

**MIDVAAL LOCAL MUNICIPALITY**

**AGENDA OF THE 4<sup>TH</sup> ORDINARY MEETING OF 2011 OF THE MIDVAAL LOCAL MUNICIPALITY  
TO BE HELD ON THURSDAY, 27 OCTOBER 2011 AT 18:00**

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**C 732/10/2011**  
**MC A/2500/09/2011**

**9.A.6 IFSJ: IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF  
AFFAIRS OF THE MUNICIPALITY (QUARTER 4 – 2010/11)**

**5/1/1 2010/11**

**COMPETENCY: COUNCIL**

**RESOLVED:**

That the report regarding the implementation of the budget (2010/11) and the financial state of affairs of the Midvaal Local Municipality up to the end of the 4<sup>th</sup> quarter (July 2010 – June 2011), be noted.

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**9.A.6 IFS: IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF  
AFFAIRS OF THE MUNICIPALITY (QUARTER 4 – 2010/11)**

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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 4<sup>th</sup> quarter (July 2010 – June 2011) in terms of Section 52(d) of the MFMA (Act 56 of 2003).

**RECOMMENDATION:**

That the report regarding the implementation of the budget (2010/11) and the financial state of affairs of the Midvaal Local Municipality up to the end of the 4<sup>th</sup> quarter (July 2010 – June 2011), be noted.

**REPORT  
BACKGROUND**

The income (billed) and actual expenditure (I & E) up to the end of the 4<sup>th</sup> quarter (July 2010 – June 2011) in comparison with the 2010/11 budget, is as follows:

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

Proportional target = 100%

	EXPENDITURE			REVENUE		
	BUDGET	ACTUAL	%	BUDGET	ACTUAL	%
Municipal Manager	1 809 634	1 374 559	75.9	500 000	-	-
Support Services	32 235 397	26 549 087	82.4	2 256 000	1 821 404	66.1
Community Services	66 162 832	52 792 257	79.8	56 456 876	40 103 817	71.0
Development & Planning	19 552 560	14 321 882	73.2	3 985 600	3 013 332	75.6
Engineering Services	297 820 411	229 310 881	77.0	428 961 998	434 678 049	101.3
Financial Services	30 294 817	23 844 306	78.7	98 938 217	126 965 911	128.3
Management Services	8 493 013	6 723 972	79.1	420 000	411 285	97.9
Protection Services	34 291 340	30 469 197	88.6	13 842 600	10 960 072	79.1
	<b>490 660 004</b>	<b>385 386 141</b>	<b>78.6</b>	<b>605 360 691</b>	<b>617 953 870</b>	<b>102.1</b>

Included in the total revenue (budget amount) is an amount of R142 815 111 being a public donation as explained in paragraph 2 (capital) of this report.

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**2. Capital**

	EXPENDITURE			SOURCE					
	BUDGET	ACTUAL	%	CRR	EXP.	GRANT	EXP.	LOAN	EXP.
Municipal Manager	-	-	-	-	-	-	-	-	-
Support Services	600 000	447 766	74,6	600 000	447 766	-	-	-	-
Community Services	20 670 300	12 746 700	57,9	400 000	272 696	16 300 300	12 474 004	3 970 000	-
Development & Planning	40 000	27 553	68,9	40 000	27 553	-	-	-	-
Engineering Services	161 902 721	156 778 735	96,2	10 634 790	9 459 875	144 121 511	142 596 166	7 146 420	3 722 693
Financial Services	122 369	115 394	94,3	-	-	122 369	115 394	-	-
Management Services	40 000	26 054	65,1	40 000	26 054	-	-	-	-
Protection Services	7 206 000	3 923 640	54,4	816 000	569 246	2 390 000	408 306	4 000 000	2 946 097
<b>TOTAL</b>	<b>190 581 390</b>	<b>173 065 852</b>	<b>90,8</b>	<b>12 530 790</b>	<b>10 803 190</b>	<b>162 934 180</b>	<b>155 593 870</b>	<b>15 116 420</b>	<b>6 668 790</b>
<b>PERCENTAGE</b>									

Included in the amount of R162 934 180 (Grants) an amount of R142 815 111 is in respect of public donations. This amount is not an expenditure but a value of infrastructure donated to the Council by a developer. The compilation of the amount is as follows:

