

**MIDVAAL LOCAL MUNICIPALITY**

**AGENDA OF THE 4<sup>TH</sup> ORDINARY MEETING OF 2010 OF THE MIDVAAL LOCAL MUNICIPALITY  
TO BE HELD ON THURSDAY, 27 MAY 2010 AT 18:00**

**C 589/05/2010**  
**MC A/2369/05/2010**

**9.A.9 [FS]: IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF  
AFFAIRS OF THE MUNICIPALITY (QUARTER 3 – 2009/10)**

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 3<sup>rd</sup> quarter (July 2009 – March 2010) 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 3<sup>rd</sup> quarter (July 2009 – March 2010) be noted.

**REPORT**

**BACKGROUND**

The income (billed) and actual expenditure (I & E) up to the end of the 3<sup>rd</sup> quarter (July 2009 – March 2010) in comparison with the 2009/10 budget, is as follows:

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

Proportional target = 75%

	EXPENDITURE			REVENUE		
	BUDGET	ACTUAL	%	BUDGET	ACTUAL	%
Municipal Manager	1 421 643	1 011 690	71.2	-	-	-
Support Services	27 166 206	17 367 329	64.0	2 102 113	1 839 668	87.5
Community Services	59 835 377	33 584 843	56.2	44 285 608	20 449 422	46.2
Development & Planning	15 922 764	11 386 635	71.5	1 642 500	1 046 301	63.7
Engineering Services	236 434 986	137 756 801	58.2	356 849 108	173 055 136	48.5
Financial Services	24 014 017	14 782 029	61.5	90 888 208	83 082 960	91.4
Management Services	6 890 110	4 276 877	62.1	470 000	337 269	71.8
Protection Services	31 226 871	20 476 733	65.6	7 402 600	6 375 722	86.1
	<b>402 911 974</b>	<b>240 642 937</b>	<b>59.7</b>	<b>503 640 137</b>	<b>286 186 478</b>	<b>56.8</b>

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**2. Capital**

	EXPENDITURE			SOURCE					
	BUDGET	ACTUAL	%	CRR	EXP.	GRANT	EXP.	LOAN	EXP.
Municipal Manager	-	-	-						
Support Services	290 000	105 082	36.2	290 000	105 082				
Community Services	9 121 798	3 566 498	39.1	-	-	9 121 798	3 566 498	-	-
Development & Planning	85 000	85 000	100.0	85 000	85 000				
Engineering Services	73 404 193	35 765 776	48.8	6 258 409	2 377 998	23 787 153	9 967 287	43 358 631	23 420 491
Financial Services	158 500	-	-	158 500					
Management Services	-	-	-						
Protection Services	220 000	-		220 000	-				
<b>TOTAL</b>	<b>83 279 491</b>	<b>39 522 356</b>	<b>47.5</b>	<b>7 011 909</b>	<b>2 568 080</b>	<b>32 908 951</b>	<b>13 533 785</b>	<b>43 358 631</b>	<b>23 420 491</b>

**3. Long-term liabilities**

The long-term liabilities (external loans) as at 31 March 2010 amounts to R132 865 967.92 which amount consists of the following:

Opening balance (01.07.2009)	R101 181 084.55
<u>Plus:</u> Additions:	R 35 328 068.00
<u>Less:</u> Redemption:	- R 3 643 184.63
	_____
TOTAL LIABILITY (LONG-TERM)	R132 865 967.92
	_____

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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 456 818	R 8 575 604	R12 290 453	R 6 145 227	R27 468 102
60 days	R 171 152	R 302 596	R 2 965 974	R 1 482 987	R 4 922 709
90 days	R 214 190	R 221 320	R 2 891 687	R 1 445 844	R 4 773 041
120 days	R 173 911	R 220 233	R 2 928 569	R 1 464 284	R 4 786 997
120 + days	R2 829 281	R 3 819 328	R26 532 468	R13 266 234	R46 447 311
<b>TOTAL</b>	<b>R3 845 352</b>	<b>R13 139 081</b>	<b>R47 609 151</b>	<b>R23 804 576</b>	<b>R88 398 160</b>
<b>%</b>	<b>4.4</b>	<b>14.9</b>	<b>53.7</b>	<b>27.0</b>	<b>100.00</b>

Percentage wise households represent more than 50% of all outstanding debt whilst the second highest stands at 27.0% in respect of other which includes the following:

Interest on arrears	R 2 444 126
Handovers	R 4 438 800
Legal Cost	R 8 952 039
Bulk Contribution (Services)	R 3 100 395
Sundries	R 4 869 216
	_____
	R23 804 576
	_____

**6. Asset Value**

The total asset value at 31 March 2010 amounts to:

Opening balance 01.07.2009	R589 963 492
Additional (July 2009 – March 2010)	R 39 522 356
	_____
SUB-TOTAL	R629 485 848
Less: Depreciation	R 23 622 455
	_____
TOTAL	R629 485 848

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**7. Conclusion**

The excess revenue (surplus) over actual expenditure as at 31 March 2010, amounts to R2 571 782 calculated as follows:

Total Revenue @ 100%		R286 186 478
<u>Less:</u> Expenditure		R240 642 937
		_____
SURPLUS		R 45 543 541
<u>Less:</u> Grants in respect of capital	R13 533 785	
Income foregone	R14 625 000	
Provision for 93% payment rate (6% x R211 613 917)	R14 812 974	R 42 971 759
	_____	_____
ANTICIPATED SURPLUS		R 2 571 782
		_____

**COMMENTS: MEETING OF THE MUNICIPAL MANAGER AND HEADS OF DEPARTMENT: 28 APRIL 2010**

**Resolved to Recommend**

That the item be referred to the Section 80 Support Services Portfolio Committee.

**COMMENTS: SECTION 80 SUPPORT SERVICES PORTFOLIO COMMITTEE: 04 MAY 2010**

The recommendation is supported.