and councillor benefits is 23% of the total Approved Budget or 92% pro rata budget.

3.3.2.6 Overtime overspent by 198% of the total pro rata budget. The overtime overspent due to overtime that was worked in June and it was paid in a new financial year.

3.3.2.7 The following Departments are overspent on overtime in their pro rata budgets:

- Infrastructure has over spent by R 751k
- Public Safety over spent by R 1.1 million
- Integrated Environmental Management over spent by R 578k



3.4 FINANCIAL PERFORMANCE BY SOURCE (REVENUE)

Table 7: Operating revenue for the year to 30th September 2011 – by source

GT481 Mogale City - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Budget Year 2011/12						
	Original Budget	Monthly actual/billed	Year TD actual/billed	Year TD budget/pro rata budget	variance/under over spend against pro rata budget	YTD variance/ % pro rata budget spent/billed	Full Year Forecast
R thousands						%	
Revenue By Source							
Property rates	253,084	20,335	61,799	63,271	1,472	98%	253,084
Service charges - electricity revenue	628,068	61,757	170,992	157,017	(13,975)	109%	628,068
Service charges - water revenue	171,681	14,370	39,866	42,920	3,054	93%	171,681
Service charges - sanitation revenue	82,528	7,083	21,552	20,632	(920)	104%	82,528
Service charges - refuse revenue	64,507	5,213	16,022	16,127	105	99%	64,507
Service charges – other & landfill site	16,731	1,606	3,357	4,183	826	80%	16,731
Rental of facilities and equipment	5,056	321	440	1,264	824	35%	5,056
Interest earned - external investments	2,272	106	201	568	367	35%	2,272
Interest earned - outstanding debtors	6,875	1,258	3,787	1,719	(2,068)	220%	6,875
Fines	14,083	273	2,438	3,521	1,083	69%	14,083
Licenses and permits	29	1	5	7	2	65%	29
Agency services	16,135	2,006	9,963	4,034	(5,929)	247%	16,135
Transfers recognized - operational	200,724	494	80,204	50,181	(30,023)	160%	200,724
Other revenue	26,240	2,446	7,954	6,560	(1,394)	121%	26,240
Total Revenue (excluding capital transfers and contributions)	1,488,011	117,269	418,578	372,003	(46,576)	113%	1,488,011

3.4.1 Revenue as at end of September 2011 (largely billed income rather than cash received) was R 419 million. This represents 28% of the total Approved Budget for the year or 113% of the pro rata budget.

3.4.2 **Interest earned on external investment.** Normally this represent a small amount of interest income which is generated from the short term investments held when there are temporary surpluses of cash.

3.4.3 **Interest earned on outstanding debtors.** This is interest levied for main tariffs on outstanding debt.

3.4.4 **Vehicle Registration.** Vehicle registration is an in and out vote. As the money is being collected, a subsequent payment is made to the Gauteng Provincial Government.

3.5 OVERALL PERFORMANCE ON THE OPERATING BUDGET

Table 8: Operating Budget Performance for the year to 30th September 2011

	2011/2012 FULL YEAR	PRO RATA BUDGET FOR THE YEAR TO DATE
	R 000	R 000
Expenditure Budget	(1 374 612)	(343 653)
Actual to date	(321 870)	(321 870)
Variance - under / over spending	(1 052 742)	(21 783)
% of Budget Spent	(23%)	(94%)
Revenue Budget	1 488 011	372 003
Actual billed to date	418 578	418 578
Variance – under (over) revenue	1 069 433	46 575
% of Budget Billed	28%	113%
Surplus/(Deficit) Budgeted Position	113 399	28 350
Surplus/(Deficit) position to date	96 708	96 708

Note: Positive (Expenditure) & Negative Revenue Exclude capital grants revenue

- To summarise, expenditure to date is 23% of the total Approved Budget for the year or 94% of the pro rata budget.
- Billing to date represents 28% of the total Approved Budget for the year or 113% of the pro rata budget.

4 CAPITAL BUDGET PERFORMANCE

4.1 CAPITAL EXPENDITURE BY VOTE

Table 9: Capital expenditure for the year to 30th September 2011 – by vote

Departments/Votes	2011/2012 Approved Budget R 000	Actual expenditure to date		Pro rata Budget to date R 000	Under/ Over spend against pro rata budget R 000	% of pro rata budget Spent to date %
		R 000	%			
- MUNICIPAL MANAGER'S OFFICE	8 088	0	0%	2 022	2 022	0%
-Internal Audit	120	0	0%	30	30	0%
-PMU	4 114	0	0%	1 028	1 028	0%
Information Technology	3 825	0	0%	956	956	0%
Marketing & Communication	29	0	0%	7	7	0%
CORPORATE SUPPORT SERVICES:	13 725	263	2%	3 431	3 168	8%
- Corporate Services	13 725	263	2%	3 431	3 168	8%
FINANCIAL SERVICES:	500	11	2%	125	114	9%
SOCIAL SERVICES:	3 103	3 813	123%	776	(3 037)	491%
- Community Services	3 026	3 815	126%	756	(3 059)	505%
- Public Safety	78	(2)	(3%)	20	22	(10%)
ECONOMIC SERVICES:	36 100	0	0%	9 025	9 025	0%
- Enterprise Development	4 500	0	0%	1 125	1 125	0%
- Development & planning	20 030	0	0%	5 007	5 007	0%
- Rural Development	11 570	0	0%	2 892	2 892	0%
INTEGRATED ENVIRONMENTAL SERVICES:	29 077	1 057	4%	7 269	6 212	15%
- Administration	550	0	0%	137	137	0%
- Parks and Cemeteries	8 790	1 057	12%	2 198	1 141	48%
- Environmental	20	0		5	5	0%
- Municipal Health	19 717	0		4 929	4 929	0%
INFRASTRUCTURE SERVICES:	135 619	20 628	15%	33 905	13 277	61%
- Building facilities	0	505		0	(505)	0%
- Water and Sanitation	70 566	17 732	25%	17 642	(90)	101%
- Electricity	38 500	0	0%	9 625	9 625	0%
- Roads & Storm water	26 553	2 392	9%	6 638	4 246	36%
TOTAL CAPITAL BUDGET	226 213	25 773	11%	56 553	30 781	46%

4.1.1 Table 9 above shows expenditure as at end of September 2011 on the capital budget per vote. In overall terms only 11% of the capital budget has been spent or 46% of pro rata budget.

