

KING SABATA DALINDYEBO LOCAL MUNICIPALITY



ADJUSTMENTS BUDGET 2010/11 – 2012/13

25 JANUARY 2011

1. TABLE OF CONTENTS

No	Description	Page
1	Table of Contents	2
2	Mayoral Budget Speech	3
3	Adjustments Budget Related Resolutions	3
4	Discussion of the Adjustments Budget	
4.1	Executive Summary	5
4.2	Section 72 Mid-year Performance Assessment Report	6
4.3	Proposed Adjustments Budget for 2009/2010 Financial Year	11
4.4	Budget Schedules	
4.4.1	Schedule 1 – Revenue by Source	14
4.4.2	Schedule 2 – Operating Expenditure by Vote	15
4.4.3	Schedule 2(a) – Operating Expenditure by GFS Classification	16
4.4.4	Schedule 3 – Capital Expenditure by Vote	17
4.4.5	Schedule 3(a) – Capital Expenditure by GFS	18
4.4.6	Schedule 4 – Capital Funding by Source	19
5	Supporting Documentation	
5.1	Municipal Manager's Quality Certification	20

2. MAYORAL SPEECH ON THE ADJUSTMENTS BUDGET

To be delivered during the Council Meeting

3. ADJUSTMENTS BUDGET RELATED RESOLUTIONS

Adjustments Budget for 2010/11

3.1 Council resolves that the adjustments budget of the KSD Local Municipality for the financial year 2010/11; and indicative for the two projected outer years 2011/12 and 2012/13 be approved as set-out in the following schedules:-

- 1.1. Operating revenue by source reflected in Schedule 1
- 1.2. Operating expenditure by vote reflected in Schedule 2.
- 1.3. Operating expenditure by GFS classification reflected in schedule 2(a).
- 1.4. Capital expenditure by vote reflected in schedule 3.
- 1.5. Capital expenditure by GFS classification reflected in Schedule 3(a).
- 1.6. Capital funding by source reflected in Schedule 4.

Multi-year Capital Budget

3.2 Council resolves that multi-year capital appropriations by vote and associated funding reflected in Schedules 3 and 4 be approved.

Property Rates and other Municipal Tax

3.3 Council resolves that property rates and any other municipal tax remain unchanged for the budget year 2010/11.

Tariffs and Charges

3.4 Council resolves that tariffs and charges remain unchanged for the budget year 2010/11.

Measurable Performance Objectives

3.5 Council resolves that the measurable performance objectives for revenue from each source and for each vote reflect the budget adjustments.

Integrated Development Plan

3.6 Council resolves to continue the implementation of the approved Integrated Development Plan.

Budget Related Policies

3.7 Council resolves that the Budget related policies approved during the annual budget process remain unchanged.

Cashflow

3.8 Council resolves that the maintenance projects identified for electricity turnaround and pothole fixing, is to be funded from the actual cash received from SARS for the VAT Claims submitted for grant funded projects.

Water and Sanitation Services Function

- 3.9 Council resolves that the Executive Mayor be requested to once again engage as a matter of urgency with the Executive Mayor of the OR Tambo District Municipality on the issue of interest and redemption continuously paid by the KSD municipality on loans for water and sanitation services that was transferred to the OR Tambo District Municipality in 2004 already. A report in this regard must be tabled to Council by the end of April 2011.

Detail on Capital Expenditure

- 3.10 Council resolves that the Municipal Manager be requested to submit a detailed report on the expenditure of the additional funding allocated for road rehabilitation and pothole repairs as well as the contracts for phase one and two to be funded from the DBSA loan for electricity turnaround strategy, indicating which wards/areas will be benefiting from these expenditure. A report in this regard must be tabled to Council by the end of February 2011.

4. DISCUSSION OF THE ADJUSTMENTS BUDGET FOR 2010/2011

This section contains an Executive Summary of the adjustments budget, highlighting the processes which lead to the compilation of the adjustment budget.