- Parks: Lakeside Multi Purpose Centre R 8 600 000
- Engineering – Compound (Group 5) R 1 657 200
- Sewer : Kliprivier outfall R 27 000 000
- Kliprivier Development Park R 10 054 860
- Roads: Kliprivier Development Park R 36 197 506
- Water: Kliprivier Reservoir R 31 736 600
- Kliprivier Business Park R 4 021 945
- Electricity: Kliprivier Development Business Park R 23 547 000

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R142 815 111

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**3. Long-term liabilities**

The long-term liabilities (external loans) as at 30 June 2011 amounts to R128 388 039.77 which amount consists of the following:

Opening balance (01.07.2010)	R132 892 899.74
<u>Plus:</u> Additions:	R -
<u>Less:</u> Redemption:	R 4 504 859.97
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TOTAL LIABILITY (LONG-TERM)	R128 388 039.77
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**4. Investments**

The total amount invested as at 30 June 2011 amounted to Zero. All investments matured prior to 30 June 2011 in order to meet loan repayments and year-end commitments.

**5. Debtors**

	<b>Government</b>	<b>Business</b>	<b>Household</b>	<b>Other</b>	<b>Total</b>
<b>Current</b>	R 394 398	R 8 647 365	R15 898 277	R128 723	R 25 068 763
30 days	R 211 352	R 1 344 578	R 5 056 861	R 3 954	R 6 616 745
60 days	R 156 866	R 472 692	R 5 062 622	R 95 383	R 5 787 563
90 days	R 164 145	R 182 898	R 4 710 451	R 17 611	R 5 075 105
120 days	R 146 695	R 529 173	R 3 507 299	R 9 658	R 4 192 825
120 + days	R2 137 902	R 4 483 984	R50 186 679	R -	R 56 808 565
<b>TOTAL</b>	<b>R3 211 358</b>	<b>R15 660 690</b>	<b>R84 422 189</b>	<b>R255 329</b>	<b>R103 549 566</b>

Percentage wise households represent 80.9% of all outstanding debt of which 56.9% is in excess of 120 days whilst the second highest stands at 15.8% in respect of businesses, other consists of the following:

Fire Services	R213 571
Pre-paid Electricity (providers)	R 41 759
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	R255 330
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**6. Asset Value**

The total asset value at 30 June 2011 amounts to:

Opening balance 01.07.2010	R697 997 870
Additional (July 2010 – June 2011)	R173 065 721
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<b>SUB-TOTAL</b>	<b>R871 063 721</b>
Less: Depreciation	R 41 072 620
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<b>TOTAL</b>	<b>R829 991 101</b>
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**7. Conclusion**

The excess revenue (surplus) over actual expenditure as at 30 June 2011, amounts to R1 276 808 calculated as follows:

Total Revenue @ 100%		R617 953 870
Less: Public Donation (non cash item)		R142 815 111
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<b>SUB TOTAL</b>		<b>R475 138 759</b>
Less: Expenditure		R385 386 141
		<hr/>
<b>SURPLUS</b>		<b>R 89 752 618</b>
<u>Less:</u> Depreciation (budget amount)	R41 072 620	
Income foregone (budget amount)	R30 000 000	
Provision: Bad Debts (budget amount)	R 6 580 000	
Average payment rate (July – June) 101%	R -	
Capital expenditure (CRR)	R10 803 190	R 88 475 810
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<b>ANTICIPATED SURPLUS</b>		<b>R 1 276 808</b>
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The contents of this report is based on an extract from the financial system as at 7 July 2011. The final financial state of affairs to be contained in the Financial Statements for the 2010/2011 financial year will differ with the info contained in this report. The reason is that the actual Depreciation, Income Foregone and Provisions must still be calculated.

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**COMMENTS: MEETING OF THE MUNICIPAL MANAGER AND HEADS OF  
DEPARTMENT: 02 AUGUST 2011**

**Resolved to Recommend**

That the item be referred to the Section 80 Finance and Corporate Services Portfolio Committee

**COMMENTS: SECTION 80 FINANCE AND CORPORATE SERVICES PORTFOLIO  
COMMITTEE: 06 SEPTEMBER 2011**

The recommendation is supported.