4.2 CAPITAL EXPENDITURE BY PROJECT

4.2.1 Annexure B, Table 1 gives details of expenditure incurred to date on each capital project.

4.3 FUNDING OF THE CAPITAL BUDGET

Table 10: Funding of capital expenditure for the year to 30th September 2011

Source of Funding	2011/2012 Approved Budget	Financing of capital expenditure incurred to date
	R 000	R 000
National Government Grants		
- Municipal Infrastructure Grant	77 916	19 778
- Neighbourhood Development Fund	20 000	0
- EPWP	4 064	0
- DLG:DMA Funding	5 284	0
- Department of Water Affairs	0	1 001
Total National Government Grants	107 264	20 778
Provincial Government Grants		
- Sports, Rec. Arts	1 090	0
- Social Development	0	2 007
Total Grants from Province	1 090	2 007
District Municipality grants		
- WRDM:DMA Funding	7 071	0
Total Grants from District	7 071	0
Council's Own Funds		
- Own Funds	110 789	2 987
Total Own Funds	110 789	2 987
TOTAL FUNDING	226 213	25 773

Due to the new regulations from National Treasury which prohibits municipalities to adjust annual budget twice a year. We are facing the challenge of projects which are running beyond one financial year in circumventing the problem a letter with an attached list of projects was written to National Treasury to request approval to spend the grants in the

interim, however a response has not been received from the National Treasury. But we have no reason to believe that response will be negative.

4.4 GRANTS – ALLOCATIONS RECEIVED AND EXPENDITURE INCURRED

4.4.1 Section 71 of the MFMA requires that the amount of grant allocations received by the municipality, and the amount of expenditure funded by these allocations, is reported monthly (including equitable share). **Annexure A, Table SC6 (receipts) and SC7 (expenditure)** gives this information.

4.4.2 **Table SC6** show that MCLM expects to obtain R316 058 million of grants from other spheres of government for 2011/2012. This amount is for funding both the operational and capital budget. By the end of 30th September 2011 R 125 070 million had been received.

GT481 Mogale City - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M03 September

Description R thousands	Budget Year 2011/12						
	Original Budget	Monthly actual	Year TD actual/ Received	Year TD budget/ pro rata budget	YTD variance/under or over received grants against pro rata budget	YTD variance/pro rata budget %	Full Year Forecast
RECEIPTS:							
Operating Transfers and Grants							
National Government:	194 696	-	81 052	48 674	32 378	167%	194 696
Equitable share	189 605	-	79 002	47 401	31 601	167%	189 605
Finance Management grant	1 250	-	1 250	313	938	400%	1 250
Municipal Systems Improvement	800	-	800	200	600	400%	800
MIG (PMU)	3 041	-	-	760	(760)	0%	3 041
Provincial Government:	6 028	1 853	2 539	1 507	(568)	62%	6 028
Sports and Recreation	4 400	1 600	1600	1 100	500	145%	4 400
Seta- Training	1 628	253	939	407	532	231%	1 628
Total Operating Transfers and Grants	200 724	1 853	83 591	50 181	31 810	163%	200 724
Capital Transfers and Grants							
National Government:	107 264	-	40 479	26 816	13 663	151%	107 264
Municipal Infrastructure Grant (MIG)	77 916	-	40 479	19 479	21 000	208%	77 916
Neighbourhood Development Fund	20 000	-	-	5 000	(5 000)	0%	20 000
EPWP	4 064	-	-	1 016	(1 016)	0%	4 064
DLG:DMA Funding	5 284	-	-	1 321	(1 321)	0%	5 284
Provincial Government:	1 000	1 000	1 000	250	750	400%	1 000
Sport and Recreation	1 000	1 000	1 000	250	750	400%	1 000
District Municipality:	7 071	-	-	1 768	(1 768)	0%	7 071
<i>WRDM: DMA Funding</i>	7 071	-	-	1 768	(1 768)	0%	7 071
Total Capital Transfers and Grants	115 335	1 000	41 479	28 834	14 245	149%	115 335
TOTAL RECEIPTS OF TRANSFERS & GRANTS	316 058	2 853	125 070	79 015	46 055	158%	316 058

4.4.3 Table SC7 (expenditure) shows that R82 926 million had been spent to date. The table below gives the detailed report on expenditure.

GT481 Mogale City - Supporting Table SC7 Monthly Budget Statement - transfers and grant expenditure - M03 September

Description	Budget Year 2011/12						
	Original Budget	Monthly actual	Year TD actual	Yea TD budget/pro-rata budget	YTD variance/ under or over spend against pro rata budget	YTD variance/ pro rata budget spent %	Full Year Forecast
R thousands							
EXPENDITURE							
Operating expenditure of Transfers and Grants							
National Government:	194 696	59 542	59 971	48 674	(11 297)	123%	194 696
Equitable share	189 605	59 252	59 252	47 401	(11 850)	125%	189 605
Financial Management	1 250	79	199	313	114	64%	1 250
Municipal System Improvement	800	63	63	200	137	31%	800
MIG (PMU)	3 041	149	458	760	302	60%	3 041
Provincial Government:	6 028	274	835	1 507	672	55%	6 028
Sports and Recreation	4 400	222	632	1 100	468	57%	4 400
Seta- Training	1 628	31	182	407	225	45%	1 628
Bontle ke Botho	-	21	21	-	(21)	#DIV/0!	-
District Municipality:	-	213	425	-	(425)	#DIV/0!	-
WRDM: HIV/AIDS	-	213	425	-	(425)	#DIV/0!	-
Total operating expenditure of Transfers and Grants:	200 724	60 028	61 232	50 181	(11 051)	122%	200 724
Capital expenditure of Transfers and Grants							
National Government:	107 264	21 114	21 694	26 816	5 122	81%	107 264
Municipal Infrastructure Grant (MIG)	77 916	20 113	20 693	19 479	(1 214)	106%	77 916
Water Affairs		1 001	1 001	-	(1 001)	#DIV/0!	-
Neighbourhood Development Fund	20 000	-	-	5 000	5 000	0%	20 000
EPWP	4 064	-	-	1 016	1 016	0%	4 064
DLG:DMA Funding	5 284	-	-	1 321	1 321	0%	5 284
Provincial Government:	1 000	-	-	250	250	0%	1 000
Sport and Recreation	1 000	-	-	250	250	0%	1 000
District Municipality:	7 071	-	-	1 768	1 768	0%	7 071
WRDM:DMA Funding	7 071	-	-	1 768	1 768	0%	7 071
Total capital expenditure of Transfers and Grants	115 335	21 114	21 694	28 834	7 140	75%	115 335
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	316 058	81 143	82 926	79 015	(3 911)	105%	316 058