4.1 Executive Summary

4.1.1 Strategic Focus Areas and Municipal Priority Issues

The following strategic focus areas remain for the 2010/11 financial year. These six key performance areas which are contained in the 5 Year Local Government Strategic Agenda are:-

- Spatial rationale and analysis
- Institutional development and transformation
- Local economic development
- Infrastructure and service delivery
- Good governance
- Financial viability

4.1.2 Key Performance Indicators

The following Key performance indicators also remain for the 2010/11 financial year:-

4.1.2.1 Long term scenario plan (2030 vision)

The two urban areas, Mthatha and Mqanduli are identified as Primary nodes. These are highest order nodes and will receive the highest priority in terms of development. The following were identified as areas of improvement in the medium term:-

- Strengthening of the business component.
- Rationalisation and revitalization of the central business district and the main street.
- Rehabilitation and upgrading of existing infrastructure.
- Strengthening of the housing development component and being proactive.

4.1.2.2 Institutional Transformation and development

- Strengthen local labor relations to promote stability and enhance smooth running of the municipality.
- To re-align functional units and enhance organization capacity of the municipality.
- To improve the quality of work-life and enhance a safe and conducive work environment to attain a focused and productive work-force.
- To ensure proper management of records.
- To render secretarial support to the council.
- To ensure that our service are aligned to the needs and expectations of our customers by rendering effective and efficient customer service.
- To maximize human capability, skills and technical capacity of the municipality.
- To strengthen performance monitoring and reporting.
- Network infrastructure & Administration.
- To improve information access pertaining to KSD Municipality.
- ICT Systems.
- Insert Management Litigation.
- Provision of legal Support.

4.1.2.3 Local economic development

- Building KSD as the regional service centre.
- Catalyzes neighbouring municipalities and rural hinterland to unlock economic potential.

- Builds its competitiveness as a tourism gateway.
- Enhancing its capabilities in warehousing, logistics technology, innovation through research and development, business process outsourcing, value addition and a strong service excellence.
- The priority sectors include Agriculture, Forestry, Tourism, SMME and co-operative development.

4.1.2.4 Financial Viability

- Implementation of debt collection & credit control policy/ bylaw adopted in 2005 and reviewed annually.
- Revitalization of plant and fleet management.
- Levying property rates in terms of the new valuation roll.
- Improvement of financial systems and internal controls.
- Fraud prevention plan to be developed.
- Strict monitoring of expenditure against budget.
- Minimise litigations.
- Implementation of the Tariffs policy for service charges for electricity, refuse removal, and other services.

4.1.2.5 Infrastructure and service delivery

- Capacitate the existing road repair team to undertake efficient pothole repair.
- Maximize the use of available pothole repair resources.
- At the same time undertake a visual assessment of roads to determine the most cost-effective method of prioritized road repair and to establish and quantify the scope of work required for emergency repair, rehabilitation, and reconstruction. The data collected in this visual assessment will then be used towards the establishment of a Road Management System for the KSD road network.
- To start to prepare a tender for a 12 month pothole repair contract that would take over from the current efforts once existing budgets for materials have been expended

4.1.2.6 Good governance and public participation

- Simplification of structures, mandates and systems
- Improving good governance and accountability
- Policy coherence and support : National, Provincial and Local government

4.2 Mid-year Performance Assessment Report

Introduction

Section 72 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates as follows:-

Mid-year budget and performance assessment

72. (1) The accounting officer of a municipality must by 25 January of each year—
- (a) assess the performance of the municipality during the first half of the financial year, taking into account—
 - (i) the monthly statements referred to in section 71 for the first half of the financial year;
 - (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
 - (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
 - (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and

- (b) submit a report on such assessment to—
 - (i) the mayor of the municipality;
 - (ii) the National Treasury; and
 - (iii) the relevant provincial treasury.

- (2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1)(b) of this section.

- (3) The accounting officer must, as part of the review—
 - (a) make recommendations as to whether an adjustments budget is necessary; and
 - (b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

4.2.1 Preparation of the Mid-year Assessment Report

A mid-year assessment was carried out and a report submitted to the Executive Mayor and Council during January 2011. Set out below is a summary of the report and findings submitted by the Municipal Manager.

