

MIDVAAL LOCAL MUNICIPALITY

**MINUTES OF THE 5TH ORDINARY MEETING OF 2010 OF THE MIDVAAL LOCAL MUNICIPALITY
HELD ON THURSDAY, 29 JULY 2010 AT 18:00**

C 611/07/2010
MC A/2387/07/2010

**9.A.14 [FS]: IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF
AFFAIRS OF THE MUNICIPALITY (QUARTER 4 – 2009/10)**

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 4th quarter (July 2009 – June 2010) be noted.

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AFFAIRS OF THE MUNICIPALITY (QUARTER 4 – 2009/10)**

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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 4th quarter (July 2009 – June 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 4th quarter (July 2009 – June 2010) be noted.

REPORT

BACKGROUND

The income (billed) and actual expenditure (I & E) up to the end of the 4th quarter (July 2009 – June 2010) in comparison with the 2009/10 budget, is as follows:

1. Income and expenditure (Commitments excluded)

Proportional target = 100%

	EXPENDITURE			REVENUE		
	BUDGET	ACTUAL	%	BUDGET	ACTUAL	%
Municipal Manager	1 414 643	1 293 279	91.4	-	-	-
Support Services	27 173 226	23 614 419	86.9	2 102 113	2 581 856	122.8
Community Services	59 685 377	46 236 883	77.5	44 285 608	27 324 128	61.7
Development & Planning	15 922 764	14 561 939	91.5	1 642 500	1 411 770	86.0
Engineering Services	236 434 966	179 802 227	76.1	356 849 108	226 360 808	63.5
Financial Services	24 014 017	19 397 402	81.0	90 888 208	110 839 401	121.6
Management Services	6 890 110	5 570 012	80.8	470 000	456 181	97.0
Protection Services	31 226 871	27 500 571	88.1	7 402 600	9 051 226	122.2
	402 761 974	317 976 732	79.0	503 640 137	378 025 370	75.1

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2. Capital

	EXPENDITURE			SOURCE					
	BUDGET	ACTUAL	%	CRR	EXP.	GRANT	EXP.	LOAN	EXP.
Municipal Manager	-	-	-						
Support Services	290 000	213 236	73.5	290 000	213 236				
Community Services	9 121 798	5 715 440	62.7	-	-	9 121 798	5 715 440		
Development & Planning	85 000	85 000	100.0	85 000	85 000				
Engineering Services	172 650 299	152 073 658	88.1	6 258 400	2 446 116	123 033 259	116 470 517	43 358 632	33 157 025
Financial Services	158 500	6 018	3.8	158 500	6 018				
Management Services	-	-	-						
Protection Services	220 000	-		220 000	-				
TOTAL	182 525 597	158 093 352	86.7	13 825 800	2 750 370	132 155 057	122 185 957	43 358 632	33 157 025

NOTE: Included in the above is an amount of R99 246 106 being a public donation in respect of electrical substations and overhead lines

3. Long-term liabilities

The long-term liabilities (external loans) as at 30 June 2010 amounts to R132 892 899.71 which amount consists of the following:

Opening balance (01.07.2009)	R101 181 084.55
<u>Plus:</u> Additions:	R 40 000 000.00
<u>Less:</u> Redemption:	- R 8 288 184.84
TOTAL LIABILITY (LONG-TERM)	R132 892 899.71

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4. Investments

The total amount invested as at 30 June 2010 revealed a "Zero" balance. The invested amount of R17 900 000, as at 31 March 2010, was utilized to meet capital expenditure.

5. Debtors

	Government	Business	Household	Other	Total
30 days	R2 646 491	R 8 784 497	R18 978 449	R 6 54 181	R31 063 618
60 days	R 377 136	R 800 982	R 4 022 716	R 136 925	R 5 337 759
90 days	R 114 608	R 669 553	R 4 189 053	R 88 230	R 5 061 444
120 days	R 98 013	R 244 693	R 2 742 952	R 78 676	R 3 164 334
120 + days	R1 180 921	R 3 811 132	R42 121 086	R -	R47 113 139
TOTAL	R4 417 169	R14 310 857	R72 054 256	R 958 012	R91 740 294
%	4.9	15.6	78.5	1.0	100.00

Percentage wise households represent more than 50% of all outstanding debt whilst the second highest stands at 15.6% in respect of businesses, other consists of the following:

Fire Services	R429 947
Legal Cost	R456 005
Sundries	<u>R 72 060</u>
	<u>R958 012</u>

6. Asset Value

The total asset value at 30 June 2010 amounts to:

Opening balance 01.07.2009	R589 963 492
Additional (July 2009 – June 2010)	R158 093 352
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SUB-TOTAL	R748 056 844
Less: Depreciation	R 31 496 607
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TOTAL	R716 560 237
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7. Conclusion

The excess revenue (surplus) over actual expenditure as at 30 June 2010, amounts to R481 008 calculated as follows:

Total Revenue @ 100%		R378 025 370
<u>Less: Expenditure</u>		R317 976 732

SURPLUS		R 60 048 638
<u>Less: Grants in respect of capital</u>	R132 155 057	
<u>Less: Public Donation</u>	R 99 246 106	

	R 22 939 851	
Income foregone	R 19 500 000	
Provision for 93% payment rate (6% x R285 462 983)	R 17 127 779	R 59 567 630
	_____	_____
ANTICIPATED SURPLUS		R 481 008

COMMENTS: MEETING OF THE MUNICIPAL MANAGER AND HEADS OF DEPARTMENT: 20 JULY 2010

Resolved to Recommend

That the item referred to the Mayoral Committee.