5 CASH FLOW POSITION

5.1 The cash flow position for the 2011/12 year is given in the Table C7 cash Flow.

GT481 Mogale City - Table C7 Monthly Budget Statement - Cash Flow - M03 September

Description	2010/11	Budget Year 2011/12						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							%	
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	1 178 437	1 456 684	142 306	362 771	364 171	(1 400)	0%	1 456 684
Government - operating	188 122	200 724	-	84 337	50 181	34 156	68%	200 724
Government - capital	71 905	115 424	-	40 479	28 856	11 623	40%	115 424
Interest	1 070	2 272	106	190	568	(378)	-67%	2 272
Dividends	-	-	-	-	-	-		-
Payments								
Suppliers and employees	(1 345 206)	(1 508 238)	(126 982)	(431 738)	(377 059)	54 679	-15%	(1 508 238)
Finance charges	(20 887)	(22 984)	(7 007)	(9 615)	(5 746)	3 869	-67%	(22 984)
Transfers and Grants	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES	73 443	243 883	8 423	46 424	60 971	(14 547)	-24%	243 883
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE					-	-		-
Decrease (Increase) in non-current debtors		(625)			(156)	156	-100%	(625)
Decrease (increase) other non-current receivables					-	-		-
Decrease (increase) in non-current investments					-	-		-
Payments								
Capital assets	(125 129)	(226 213)	(20 433)	(53 653)	(56 553)	(2 900)	5%	(226 213)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(125 129)	(226 838)	(20 433)	(53 653)	(56 709)	(3 056)	5%	(226 838)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-		-	-	-	-		-
Borrowing long term/refinancing	53 000		-	-	-	-		-
Increase (decrease) in consumer deposits	-		-	-	-	-		-
Payments								
Repayment of borrowing	(12 213)	(12 265)	(468)	(2 708)	(3 066)	(358)	12%	(12 265)
NET CASH FROM/(USED) FINANCING ACTIVITIES	40 787	(12 265)	(468)	(2 708)	(3 066)	(358)	12%	(12 265)
NET INCREASE/ (DECREASE) IN CASH HELD	(10 900)	4 781	(12 477)	(9 938)	1 195			4 781
Cash/cash equivalents at beginning:	28 549	17 649		17 649	17 649			17 649
Cash/cash equivalents at month/year end:	17 649	22 430		7 711	18 845			22 430

GT481 Mogale City - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M03 September

Description	Ref	Budget Year 2011/12												2011/12 Medium Term Revenue & Expenditure Framework		
		July Outcome	August Outcome	Sept Outcome	October Budget	Nov Budget	Dec Budget	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Cash Receipts By Source																
Property rates		21,971	20,528	20,822	22,192	19,192	19,192	19,192	19,192	19,192	19,192	19,192	15,510	235,368	266,446	301,595
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		42,260	55,137	58,627	47,850	47,850	47,850	47,850	47,850	47,850	47,850	47,850	47,347	586,174	704,669	847,032
Service charges - water revenue		11,138	11,688	14,515	12,896	12,896	12,896	14,896	14,896	12,896	12,896	12,896	16,246	160,755	188,839	219,256
Service charges - sanitation revenue		5,934	5,503	6,868	6,258	6,258	6,258	6,258	6,258	6,258	6,258	6,258	8,379	76,751	86,886	98,348
Service charges - refuse		3,686	3,720	3,587	4,892	4,892	4,892	4,892	4,892	4,892	4,892	4,892	9,864	59,991	67,913	76,872
Service charges - other		2,058	2,800	3,151	1,717	1,717	1,717	1,717	1,717	1,717	1,717	1,717	9,827	31,572	36,083	41,266
Rental of facilities and equipment		338	394	-	421	421	421	421	421	421	421	421	953	5,056	5,663	6,399
Interest earned - external investments		11	72	106	189	189	189	189	189	189	189	189	568	2,272	2,272	2,272
Interest earned - outstanding debtors		1,346	1,199	1,246	573	573	573	573	-	573	-	-	220	6,875	7,700	8,701
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		-	734	432	1,174	1,174	1,174	1,174	1,174	1,174	1,174	1,174	3,528	14,083	15,772	17,823
Licences and permits		2,852	6,195	-	5,311	5,311	5,311	5,311	5,311	5,311	5,311	5,311	12,197	63,731	52,965	52,965
Agency services		511	1,147	1,507	1,345	1,345	1,345	1,345	1,345	1,345	1,345	1,345	2,213	16,135	10,591	10,591
Transfer receipts - operating		79,687	4,650	-	-	63,202	389	1,789	47,401	389	389	389	2,438	200,724	223,829	236,920
Other revenue		12,069	7,259	31,551	17,349	17,349	17,349	17,349	17,349	17,349	17,349	17,349	10,518	20,193	203,217	205,981
Cash Receipts by Source		183,862	121,024	142,412	122,168	182,370	119,557	122,957	167,996	119,557	118,984	118,984	139,808	1,659,680	1,872,845	2,126,018
Other Cash Flows by Source																
Transfer receipts - capital		-	40,479	-	-	22,239	-	5,000	9,611	33,239	-	-	4,856	115,424	125,630	130,844
Contributions & Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits		-	-	-	-	-	-	-	-	-	-	-	(625)	(625)	(650)	(676)
Receipt of non-current debtors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source		183,862	161,503	142,412	122,168	204,609	119,557	127,957	177,607	152,796	118,984	118,984	144,040	1,774,480	1,997,825	2,256,187
Cash Payments by Type																
Employee related costs		32,588	31,640	32,278	33,328	46,891	33,778	33,900	33,918	34,081	34,756	33,613	37,445	418,215	460,247	506,272
Remuneration of councillors		1,412	1,415	1,387	1,280	1,280	1,280	1,691	1,592	1,253	1,250	834	4,639	19,312	19,539	20,752
Collection Costs		-	-	-	-	-	-	-	-	-	-	-	1,500	1,500	1,580	1,666
Interest paid		1	2,607	7,007	1	1,735	683	242	1,416	6,485	0	1,414	1,392	22,984	21,774	21,145
Bulk purchases - Electricity		59,274	53,447	39,760	32,112	18,939	26,847	23,187	19,961	22,554	8,917	16,357	51,411	372,766	472,332	504,026
Bulk purchases - Water & Sewer		610	8,262	10,911	6,660	4,449	20,536	957	8,830	8,576	9,190	9,965	25,116	114,062	128,596	144,999
Other materials		6,941	1,488	9,077	3,772	3,544	13,361	4,368	11,345	14,130	7,921	16,214	21,316	113,478	119,492	126,064
Contracted services		27,844	15,607	19,922	3,903	4,897	5,098	7,206	5,140	5,365	7,178	6,535	5,608	114,304	106,163	110,257
Grants and subsidies paid - other municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other		-	578	-	-	-	-	-	-	-	-	-	6,657	7,236	7,619	8,038
General expenses		8,674	11,339	13,430	4,170	3,910	9,634	5,382	5,781	7,653	4,343	5,899	26,578	106,793	114,756	123,578
Cash Payments by Type		137,344	126,382	133,771	85,226	85,645	111,217	76,933	87,984	100,098	73,556	90,830	181,663	1,290,650	1,452,098	1,566,798
Other Cash Flows/Payments by Type																
Capital assets		11,497	21,724	20,433	6,340	11,249	12,086	3,217	10,745	6,681	9,632	12,476	100,133	226,213	240,078	306,804
Repayment of borrowing		12	2,228	468	12	1,693	4,169	182	1,601	251	13	1,603	31	12,265	11,856	14,062
Other Cash Flows/Payments		23,871	19,768	217	17,283	24,979	17,776	20,892	14,294	9,013	10,656	11,512	70,310	240,572	280,861	350,099
Total Cash Payments by Type		172,724	170,101	154,889	108,861	123,567	145,248	101,224	114,623	116,044	93,857	116,422	352,138	1,769,699	1,984,893	2,237,763
NET INCREASE/(DECREASE) IN CASH HELD		11,138	(8,599)	(12,477)	13,307	81,043	(25,691)	26,733	62,984	36,752	25,127	2,562	(208,098)	4,781	12,933	18,424
Cash/cash equivalents at the monthly year beginning:		17,649	28,787	20,189	7,711	21,018	102,061	76,370	103,103	166,087	202,839	227,966	230,528	17,649	22,430	35,363
Cash/cash equivalents at the monthly year end:		28,787	20,189	7,711	21,018	102,061	76,370	103,103	166,087	202,839	227,966	230,528	22,430	22,430	35,363	53,787

