

# **IFS]: IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY**

5/1/1 2008/09

## **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 for the 1<sup>st</sup> quarter (July – September 2008) in terms of Section 52(d) of the MFMA (Act 56 of 2003).

### **RESOLVED TO RECOMMEND:**

That the report regarding the implementation of the budget (2008/09) and the financial state of affairs of the Midvaal Local Municipality for the 1<sup>st</sup> quarter (July – September 2008) be noted.

### **REPORT**

The actual income and expenditure (I + ES) for the 1<sup>st</sup> quarter (July – September 2008) in comparison with the 2008/09 budget, is as follows:

In total the actual expenditure is as follows:-

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

	EXPENDITURE			REVENUE		
	BUDGET	ACTUAL	%	BUDGET	ACTUAL	%
Municipal Manager	1 282 783	262 992	20.5	0	0	0
Support Services	24 388 404	4 025 856	16.5	- 1 825 000	- 1 207 152	66.1
Community Services	59 513 510	9 596 477	16.1	- 31 024 821	- 4 289 059	13.8
Development & Planning	13 513 480	2 603 255	19.3	- 2 295 000	- 462 890	20.2
Engineering Services	240 693 172	35 897 918	15.0	- 213 120 026	- 47 381 407	22.2
Financial Services	25 572 806	6 988 379	27.3	- 76 048 500	- 26 598 931	34.9
Management Services	6 928 033	1 297 390	18.7	- 400 000	- 54 581	13.6
Protection Services	27 251 812	5 368 929	19.6	- 2 971 500	- 829 885	27.9
	<b>399 144 000</b>	<b>66 041 196</b>	<b>16.5</b>	<b>- 327 684 847</b>	<b>- 80 823 905</b>	<b>24.6</b>

#### **2. Capital**

	EXPENDITURE		
	BUDGET	ACTUAL	%
Municipal Manager	100 000	0	0
Support Services	4 786 300	1 225 069	25.5
Community Services	7 256 500	79 869	1.1
Development & Planning	6 140 000	12 030	0
Engineering Services	40 325 000	441 047	1.0
Financial Services	0	0	0
Management Services	88 000	42 111	47.8
Protection Services	690 000	202 283	29.3
<b>TOTAL</b>	<b>59 385 800</b>	<b>2 002 409</b>	<b>3.3</b>

#### **3. Long-term liabilities**

The long-term liabilities (external loans) as at 30 September 2008 amounted to R89 149 963.04 which amount consists of the following:

Opening balance (01.07.2008)			R87 959 752.57
<u>Plus:</u> Additions:			
July		-	
August	R1 265 512.00		
September		-	
			R 1 265 512.00
<u>Less:</u> Redemption:			
July	- R 24 644.00		
August	- R 26 168.00		
September	- R 24 489.53	- R 75 301.53	
TOTAL LIABILITY (LONG-TERM)			R89 149 963.04

#### 4. Investments

The total amount invested as at 30 September 2008 amounts to R15 000 000 consisting of:

First National Bank	R5 000 000
Nedbank	R5 000 000
Absa	R5 000 000

As a result of the total capital expenditure during May 2008 = R11 004 346.73 and June 2008 = R32 317 516.02 total investments has shown a substantial decline.

#### 5. Debtors

	<b>Government</b>	<b>Business</b>	<b>Household</b>	<b>Other</b>	<b>Total</b>
30 days	R 378 243.36	R5 917 855.08	R 8 500 245.69	R 4 250 122.58	R19 046 466.98
60 days	R 174 610.31	R 641 485.96	R 2 849 111.72	R 1 424 555.86	R 5 089 763.85
90 days	R 385 908.70	R 195 420.61	R 2 128 998.45	R 1 064 499.23	R 3 774 826.99
120 days	R 86 157.57	R 113 076.54	R 1 560 409.79	R 780 204.89	R 2 539 848.79
120+ days	R3 477 204.59	R2 960 459.33	R20 945 377.25	R10 472 688.02	R37 855 729.79
<b>TOTAL</b>	<b>R4 502 124.53</b>	<b>R9 828 297.52</b>	<b>R35 984 142.90</b>	<b>R17 992 071.45</b>	<b>R68 306 636.40</b>

Government debtors outstanding remain a concern to the Council and are not a meaningful contribution towards Intergovernmental Principles.

## 6. Asset Value

The total asset value at 30 September 2008 amounts to:

Opening balance 01.07.2008	R586 508 879
Additional (July – September 2008)	R 2 002 409
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SUB-TOTAL	R588 511 288
Less: Depreciation	R 21 301 979
	_____
TOTAL	R567 203 309
	_____

## 7. Conclusion

The excess revenue (surplus) over actual expenditure as at 30 September 2008 amounts to R10 548 832 calculated as follows:

Total Income		R80 823 905
<u>Less:</u> Expenditure	R66 041 196	
<u>Plus:</u> Commitments	R 4 233 877	R70 275 073
	_____	_____
SURPLUS		R10 548 832
		_____

This figure will however be effected with the semi-annual loan repayment which will take place during the second quarter.