

**MIDVAAL LOCAL MUNICIPALITY**

**MINUTES OF THE 1<sup>st</sup> ORDINARY MEETING OF THE MIDVAAL LOCAL MUNICIPALITY  
HELD ON THURSDAY 28 JANUARY 2010 AT 18:00**

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**C 541/01/2010**  
**MC A/2328/01/2010**

**9.A.16 [FS]: IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF AFFAIRS OF  
THE MUNICIPALITY**

**5/1/1 2009/10**

**COMPETENCY: COUNCIL**

**RESOLVED:**

That the report regarding the implementation of the budget (2009/10) and the financial state of affairs of the Midvaal Local Municipality up to the end of the 2<sup>nd</sup> quarter (July 2009 – December 2009) be noted.

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**9.A.16 IFS: IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF AFFAIRS OF  
THE MUNICIPALITY**

5/1/1 2009/10

**COMPETENCY: COUNCIL**

**PURPOSE**

The aim of this report is to submit the implementation of the budget and the financial state of affairs of the Midvaal Local Municipality up to the end of the 2<sup>nd</sup> quarter (July 2009 – December 2009) in terms of Section 52(d) of the MFMA (Act 56 of 2003).

**RECOMMENDATION:**

That the report regarding the implementation of the budget (2009/10) and the financial state of affairs of the Midvaal Local Municipality up to the end of the 2<sup>nd</sup> quarter (July 2009 – December 2009) be noted.

**REPORT**

**BACKGROUND**

The income (billed) and actual expenditure (I & E) up to the end of the 2<sup>nd</sup> quarter (July 2009 – December 2009) in comparison with the 2009/10 budget, is as follows:

**1. Income and expenditure (Commitments excluded)**

Proportional target = 50%

	<b>EXPENDITURE</b>			<b>REVENUE</b>		
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>%</b>	<b>BUDGET</b>	<b>ACTUAL</b>	<b>%</b>
Municipal Manager	1 412 636	591 384	41.9	-	-	-
Support Services	28 212 052	11 469 456	40.7	2 232 113	1 583 596	70.9
Community Services	59 324 483	19 841 644	33.4	47 132 940	14 482 500	30.7
Development & Planning	15 510 967	7 794 583	56.2	2 900 000	772 554	26.6
Engineering Services	229 511 226	96 282 571	42.0	255 232 691	115 498 484	45.3
Financial Services	27 496 000	10 003 313	36.4	88 297 244	55 636 186	63.0
Management Services	7 357 480	2 796 242	38.0	420 000	179 678	42.8
Protection Services	31 126 555	13 426 686	43.1	5 391 100	4 759 188	88.3
	<b>399 951 399</b>	<b>162 205 879</b>	<b>40.6</b>	<b>401 606 088</b>	<b>192 912 186</b>	<b>48.1</b>

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**2. Capital**

	EXPENDITURE			SOURCE					
	BUDGET	ACTUAL	%	CRR	EXP.	GRANT	EXP.	LOAN	EXP.
Municipal Manager	-	-	-						
Support Services	390 000	11 386	2.9	390 000	11 386	-	-	-	-
Community Services	10 470 850	4 183 757	40.0	150 000	-	10 320 850	4 183 757	-	-
Development & Planning	-	-	-	-	-	-	-	-	-
Engineering Services	66 825 000	18 146 432	27.2	375 000	52 010	22 750 000	4 899 226	43 700 000	13 195 194
Financial Services	-	-	-	-	-	-	-	-	-
Management Services	-	-	-	-	-	-	-	-	-
Protection Services	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>77 685 850</b>	<b>22 341 575</b>	<b>28.7</b>	<b>915 000</b>	<b>63 396</b>	<b>33 070 850</b>	<b>9 082 983</b>	<b>43 700 000</b>	<b>13 195 184</b>

**3. Long-term liabilities**

The long-term liabilities (external loans) as at 31 December 2009 amounts to R114 182 752.09 which amount consists of the following:

Opening balance (01.07.2009)	R101 181 084.55
<u>Plus:</u> Additions:	R 16 554 654.00
<u>Less:</u> Redemption:	- R 3 552 986.46
	_____
TOTAL LIABILITY (LONG-TERM)	R114 182 752.09
	_____

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**4. Investments**

The total amount invested as at 31 December 2009 amounts to R17 900 000. This amount is earmarked to meet capital expenditure.

**5. Debtors**

	<b>Government</b>	<b>Business</b>	<b>Household</b>	<b>Other</b>	<b>Total</b>
30 days	R 652 674	R 7 447 655	R16 966 489	R 8 483 245	R33 550 063
60 days	R 220 914	R 1 235 512	R 3 104 122	R 1 552 060	R 6 112 608
90 days	R 134 119	R 292 007	R 2 009 346	R 1 004 673	R 3 440 145
120 days	R 136 036	R 331 512	R 2 152 373	R 1 076 187	R 3 696 108
120 + days	R2 991 700	R 3 204 925	R27 209 766	R13 604 883	R47 011 274
<b>TOTAL</b>	<b>R4 135 443</b>	<b>R12 511 611</b>	<b>R51 442 096</b>	<b>R25 721 048</b>	<b>R93 810 198</b>
<b>%</b>	<b>4.4</b>	<b>13.4</b>	<b>54.8</b>	<b>27.4</b>	<b>100.00</b>

Households represent more than 50% of all outstanding debt whilst the second highest percentage are at 27.4% in respect of other.

**6. Asset Value**

The total asset value at 31 December 2009 amounts to:

Opening balance 01.07.2009	R589 963 492
Additional (July 2009 – December 2009)	R 22 341 575
	_____
SUB-TOTAL	R612 305 067
Less: Depreciation	R 15 748 304
	_____
TOTAL	R596 556 763
	_____

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**7. Conclusion**

The excess expenditure (deficit) over actual revenue as at 31 December 2009 amounts to R2 408 064 calculated as follows:

Total Revenue @ 100%		R192 912 186
<u>Less:</u> Expenditure		R162 205 879
		_____
SURPLUS		R 30 706 307
<u>Less:</u> Grants in respect of capital	R14 053 503	
Income foregone	R 9 000 000	
Provision for 93% payment rate	R10 060 868	R 33 114 371
	_____	_____
ANTICIPATED DEFICIT		R 2 408 064
		_____

The anticipated deficit will be addressed in the report reflecting the Adjustments Budget. To meet the deficit, attention will be paid to credit control. Strict expenditure control is in place. It should also be noted that Government debt is also still outstanding, notwithstanding public undertakings to settle such debts.