5.2. A summary of the cash flow for the year is reflected in SC9. SC9 reflects the decrease in the cash and investments position more clearly. A Decrease of R12,477m is shown for September 2011. The income derived from main revenue tariffs for September 2011 was R107,569m vs. an expected amount of R99,375m at a projected collection rate of 94%.

5.3 As at 30 September 2011 MCLM's bank balance was -R16,951,538

5.4 The total cash received during the month of September 2011 amounted to R561,402m which is R67,498m more than the expected amount of R493,904m. Total Actual expenditure for the same period amounted to R593,363m which is R131,747m more than the budgeted expenditure of R461,616m.

5.5 The total cash received includes cash received for Operating Activities such as the sale of water, electricity, fees charged for refuse removal and sanitation as well as other service charges.

5.6 The total cash received from Operating Activities was R362,971m from the expected budget at 94% collection rate of R369,087m. Council therefore received R6,116m less operational income than expected..

5.7 The Total Income was made up of the following:

Figures in Rm's

Revenue Source	Expected Income	Actual Income	Difference
	RM	RM	RM
Property Rates	R 59,576	R 63,321	R 3,745
Electricity	R 144,712	R 148,797	R 4,085
Water	R 34,837	R 32,280	R -2,556
Sanitation	R 18,774	R 18,305	R -469
Refuse	R 14,676	R 10,993	R -3,683
PP Electricity	R 7,838	R 7,227	R -611
PP Water	R 3,851	R 5,059	R 1,208
Other Income	R 84,823	R 76,989	R -7,834
Sub-Total	R 369,087	R 362,971	R -6,116
Investments Redeemed	R 0	R 73,614	R 73,614
Operating Grants	R 84,338	R 84,337	R -0
External Loan Received	R 0	R 0	R 0
Capital Grants	R 40,479	R 40,479	R 0
Total Income	R 493,904	R 561,402	R 67,498

5.7. Other Service Charges, amounting to R4,830m consist of income for connection and re-connection fees, building plan fees, cemetery fees and landfill site fees.

5.8. Total Operating Expenditure amounted to R430,615m which was R37,192m more than the budgeted expenditure of R393,422m.

5.9 Total Expenditure was made up of the following:

Figures in Rm's

Expenditure Item	Expected Expenditure	Actual Expenditure	Difference
	RM	RM	RM
Salaries	R 104,925	R 100,719	R 4,206
Electricity	R 133,314	R 152,481	R -19,167
Water	R 8,646	R 18,930	R -10,284
Sewer	R 566	R 853	R -287
Other Creditors	R 145,971	R 157,632	R -11,661
Sub-Total	R 393,422	R 430,615	R -37,192
Investments made	R 0	R 95,979	R -95,979
Financing Activities	R 11,640	R 12,323	R -683
Operating Grants	R 0	R 793	R -793
Capital Expenditure	R 56,553	R 53,653	R 2,900
Total Expenditure	R 461,616	R 593,363	R -131,747

Annexure B, Table 2 displays the capital expenditure to date.

5.10 Mogale City did not receive MIG Grant during the month of September 2011.



6. CURRENT BANK BALANCE, INVESTMENTS, AND BORROWING

6.1 BALANCE IN CURRENT ACCOUNTS

Table 11: Balance in current account as at 30th September 2011.

	FIRST NATIONAL BANK	STANDARD BANK	TOTAL AVAILABLE
Balance	R 3,579,654	-R 20,531,191	-R 16,951,538

6.2 INVESTMENTS

6.2.1. SC5 gives the Investment portfolio as at 30th September 2011.

GT481 Mogale City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September

Investments by maturity Name of institution & investment ID R thousands	Ref	Period of Investment Yrs/ Months	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
Municipality									
Rand Merchant Bank	INo4	-	RMB Money Market Fund	n/a	-	5.43%	20 421	92	20 513
Rand Merchant Bank	INo3		Gauranteed Investment Trust	4-Dec	-	0.00%	52 084	-	52 084
ABSA-60 Days fixed deposit	IABSA08 SEPT2011		Fixed Deposit	8-Sep-11	12	5.45%	10 000	(10 000)	-
ABSA-MIG acc	IABSA4068707232		Call	8-Sep-11	109	5.50%	25 479	(1 080)	24 399
Nedbank Call Housing Grant	INEDCALLHOUSING		Call	n/a	0	5.25%	106	(106)	-
Nedbank Call Grants ACC	INEDGRANTSACC		Call	n/a	0	5.20%	45	(45)	-
Nedbank Call - Loan Fund	INEDLOANACC		Call	n/a	-	5.20%	22	(22)	-
Nedbank Call -MIG Acc	INEDMIGGRANTACC		Call	n/a	0	5.20%	454	(454)	-
Investec	Invescallbwst		Call	n/a	0	5.20%	8	(8)	-
Sanlam Shares	000001315070103		9760 Shares	n/a	-	n/a	267	(3)	264
Municipality sub-total					121	0	108 885	(11 625)	97 260
Entities									
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				121		108 885	(11 625)	97 260