A high level assessment of the actual results for the period July 2010 to December 2010 was conducted. The purpose of this review was to enable the Accounting Officer to make recommendations as to whether an adjustments budget for the 2010/2011 financial year is necessary.

4.2.2. Operating Revenue Assessment

Revenue	2010/11 Annual Budget R'000	2010/11 Ytd Budget R'000	2010/11 Ytd Actual R'000	2010/11 Variance R'000	2010/11 Variance %	2010/11 Projected Budget R'000
Property rates	117 841	117 841	118 566	725	1	120 341
Electricity receipts	184 492	92 246	92 240	-6	0	184 492
Refuse removal	18 393	18 393	18 717	324	2	19 593
Other service income	3 422	1 711	2 669	958	56	3 422
Rental of facilities and equipment	13 442	6721	6271	-450	-7	13 442
Interest earned external investments	2 311	1 156	256	-900	-78	2 311
Interest earned outstanding debtors	16 804	8 402	10 630	2 228	27	16 804
Fines	1 785	892.5	482	-410.5	-46	1 785
License and permits	9 623	4 811.5	5 751	939.5	20	10 123
Revenue for agency fees		0		0		
Other revenue	1 692	846	1 288	442	52	6 692
Gains on disposal of assets	500	250	0	-250	-100	500
Own generated revenue	370 305	253 270	256 870	3 601	1.5	
Government grants and subsidies	149 346	74 673	110 985	36 312	49	149 346
Total revenue	519 651	318 746	365 807	47 061	15	529 851

4.2.3 Analysis of operating revenue and any resulting shortfall

Property Rates

- Property rates are billed annually and there is an indication that rates billed at the beginning of the year exceeded budget by 1% to date. A supplementary valuation roll is being finalized by the property valuer but will only be implemented towards the end of the financial year and will not result in additional revenue for this financial year. However, additional projections for monthly billing should result in additional revenue of R2.5 million.

Electricity

- Electricity revenue projects to a breakeven point. However, a meter audit to ensure that all customers are billed is becoming more important and should be done on a continuous basis.

Refuse Removal

- Refuse is billed annually. The budget has been exceeded with about 2%. Revenue from trolley bins and skips can further improve the actual figure. Additional projections for monthly billing should result in additional revenue of R1.2 million. Leasing of vehicles with the ability to deal with skips and trolley bins is also important.

Interest on outstanding debtors

- This is interest levied on outstanding debt. The favourable variance of 27% against budget does not reflect revenue that can be collected easily as cash as it represents customers that do not pay their account. Increasing revenue on this vote will therefore only be offset by an increase in provision for bad debt. Interest is levied in terms of the credit control and debt collection policy.

Interest Earned on External Investments

- The current revenue projections for Interest Earned on External Investments projects a shortfall of R1.6 million. This is mainly as a result of low interest rates as well as allocations only done at year end. It is therefore not calculated as a shortfall at this stage as it will be corrected at year-end.

Revenue from License fees, vehicle registration and examination

- The current surplus of 20% on the budget amount will add projected additional R1.5 million revenue to the budget. However, an amount of R2.2 million had to be paid over to PRODIBA on arrear transfers during this financial year. Any other additional revenue within Traffic will therefore have to be used to address this expenditure.

Revenue from VAT Review

- An amount of R5 million is available from the VAT Review. An amount of R1.5 million needs to be allocated to the PMO office for human capital and emergency intervention projects. R3.5 million will be utilised for roads rehabilitation and pothole repairs.

