

MIDVAAL LOCAL MUNICIPALITY

**MINUTES OF THE 8TH ORDINARY MEETING OF 2010 OF THE MIDVAAL LOCAL MUNICIPALITY
HELD ON THURSDAY, 25 NOVEMBER 2010 AT 18:00**

C 638/11/2010
MC A/2413/11/2010

**9.A.4 [FS]: IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF
AFFAIRS OF THE MUNICIPALITY (QUARTER 1 – 2010/11)**

5/1/11
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 1st quarter (July 2010 – September 2010) be noted.

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5/1/11
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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 1st quarter (July 2010 – September 2010) 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 1st quarter (July 2010 – September 2010) be noted.

REPORT
BACKGROUND

The income (billed) and actual expenditure (I & E) up to the end of the 1st quarter (July 2010 – September 2010) in comparison with the 2010/11 budget, is as follows:

1. Income and expenditure (Commitments excluded)
Proportional target = 25%

	EXPENDITURE			REVENUE		
	BUDGET	ACTUAL	%	BUDGET	ACTUAL	%
Municipal Manager	2 409 634	320 209	13.3	1 100 000	-	-
Support Services	31 849 231	6 476 998	20.4	2 256 000	1 132 152	50.2
Community Services	67 678 552	10 470 842	15.5	49 223 764	8 031 388	16.4
Development & Planning	20 876 764	3 037 120	14.5	5 615 000	414 608	7.4
Engineering Services	284 848 642	57 331 206	20.2	284 878 487	85 690 469	30.1
Financial Services	25 553 371	6 899 304	26.9	97 441 408	35 510 607	36.4
Management Services	8 347 423	2 095 419	25.1	470 000	67 486	14.4
Protection Services	36 965 558	7 457 856	21.0	15 698 600	2 643 696	16.8
	478 529 175	94 088 954	19.6	456 683 259	133 490 406	29.4

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2. Capital

	EXPENDITURE			%	CRR	EXP.	SOURCE			EXP.	LOAN	EXP.
	BUDGET	ACTUAL					GRANT					
Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-
Support Services	850 000	998	0.1	850 000	998	-	-	-	-	-	-	-
Community Services	10 406 000	228 279	2.2	250 000	-	7 506 000	228 279	2 650 000	-	-	-	-
Development & Planning	-	-	-	-	-	-	-	-	-	-	-	-
Engineering Services	20 819 000	788 142	3.7	7 980 000	-	8 323 000	-	4 516 000	-	-	788 142	-
Financial Services	-	-	-	-	-	-	-	-	-	-	-	-
Management Services	40 000	-	-	40 000	-	-	-	-	-	-	-	-
Protection Services	8 120 000	286 773	3.5	730 000	286 773	3 390 000	-	4 000 000	-	-	-	-
TOTAL	40 235 000	1 304 192	3.3	9 850 000	287 771	19 219 000	228 279	11 166 000	788 142	788 142	788 142	788 142

3. Long-term liabilities

The long-term liabilities (external loans) as at 30 September 2010 amounts to R132 798 567.88 which amount consists of the following:

Opening balance (01.07.2010) R132 830 589.25

Plus: Additions: R -

Less: Redemption: -R 32 021.37

TOTAL LIABILITY (LONG-TERM) R132 798 567.88

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4. Investments

The total amount invested as at 30 September 2010 amounted to R21 000 000. The invested amount is earmarked to meet capital expenditure and operational commitments (loan charges) payable on 31 December 2010.

5. Debtors

	Government	Business	Household	Other	Total
30 days	R 816 221	R13 066 779	R24 126 553	R450 670	R 38 460 223
60 days	R 236 746	R 638 166	R 6 163 546	R 92 493	R 7 130 951
90 days	R 177 905	R 106 797	R 3 363 347	R125 511	R 3 773 560
120 days	R1 972 069	R 494 192	R 3 444 316	R 81 468	R 5 992 045
120 + days	R1 449 356	R 3 102 480	R44 267 644	R -	R 48 819 480
TOTAL	R4 652 297	R17 408 414	R81 365 406	R750 142	R104 176 259
%	4.4	16.7	78.1	0.8	100.00

Percentage wise households represent 78.1% of all outstanding debt whilst the second highest stands at 16.7% in respect of businesses, other consists of the following:

Fire Services	R336 657
Legal Cost	R357 060
Sundries	R 56 425

	R750 142

6. Asset Value

The total asset value at 30 September 2010 amounts to:

Opening balance 01.07.2010	R697 997 870
Additional (July 2010 – September 2010)	R 1 304 192

SUB-TOTAL	R699 302 062
Less: Depreciation (R41 072 620/4)	R 10 268 155

TOTAL	R689 033 907

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7. Conclusion

The excess revenue (surplus) over actual expenditure as at 30 September 2010, amounts to R580 275 calculated as follows:

Total Revenue		R 133,490,406
Less: Expenditure		R 94,088,954
Surplus		<u>R 39,401,452</u>
Less:		
Grants in respect of capital (MIG) (July - Nov) (R8 000 000/5x2)	R 3,200,000	
MSIG (R1 000 000 = Full year)	R 750,000	
FMG (R1 000 000 = Full year)	R 750,000	
DAC (R3 400000 = Full year)	R 2,550,000	
Equatable share (July - Nov) received	R 19,926,000	
Scheduled payment	<u>R 15,603,324</u>	
		<u>R 4,322,676</u>
Equatable share Oct - Nov (R15 603 324/5*2)	R 6,241,330	
Depreciation (R41 072 620/4)	R 10,268,155	
Income forgone (R26 000 000/4)	R 6,500,000	
Provision: Bad Debt (R6 580 000/4)	R 1,645,000	
Provision: Loan charges (R10 376 065/4)	<u>R 2,594,016</u>	
Less Income included not related to this period and expenditure not included related to the first quarter:		<u>R 38,821,177</u>
ANTICIPATED SURPLUS		<u>R 580,275</u>

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**COMMENTS: MEETING OF THE MUNICIPAL MANAGER AND HEADS OF
DEPARTMENT: 26 OCTOBER 2010**

Resolved to Recommend

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

**COMMENTS: SECTION 80 SUPPORT SERVICES PORTFOLIO COMMITTEE: 02
NOVEMBER 2010**

The recommendation is supported.