6.2.2 MCLM has investments totaling R97,260m. Of this amount, R72,597m are investments that are linked to the bullet loans previously taken out by the municipality. These investments must be used to repay the bullet loans at the end of the loan period or when a consolidation or restructuring of the loans are undertaken.

6.3 LOANS

6.3.1 MCLM has long term loans outstanding of R200,040m. A Decrease of R5,402m was due to the repayment amounting to R7,475m made during the month of September 2011.

6.4 SHORT TERM BORROWING

6.4.1 Section 45 (3) (iii) of the MFMA requires the accounting officer to notify the Council in writing as soon as practical of the amount, duration and cost of any short term loan (overdraft facility) incurred by the municipality.

Mogale City utilised the overdraft facility during the month of September 2011. Below is the schedule of days that Mogale utilised the overdraft Facility:

Date	Amount
1-Sep-11	(4,490,113)
5-Sep-11	(4,818,039)
7-Sep-11	(10,360,434)
9-Sep-11	(6,753,823)
12-Sep-11	(5,794,155)
13-Sep-11	(4,315,187)
14-Sep-11	(5,700,966)
15-Sep-11	(2,503,980)
16-Sep-11	(4,643,458)
19-Sep-11	(13,777,556)
20-Sep-11	(12,314,137)
21-Sep-11	(9,982,382)
22-Sep-11	(6,534,000)
23-Sep-11	(19,214,258)
26-Sep-11	(21,361,326)
27-Sep-11	(20,389,800)
28-Sep-11	(15,396,707)
29-Sep-11	(16,843,286)
30-Sep-11	(16,951,538)
Total	(202,145,144)

7. PERFORMANCE ON MAIN TARIFF REVENUE COLLECTION

7.1. Collection rates as at 30th September 2011

The following is a summary of the year to date collection rate as at September 2011

Table 12: Collection rates to 30th September 2011

Main Tariff	Amount Billed For the year to date	Amount received for the year to date	Collection Rate (received/billed) For the year to date %
Property Rates	61,798,777.91	63,320,826.88	102.46
Electricity services	162,751,043.49	148,797,157.83	91.43
Water services	35,820,805.24	32,280,350.80	90.12
Sanitation services	21,552,150.93	18,305,069.14	84.93
Refuse services	16,022,145.32	10,993,029.93	68.61
SUB TOTAL	297,944,922.89	273,696,434.58	91.86
Other income	6,975,993.02	4,401,274.45	63.09
TOTAL	304,920,915.91	278,097,709.03	91.20

7.1.1 The above table shows the amount billed and the amount of cash received for each of the main tariffs. This is also shown graphically in Chart 1.

7.1.2 Other income related to debtors has been added to this monthly report. The totals for the five main tariffs are thus stated separately as sub-totals.

Chart 1: Collection Rates to 30th September 2011- by tariff

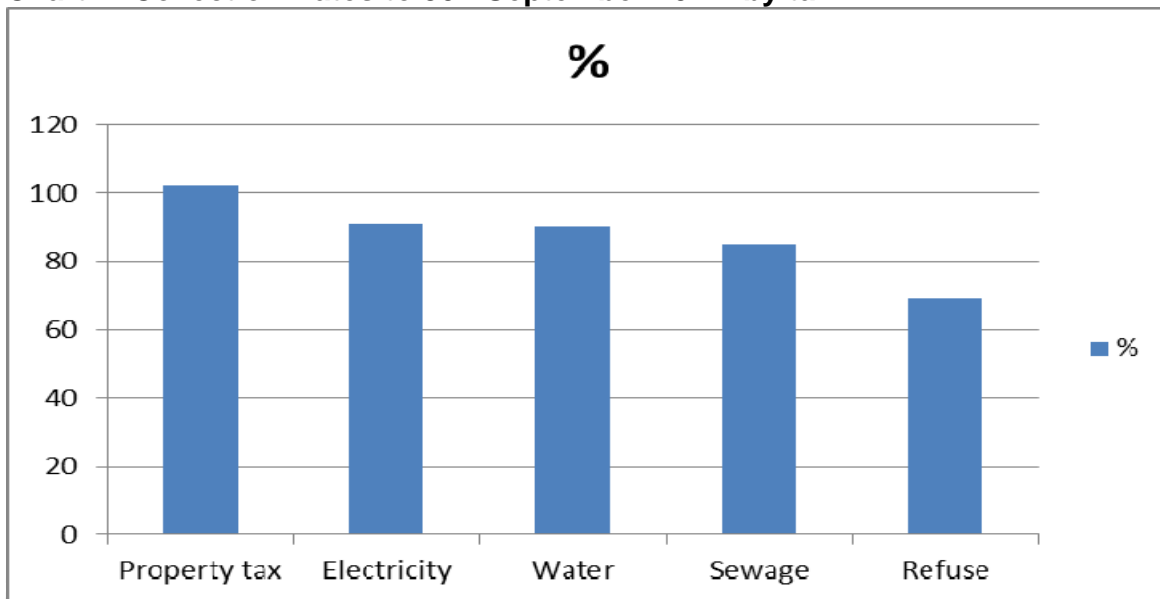


Table 13: Collection Rate to 30th September 2011 by Suburb (accumulated year to date)

Suburb	Amount Billed For the year to date R	Amount received For the year to date R	Collection Rate (received/billed) For the year to date %
Krugersdorp	225,244,881.93	223,915,847.13	99.41
Kagiso	18,430,463.93	7,749,039.39	42.04
Munsieville	3,651,023.19	1,239,937.85	33.96
Azaadville	9,081,197.87	8,801,292.08	96.92
Lusaka	3,145,526.39	708,733.70	22.53
Magaliesburg	7,311,808.27	4,445,714.74	60.80
A/H	4,543,366.43	3,866,813.62	85.11
Farms	27,937,852.39	21,696,864.45	77.66
Other	5,574,795.51	5,673,466.07	101.77
TOTAL	304,920,915.91	278,097,709.03	91.20