4.2.4 Steps taken to address shortfall on operating revenue

- Detailed reconciliation of the valuation roll against the actual billing should be performed on a continuous basis to ensure accuracy and maximum revenue.
- The Department of Community Services must actively generate additional revenue on the skips and trolley bins, as these are invoiced when collected.
- **The total additional revenue projects to approximately R10.2 million.**

4.2.5 Operating Expenditure

Expenditure	2010/11 Annual Budget R'000	2010/11 Ytd Budget R'000	2010/11 Ytd Actual R'000	2010/11 Variance R'000	2010/11 Variance %	2010/11 Projected Budget R'000
Total revenue	519 651	318 746	365 807	47 061	15	529 851
Expenditure						
Employee related costs	208 990	112 238	95 415	-16 823	-15	197 990
Remuneration of councilors	15 495	7 747.5	10 648	2 900.5	37	15 495
Bad debts	22 236	11 118	303	-10 815	-97	22 236
Billing adjustments		0		0	0	
Depreciation	27 482	13 741	37 120	23 379	170	27 482
Repairs and maintenance	25 848	12 924	15 248	2 324	18	39 848
Finance costs	0	0	22	22	100	0
Bulk Purchases	103 105	51 552.5	67 574	16 021.5	42	109 105
Contribution to Capital outlay	5 807	2 904	1 798	-1 105.5	-38	5 807
Contracted services	3 206	1 603	2 975	1 372	86	3 206
General expenditure	107 481	53 739	69 675	15 936	30	110 481
Loss on disposal of assets						
		267				531 650
	519 650	566.5	300 778	33 211.5	8	
Surplus/ Deficit	1	51 179.5	65 029	13 849.5	39	-1 799

4.2.6 Analysis of Operating Expenditure

Employee Related Costs

- The actual year to date reflects a 15% saving on the budget for the first six months. The total expenditure for employee related costs projects a possible saving of approximately R14 million. This saving is mainly due to new personnel appointed later in the financial year or not yet being appointed as a result of the organogram not being finalised.
- In view of the overall projected net deficit addressed elsewhere in this report, an amount of R9 million from these savings will have to be earmarked to address the deficit through an adjustments budget. The remaining R5 million will be utilised to:-
 - Funding staff newly appointed in January 2011.
 - Filling of critical vacant positions to be determined by the Municipal Manager.
 - Addressing of arrear performance bonuses to qualifying contract workers.

Repair and Maintenance

- The overall current expenditure pattern seems to projects no over expenditure. However, the vote numbers for Roads and Street Repairs have already overspent the annual budget. Additional funding for electricity and roads maintenance programs will amount to approximately R14 million for the remainder of the financial year. The following individual vote numbers requires additional funding.

- Additional funding will have to be made available to address road maintenance and pothole repairs for the remainder of the financial year. Specific emphasis should be placed on rural roads damaged through the recent rains.
- A similar situation exists in respect of electricity emergency repairs where the full budget for the year has nearly been depleted.
- In terms of an agreement signed with SANRAL the municipality also needs to contribute R8 million towards the upgrading of the N2 through Mthatha town.

Bulk Purchases – Electricity Purchases

- The year to date expenditure projects a shortfall of approximately R6 million over the year. This is mainly due to excessive tariffs paid during the winter months. A system to control demand during peak hours should be addressed as part of the electricity turnaround strategy.

General Expenditure

- Vote numbers that are already overspent or projecting over expenditure towards the end of the financial year includes:

Vote Number	Amount
Council Ward Committees (certain wards)	R500 000
Bank Charges	R400 000
Community Cleaning Project	R300 000
Community Participation	R900 000
Conferences and Seminars	36% available
Consultants and Professional Fees	33% available
Legal Fees: amount already overspent	R592 000
LED Projects and Implementation	Budget depleted
PRODIBA payment for previous financial year	R2 225 829
Communication Programs	35% available
Subsistence and Travelling	45% available
Training External	41% available
YAC Point	Budget depleted
Tourism	Budget depleted

- The above over expenditure projects to at least approximately R6 million. These over expenditure will have to be addressed through savings on other vote numbers within the respective departments. It is only the over expenditure on Community Participation that will be funded from additional funds as the budget for the Office of the Executive Mayor and Speaker cannot address this.
- Interest and Capital on External Loans projects a saving of R3 million. This is a result of the DBSA loan not being taken up yet.
- A saving of approximately R9 million from the vote number for leasing of vehicles is the result of the contract for leasing of vehicles not yet fully operational. This saving needs to be redistributed for the current leasing of vehicles by departments as well as the overall projected net deficit.
- **The total net over expenditure projects to approximately R12 million.**

4.2.7 Capital Budget

There is no adjustment to the capital budget envisaged. Progress on the two key capital projects is set out below.

