

[FS]: 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 up to the end of the 3rd quarter (July 2008 – March 2009) in terms of Section 52(d) of the MFMA (Act 56 of 2003).

RECOMMENDATION:

That the report regarding the implementation of the budget (2008/09) and the financial state of affairs of the Midvaal Local Municipality up to the end of the 3rd quarter (July 2008 – March 2009) be noted.

**REPORT
BACKGROUND**

The actual income and expenditure (I & E) up to the 3rd quarter (July 2008 – March 2009) in comparison with the revised 2008/09 budget, is as follows:

1. Income and expenditure (Commitments excluded)

	EXPENDITURE			REVENUE		
	BUDGET	ACTUAL	%	BUDGET	ACTUAL	%
Municipal Manager	1 321 325	902 614	68.3	0	0	0
Support Services	23 790 278	15 702 013	66.0	2 071 000	1 758 811	84.9
Community Services	58 204 137	35 662 606	61.3	34 421 763	16 678 164	48.5
Development & Planning	13 423 793	8 858 021	65.9	2 355 000	1 241 108	53.0
Engineering Services	266 499 429	121 110 657	45.4	238 981 828	142 619 569	59.8
Financial Services	26 043 496	17 723 890	68.1	80 131 500	77 454 282	96.7
Management Services	7 136 366	4 342 673	61.0	400 000	346 413	86.7
Protection Services	27 368 643	17 767 996	65.0	2 674 500	1 911 683	71.4
	423 787 468	222 070 470	52.4	361 035 591	242 010 030	67.0

2. Capital

	EXPENDITURE		
	BUDGET	ACTUAL	%
Municipal Manager	100 000	100 000	100.0
Support Services	6 282 300	4 519 510	71.9
Community Services	7 876 900	2 420 800	30.7
Development & Planning	40 000	38 822	97.0
Engineering Services	42 510 000	10 530 427	24.8
Financial Services	0	0	0
Management Services	88 000	61 544	69.9
Protection Services	679 000	628 967	92.6
TOTAL	57 576 200	18 300 070	31.8

3. Long-term liabilities

The long-term liabilities (external loans) as at 31 March 2009 amounted to R86 171 400.75 which amount consists of the following:

Opening balance (01.07.2008)	R87 959 752.57
<u>Plus:</u> Additions:	R 1 265 512.00
<u>Less:</u> Redemption:	- R 3 053 863.81

TOTAL LIABILITY (LONG-TERM)	R86 171 400.75

4. Investments

The total amount invested as at 31 March 2009 amounts to Zero.

5. Debtors

	Government	Business	Household	Other	Total
30 days	R 438 706	R4 600 005	R12 935 736	R 6 467 868	R24 442 315
60 days	R 222 830	R1 372 088	R 1 444 656	R 722 328	R 3 761 902
90 days	R 217 392	R 390 647	R 1 518 009	R 759 004	R 2 885 052
120 days	R 206 500	R 187 245	R 1 735 245	R 867 622	R 2 996 612
120+ days	R4 361 550	R3 323 707	R22 063 540	R11 031 770	R40 780 567
TOTAL	R5 446 978	R9 873 692	R39 697 186	R19 848 592	R74 866 448
%	7.3	13.2	53.0	26.5	100.00

Percentage wise households represent more than 50% of all outstanding debt whilst other equals 26% of total outstanding debt.

6. Asset Value

The total asset value at 31 March 2009 amounts to:

Opening balance 01.07.2008	R586 508 879
Additional (July 2008 – March 2009)	R 18 300 070

SUB-TOTAL	R604 808 949
Less: Depreciation	R 63 682 052

TOTAL	R541 126 897

7. Conclusion

The excess revenue (surplus) over actual expenditure as at 31 March 2009 amounts to R18 572 860 calculated as follows:

Total Income		R242 010 030
<u>Less:</u> Expenditure	R222 070 470	
<u>Plus:</u> Commitments	R 13 660 700	R223 437 170
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SURPLUS (Calculated)		R 18 572 860