7.1.3. The tables and charts below show monthly Collection Rates analysed by suburb and by customer category.

Chart 2: Collection Rates for the year to 30th September 2011 – by Suburb

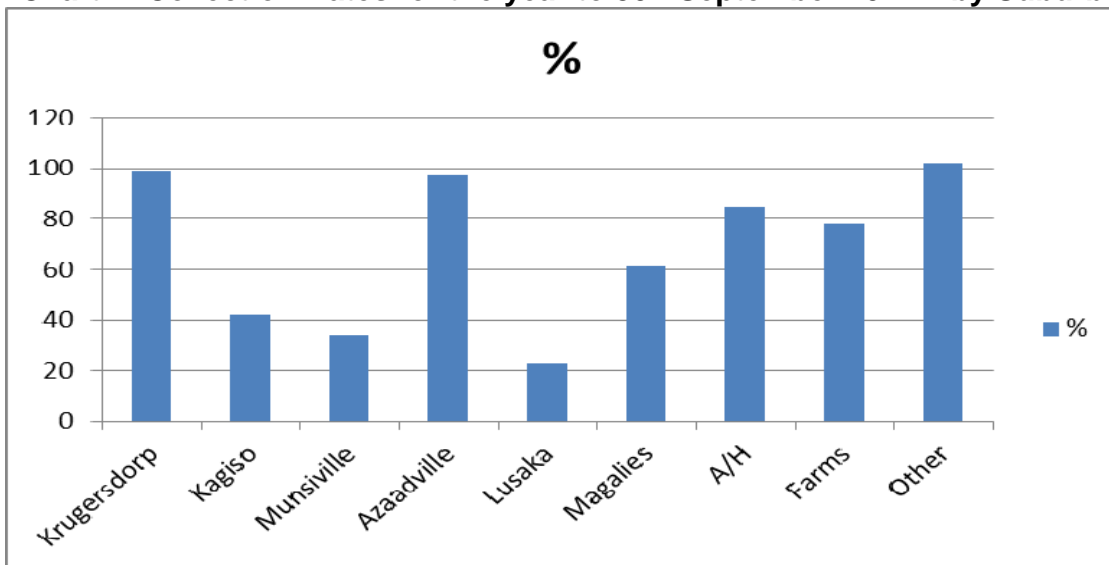
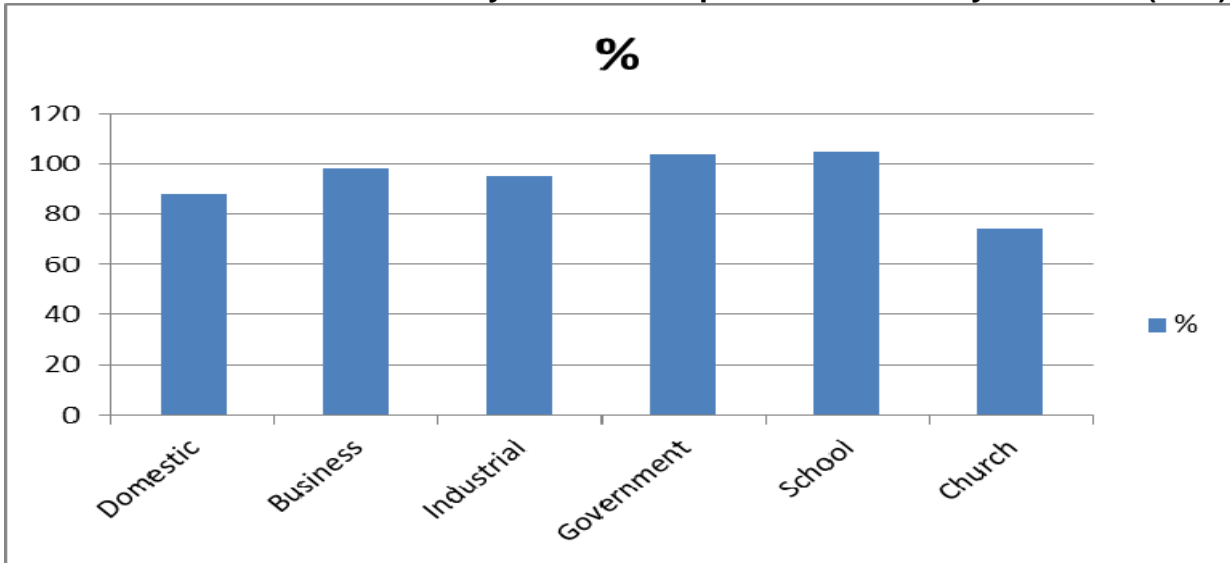


Table 14: Collection Rate to 30th September 2011 - by Customer (YTD)

Customer Group	Amount Billed For the year to date R	Amount received For the year to date R	Collection Rate (received/billed) For the year to date %
Domestic	179,626,521.02	157,874,015.28	87.89
Business	50,448,087.71	49,371,398.36	97.87
Industrial	63,196,494.05	60,265,669.62	95.36
Government	3,204,075.90	3,338,226.31	104.19
School	3,169,015.73	3,338,051.06	105.33
Church	5,276,721.50	3,910,348.40	74.11
TOTAL	304,920,915.91	278,097,709.03	91.20

Chart 3: Collection Rates for the year to 30th September 2011 – by customer (YTD)