Stadium Project

- The stadium is ready for the opening function and can currently seat 6 500 people per match.
- Spending statistics is as follows:-

Total Funding received for Phase 1 & Phase2	R225 million
Remitted to date	R210,8 million
Savings planned to use on completing the fenced area, turnstiles etc	R9,6 million

Electricity Turnaround Strategy

- Council finalised a loan of R40 million from the DBSA for the electricity turnaround strategy. Due to the delay in finalising Council approval for the loan no disbursements have taken place to date. The envisaged spending for the remainder of this financial year is as follows:-

Phase one (contractor already appointed and on site for emergency electrical network upgrade)	R15.5 million
Phase two upgrading CBD area including street lights and robots (tender finalised for advertising – contractor to be appointed in March 2011)	R17 million
Electricity Masterplan	R2 million
Ripple control for geysers	R4 million
Funding of Capital projects already funded through the operational budget	R1.5 million
Total	R40 million

- Over the last two years, Council also received R24 million Grant funding from DME for upgrading of networks. The envisaged spending for the remainder of this financial year is as follows:-

Upgrading Sidwadwa	R5.8 million
Electrification of Ilitha and Zimbane	R7.5 million
Upgrading Thornhill Substation	R10.7 million
Total	R24 million

- Upgrading of the Thornhill Substation is of utmost importance as it feeds adjacent areas and will allow for the immediate electrification of Mthatha West to be possible upon completion of this project. This will be done with additional funding to be negotiated with DME.

4.2.8 Conclusion on the Mid-year Performance Assessment

- Based on the analysis above, an Adjustments budget is necessary to effect the changes in the estimates and bring in line the expenditure budget to the revenue that can be collected.

4.3 Proposed Adjustments Budget for 2010/2011 Financial Year

4.3.1 Introduction

Section 28 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) stipulates as follows:-

Municipal adjustments budgets

28. (1) A municipality may revise an approved annual budget through an adjustments budget.
- (2) An adjustments budget-
- (a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
 - (b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
 - (c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
 - (d) may authorise the utilisation of projected savings in one vote towards spending under another vote;
 - (e) may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by council;
 - (f) may correct any errors in the annual budget; and
 - (g) may provide for any other expenditure within a prescribed framework.

Section 23 of the Municipal Finance Management Act, 2003 (56/2003): Municipal budget and reporting regulations 393 of 2009 stipulates as follows:-

Timeframes for tabling of adjustments budgets

23. (1) An adjustments budget referred to in section 28 (2) (b), (d) and (f) of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.

After approval of the Mid-year Assessment Report for the 2010/2011 financial year, the Chief Financial Officer engaged with all the Departmental Heads to address the outcomes of the assessment report resulting in the proposed adjustments budget discussed below.

4.3.2 Revenue

A summary of the revenue adjustments can be read in par 4.4.1 Schedule One – Revenue by Source. Detail on the more significant adjustments is discussed below.

4.3.2.1 Own Revenue

The amendments in revenue are in the following categories:-

Property Rates: In the Section 72 Assessment Report it was anticipated that property rates revenue projected additional revenue. Property rates revenue have therefore been increased with R2.5 million from the original budget.

Refuse Removal: There is an anticipated surplus of R1.2 million on annual billing. During the strategic session in January 2010 already, refuse removal services have been identified as a focus area to ensure a significant improvement in efficiency and cost effectiveness.

Licenses and Permits: Due to sustained improved revenue from the issuing of licenses and permits the budgeted revenue has been increased by R1.5 million.

Other Income: An additional amount of R5 million for VAT Refunds has been included under this item. In terms of MFMA Circular 48 of 2009 VAT Input claimed on grant funded projects can be utilized by the municipality as unconditional grant funding if all the conditions of the original grant has been met.

4.3.2.2 Grants and Subsidies

There is no net increase in current Grants and Subsidies. Approximately R8 million of rollovers from the previous financial year has been included in the adjustments budget.

