

**MIDVAAL LOCAL MUNICIPALITY**

**MINUTES OF THE 1<sup>ST</sup> ORDINARY MEETING OF 2012 OF THE MIDVAAL LOCAL MUNICIPALITY  
HELD ON THURSDAY, 26 JANUARY 2012 AT 18:00**

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**C 759/01/2012**  
**MC A/2529/12/2011**

**9.A.2 [FS]: IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF  
AFFAIRS OF THE MUNICIPALITY (QUARTER 1 – 2011/12)**

**5/1/1 2011/12**

**COMPETENCY: COUNCIL**

**RESOLVED:**

That the report regarding the implementation of the budget (2011/12) and the financial state of affairs of the Midvaal Local Municipality up to the end of the 1<sup>st</sup> quarter (July 2011 – September 2011), be noted.

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**9.A.2 IFS: IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF  
AFFAIRS OF THE MUNICIPALITY (QUARTER 1 – 2011/12)**

5/1/1 2011/12

**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 1<sup>st</sup> quarter (July 2011 – September 2011) in terms of Section 52(d) of the MFMA (Act 56 of 2003).

**RECOMMENDATION:**

That the report regarding the implementation of the budget (2011/12) and the financial state of affairs of the Midvaal Local Municipality up to the end of the 1<sup>st</sup> quarter (July 2011 – September 2011), be noted.

**REPORT**

**BACKGROUND**

The income (billed) and actual expenditure (I & E) up to the end of the 1<sup>st</sup> quarter (July 2011 – September 2011) in comparison with the 2011/12 budget, is as follows:

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

Proportional target = 25%

	<b>EXPENDITURE</b>			<b>REVENUE</b>		
	<b>BUDGET</b>	<b>ACTUAL</b>	<b>%</b>	<b>BUDGET</b>	<b>ACTUAL</b>	<b>%</b>
Municipal Manager	1 595 800	339 043	21.3	-	471 830	100.0
Support Services	34 176 896	6 320 786	18.5	2 819 000	2 075 843	91.4
Community Services	74 564 677	9 853 941	13.2	49 941 810	7 566 114	15.1
Development & Planning	16 811 465	3 093 689	18.4	2 320 000	530 620	22.9
Engineering Services	339 974 256	54 374 935	16.0	344 730 896	92 121 454	26.7
Financial Services	31 592 617	6 517 320	20.6	111 365 750	43 820 714	39.3
Management Services	9 785 788	1 619 098	16.5	445 200	150 729	33.9
Protection Services	41 264 176	8 346 664	20.2	18 113 700	2 011 132	11.1
	<b>549 765 675</b>	<b>90 465 476</b>	<b>16.5</b>	<b>529 736 356</b>	<b>148 748 436</b>	<b>28.1</b>

Expenditure is relatively low at 16.5% in comparison with the proportional target of 25%. An expenditure equal to 25% would have shown a total of R137 441 419. To the contrary revenue to date (30 September 2011) reveals an excess of 3% over the proportional target.

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**2. Capital**

	EXPENDITURE			SOURCE					
	BUDGET	ACTUAL	%	CRR	EXP.	GRANT	EXP.	LOAN	EXP.
Municipal Manager	-	-	-	-	-	-	-	-	-
Support Services	1 022 000	794 333	77.8	1 022 000	-	-	794 333	-	-
Community Services	8 810 000	71 259	1.0	1 620 000	-	6 140 000	71 259	1 050 000	-
Development & Planning	265 000	-	-	265 000	-	-	-	-	-
Engineering Services	23 970 000	71 547	1.0	4 565 000	-	18 405 000	71 547	1 000 000	-
Financial Services	-	-	-	-	-	-	-	-	-
Management Services	20 000	-	-	20 000	-	-	-	-	-
Protection Services	7 437 000	-	-	937 000	-	6 500 000	-	-	-
<b>TOTAL</b>	<b>41 524 000</b>	<b>937 139</b>	<b>2.3</b>	<b>8 429 000</b>	<b>-</b>	<b>31 045 000</b>	<b>937 139</b>	<b>2 050 000</b>	<b>-</b>
<b>PERCENTAGE</b>									

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**3. Long-term liabilities**

The long-term liabilities (external loans) as at 30 September 2011 amounts to R124 923 908.26 which amount consists of the following:

Opening balance (01.07.2011)	R125 029 487.74
Plus: Additions:	R -
Less: Redemption:	R 105 579.44
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<b>TOTAL LIABILITY (LONG-TERM)</b>	<b>R124 923 908.26</b>
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**4. Investments**

The total amount invested as at 30 September 2011 amounted to R6 500 000 which will be utilised to address capital expenditure linked to conditional grants and operational commitments.

**5. Debtors**

	<b>Government</b>	<b>Business</b>	<b>Household</b>	<b>Other</b>	<b>Total</b>
<b>Current</b>	R 700 926	R 11 465 178	R20 114 256	R269 512	R 32 549 872
30 days	R 362 952	R 1 467 878	R 6 752 687	R118 968	R 8 702 485
60 days	R 319 514	R 1 042 189	R 5 192 282	R102 766	R 6 656 751
90 days	R 196 946	R 674 457	R 4 037 810	R 92 110	R 5 001 323
120 days	R 145 696	R 112 267	R 2 893 834	R 3 419	R 3 155 216
120 + days	R1 900 613	R 5 129 082	R52 851 005	R317 447	R 60 198 147
<b>TOTAL</b>	<b>R3 626 647</b>	<b>R19 891 051</b>	<b>R91 841 874</b>	<b>R904 222</b>	<b>R116 263 794</b>
<b>Percentage</b>	<b>3.1%</b>	<b>17.1%</b>	<b>79.0%</b>	<b>0.8%</b>	<b>100%</b>

Percentage wise households represent 79.0% of all outstanding debt of which 60.7% is in excess of 120 days whilst the second highest stands at 17.1% in respect of businesses, other consists of the pre paid consumers, fire services and interest raised.

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**6. Asset Value**

The total asset value at 30 September 2011 amounts to:

Opening balance 01.07.2011	R2 066 638 764
Additional (July 2011 – September 2011)	R 937 139
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SUB-TOTAL	R2 067 575 903
Less: Depreciation (R50 683 052 x 25%)	R 12 671 263
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TOTAL	R2 055 004 640
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**7. Conclusion**

The excess revenue (surplus) over actual expenditure as at 30 September 2011, amounts to R28 255 867 calculated as follows:

Total Revenue @ 100%	R 148 718 436
Less: Expenditure	R 90 465 476
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SUB TOTAL	R 58 252 960
<u>Less:</u> Depreciation (budget amount x 25%)	R12 671 263
Income foregone (budget amount x 25%)	R 6 250 000
Provision: Bad Debts (budget amount x 25%)	R 1 780 000
Average payment rate (July – September) 90%	R 9 295 830
Capital expenditure (CRR)	R - R 29 997 093
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ANTICIPATED SURPLUS	R 28 255 867

**COMMENTS: MEETING OF THE MUNICIPAL MANAGER AND HEADS OF DEPARTMENT: 08 NOVEMBER 2011**

**Resolved to Recommend**

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

**COMMENTS: SPECIAL SECTION 80 FINANCE AND CORPORATE SERVICES PORTFOLIO COMMITTEE: 28 NOVEMBER 2011**

The recommendation is supported.