7.2. COLLECTION RATE PERFORMANCE

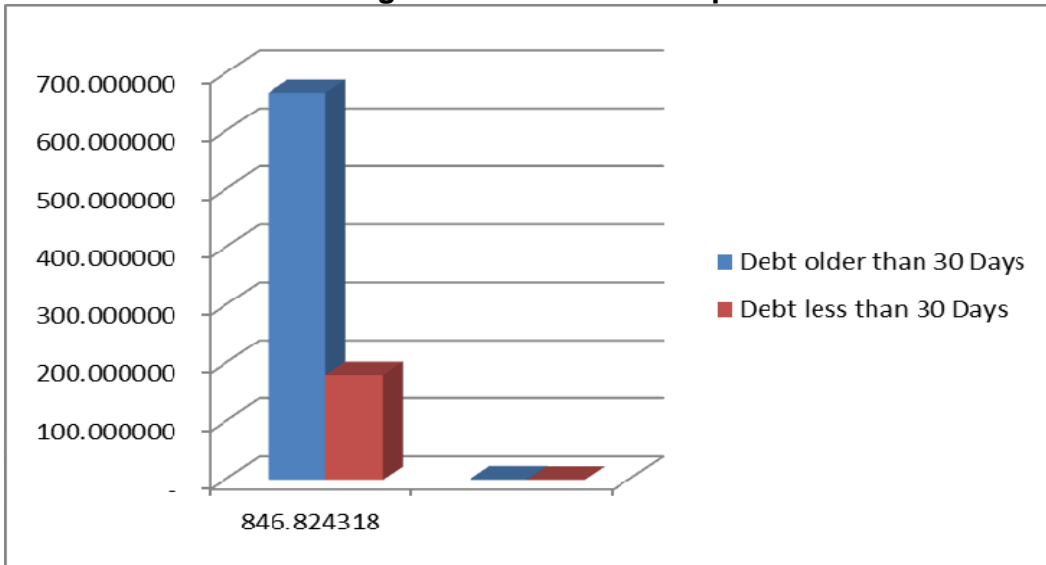
Table 15: Collection Rate comparative figures from 2005/06 onwards

	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Collection Rate for the months of September	86%	91%	88%	100%	94%	96%
Average Collection Rate for year to date	87%	91%	83%	71%	92%	91%

7.2.1 The Collection Rate for the period September 2011 is higher in comparison to the previous year. Year-to-date is higher than comparable to previous year as shown in the table above.

7.3 OUTSTANDING DEBTORS (AMOUNTS OWED TO MCLM)

Chart 4: Total Outstanding Debtors as at 30th September 2011



7.3.1 The current debt outstanding and owed to the municipality is *R846.8* million. Of this 82 % is older than 30 days, as shown in chart 4 above. The detailed age analysis for total debtors is shown below in chart 5.

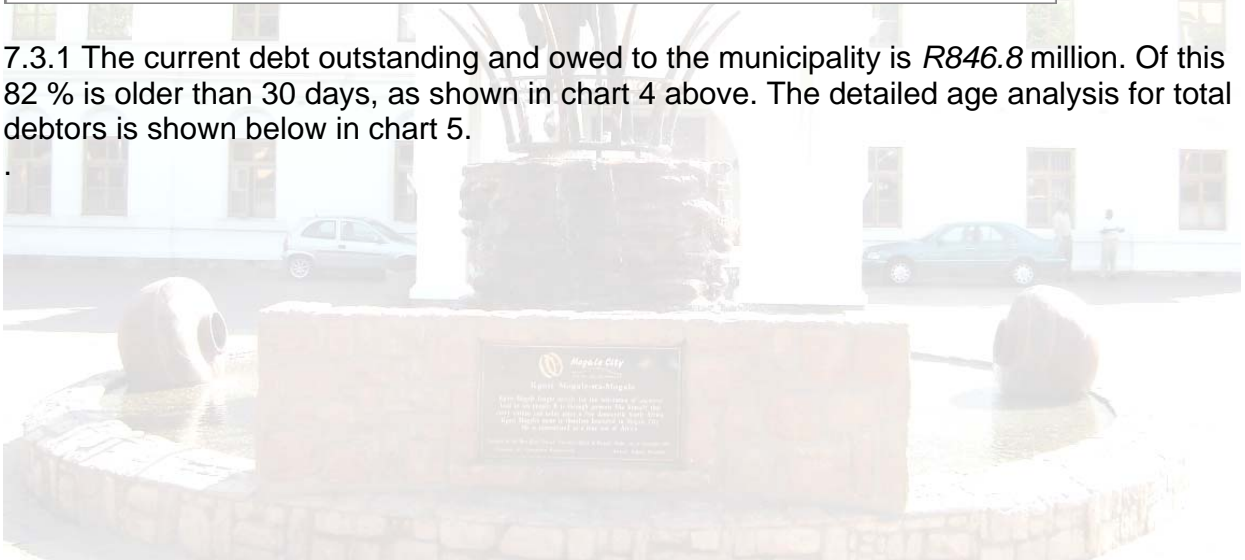
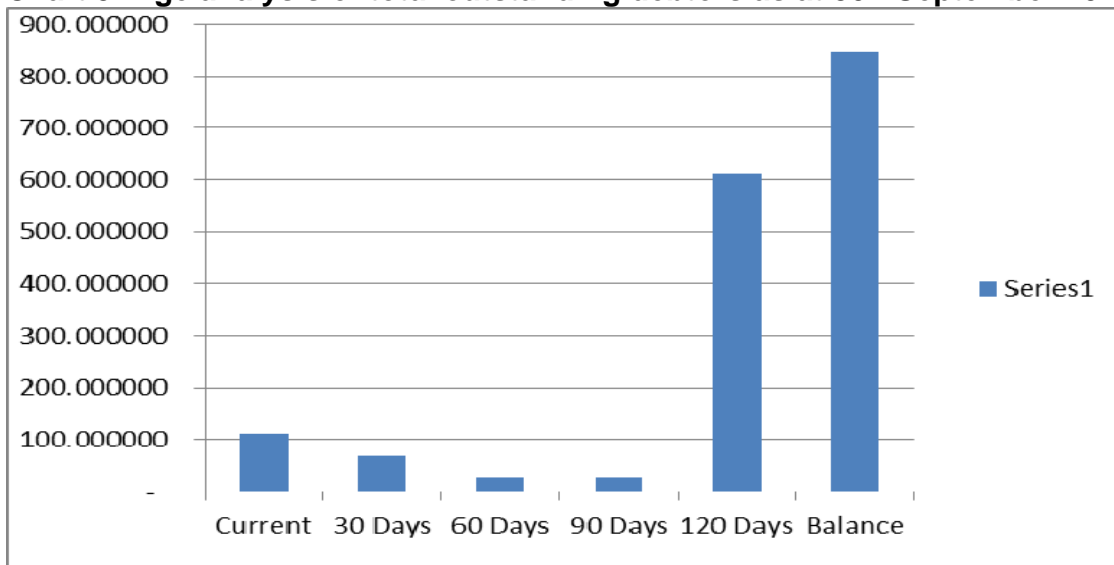