4.3.3 Expenditure

A summary of the expenditure adjustments can be read in par 4.4.2 Schedule 2 – Operating Expenditure. Detail on the more significant adjustments is discussed below.

4.3.3.1 Unforeseen and unavoidable expenditure that is in excess of the budget

The objective is to give a comprehensive view of expenditures that are unforeseen and unavoidable which may be difficult to form a basis of budgeting for them. A summary of expenditure in this category includes:-

Legal Fees	R1 000 000
PRODIBA	R2 400 000

4.3.3.2 Additional allocations requested by Departments

Programmes initiated to accelerate service delivery include:-

Electricity intervention	R4 million
Robots and Traffic Signals	R1.8 million
Public participation	R1.6 million
PMO Office	R1.5 million
Implementation of AG report action plan	R1 million
Pothole repairs/ Roads rehabilitation	R4.3 million

The aim is to increase Pothole repairs/ Roads rehabilitation with another R2 million from an expected grant from the Provincial Government. This amount is in addition to the R4.3 million already allocated. As soon as this grant is received it will be included in the adjustments budget.

4.3.3.3 Bulk Purchases

Bulk Purchase cost for electricity has been increased by R6 million.

4.3.3.4 General Expenses

It must be noted that the principle followed throughout the process was that Departments needed to balance over expenditure with savings on other general expenditure. Additional allocations were only allowed on specific expenditure that would improve/ expedite service delivery and community participation.

It was anticipated that the roll out of the Fleet Maintenance Project would materialise early in this financial year. As such, the expenditure for the current lease of Refuse Removal Trucks was significantly decreased in the annual budget. To date this has not been finalised and an additional amount of R2.5 million has been allocated for this expenditure from the vote number for the leasing of vehicles. In addition, another R8 million was moved to other expenditure to accelerate service delivery.

4.4 BUDGET SCHEDULES

4.4.1 Schedule One – Revenue by Source

SCHEDULE 1 Revenue by Source	Prior Year 2009/10	Current				MTREF	
		YTD Actual R'000	Approved Budget R'000	Adjustment R'000	<i>Adjusted Budget R'000</i>	Budget Year +1 2012/13	Budget Year +1 2013/14
	Audited Actual R' 000					Budget R' 000	Budget R' 000
Property Rates	117216	-118 566	-117 841	-2 500	-120 341	125 147	132 531
Electricity receipts	153558	-90 223	-184 491	0	-184 491	221 390	261 240
Refuse removal	15509	-18 717	-18 393	-1 200	-19 593	19 534	20 686
Service- Charges	1413	-2 662	-3 423	0	-3 423	3 635	3 850
Rental - Facilities	10924	-6271	-13 442	0	-13 442	14 276	15 118
License and Permits	11914	-5 751	-9 623	-1 500	-11 123	10 219	10 822
Interest on Investments	2366	-332	-2 311	0	-2 311	2 454	2 599
Interest on outstanding debtors	23383	-10 630	-16 804	0	-16 804	17 845	18 898
Fines	1806	-482	-1 785	0	-1 785	1 895	2 007
Grant and Subsidies	289532	-110 944	-149 346	-8 291	-157 636	150 230	165 161
Service Level Agreements	0	0	-	0	0	-	-
Disposal of assets	0	0	-500		-500	500	500
Other Income	5856	-1 288	-1 692	-5 000	-6 691	1 796	1 902
Total Revenue	633477	-365 864	-519 650	-18 491	-538 140	568 921	635 314

4.4.2 Schedule 2 – Operating Expenditure by Vote

SCHEDULE 2						MTREF	
Operating Expenditure by Vote	Prior Year 2009/10	Current 2010/11				Budget Year +1 2012/13	Budget Year +2 2013/14
	Audited Actual R' 000	YTD Actual R'000	Approved Budget R'000	Adjustment R'000	<i>Adjusted Budget R'000</i>	Budget R' 000	Budget R' 000
Executive Council		22 473	34 244	-7 813	26 431	35 546	38 105
Finance and Asset Management		55 539	119 974	-11 196	108 778	134 091	141 160
Corporate Services		19 003	36 860	-	36 860	38 127	40 819
PSED		9 513	15 003	3 807	18 810	15 894	16 942
Infrastructure		103 221	174 401	24 222	198 623	210 753	255 986
Community Services		62 528	82 066	2 635	84 701	61 086	65 696
Public Safety		28 502	57 102	6 835	63 938	89 230	93 201
					0		
Total Expenditure		300 778	519 650	18 491	538 140	584 727	651 909