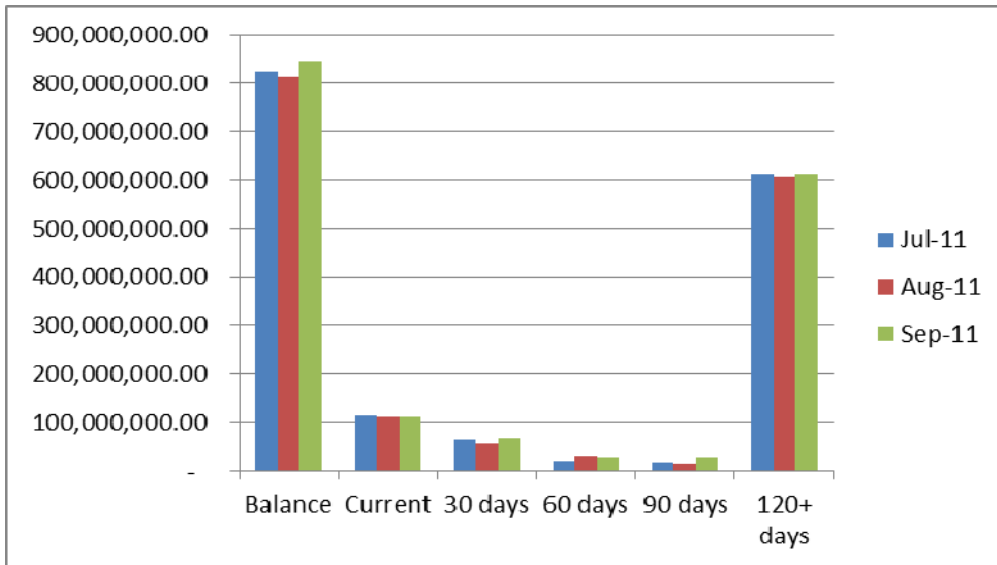
Chart 5: Age analysis of total outstanding debtors as at 30th September 2011



7.4 AGE ANALYSIS

MONTH	BALANCE	CURRENT	30 DAYS	60 DAYS	90 DAYS	120+ DAYS
JUL 2011	826,495,020	115,472,559	64,475,193	18,381,946	17,209,337	610,955,986
AUG 2011	816,462,937	110,771,413	55,054,111	30,184,739	13,817,067	606,635,605
SEPT 2011	846,824,317	112,550,120	67,892,555	27,955,337	27,108,913	611,317,391

CHART 6 AGE ANALYSIS YEAR TO DATE



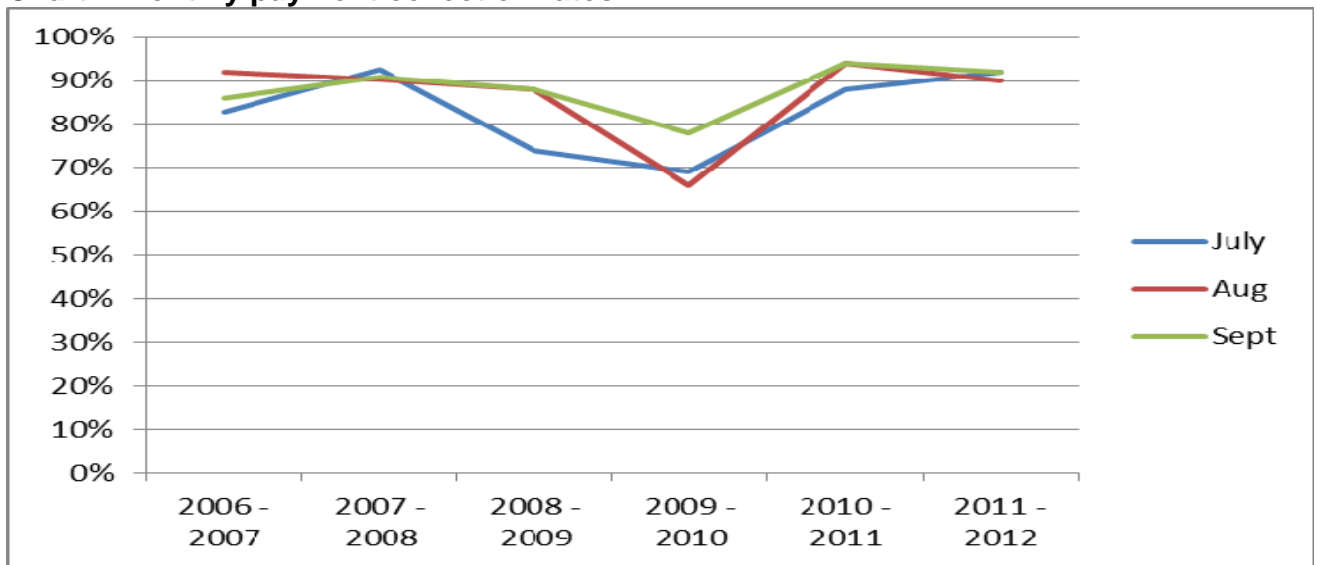
7.5 MONTHLY INCOME VARIANCE ON CASH COLLECTION AS AT 30th SEPTEMBER 2011

	JUL 11	AUG 2011	SEPT 2011
Budgeted Income	96,222,997	96,222,997	96,222,997
Actual Billed	90,028,040	103,600,710	104,316,172
Variance	94%	107%	108%

7.6 MONTHLY PAYMENT COLLECTION RATES AS AT 30th SEPTEMBER 2011

	JUL 11	AUG 2011	SEPT 2011
Actual Billed	90,028,040	103,600,710	104,316,172
Actual income	82,794,506	90,923,824	99,978,105
Payment Level	92%	88%	96%

Chart 7 Monthly payment collection rates



7.8. PERFORMANCE OF DEBT COLLECTORS

Table 16 Performance of debt collectors

COLLECTOR	CONTROL ACC	AMOUNT H/O	COLLECTED	CORRECTIONS/ INDIGENTS	NEW OUTSTANDING AFTER H/O
REVCO	8170 90371	129,023,891	7,053,548	20,905,940	101,064,403
C02	8170 90372	129,291,788	6,240,462	31,739,677	91,311,649
MOODIE & ROBERTS	8170 90373	135,780,327	8,973,470	30,398,484	96,408,374
C04	8170 90374	139,155,018	10,311,876	36,111,477	92,731,665
CREDITWORX	8170 90375	105,676,350	11,548,388	13,399,818	80,728,145
Truter, Crous & Wiggill	8170 90376	184,958			182,202
		639,112,333	44,127,743	132,555,396	462,426,438

The above table indicates the performance of debt collectors to date. Approximately 6% of the debt has been collected to date.

8. RECOMMENDATIONS

1. That the First Quarter In Year Monitoring Report for the period 30th September 2011 be noted.