4.4.3 Schedule 2(a) – Operating Expenditure by GFS Classification

4.4.3 Schedule 2(a) - Operating Expenditure by GFS Classification						
Schedule 3(a)	Prior Year				MTREF	
	2009/2010	Current 2010/2011			Budget Year +1	Budget Year +2
					2011/2012	2012/2013
Operating Expenditure by GFS	Actual	Approved Budget	Adjustment	Adjusted Budget		
	2009/2010	R,000	R,000	R,000	R,000	R,000
Executive & Council		34 244	-7 813	26 431	35 546	38 105
Corporate services		36 860		36 860	38 127	40 819
Finance and Admin		119 974	-11 196	108 778	134 091	141 160
PSED		15 003	3 808	18 811	15 894	16 942
Housing		3 525		3 525	3 774	4 055
Road transport		38 490	10 981	49 471	41 564	45 133
Electricity		133 954	13 241	147 195	170 484	212 229
Sport & Recreation		12 660		12 660	13 820	15 130
Health		23 678		23 678	25 334	27 258
Community & Social Services		14 282	2 635	16 917	11 864	12 783
Waste Management		36 055		36 055	39 653	39 588
Public Safety		50 925	6 835	57 760	54 576	58 707
Totals		519 650	18 491	538 141	584 727	651 909

4.4.4 Schedule 3 – Capital Expenditure by Vote

SCHEDULE 3 Capital Expenditure by Vote	Prior Year 2009/10	Current 2010/11			MTREF	
	Actual 2009/10	Approved Budget R'000	Adjustment R'000	Adjusted Budget R'000	Budget Year +1 2011/12 R'000	Budget Year + 2 2012/13 R'000
Community Service	401 135	3 915	-215	3 700	5 183	2 481
Corporate Services	-	457	-	457	454	481
Executive & Council	-	49	-	49	52	55
Finance & Admin.	1 259 971	1 790	7	1 797	1 901	2 013
Infrastructure	22 340 574	110 931	-10	110 921	46 759	56 780
Planning, Social & Economic Dev.	121 297 190	19 280	-	19 280	255	270
Public Safety	-	339	-	339	358	380
Total of Capital Expenditure	145 298 870	136 761	-218	136 543	54 962	62 460

4.4.5 Schedule 3(a) – Capital Expenditure by GFS

Schedule 3(a)	Prior Year 2009/2010	Current 2010/2011			MTREF	
	Actual 2009/2010	Approved Budget R'000	Adjustment R'000	Adjusted Budget R'000	Budget Year +1 2011/2012 R,000	Budget Year +2 2012/2013 R,000
Executive & Council	57	294	-	294	506	536
Finance and Admin	735	922	7	929	1 901	2 013
PSED	38 061	21 580	-	21 580	255	270
Housing	60	45	-	45	-	-
Road transport	34 647	38 953	-10	38 943	38 759	48 780
Electricity	16 000	64 000	-	64 000	8 000	8 000
Sport & Recreation	120 000	-	-	-	-	-
Health	-	-	-	-	-	-
Community & Social Services	624	10 138	-215	9 923	5 183	2 481
Waste Management	-	-	-	-	-	-
Public Safety	1 108	829	-	829	358	380
Totals	211 292	136 761	-218	136 543	54 962	62 460

4.4.6 Schedule 4 – Capital Funding by Source

Schedule 4	Prior Year 2009/2010			Current 2010/2011	Budget Year +1	MTREF Budget Year +2
Capital Funding By Source	Actual 2009/2010	Approved Budget R,000	Adjustment R,000	Adjusted Budget R,000	2011/2012	2012/2013
National Government						
Approved Grants	65 390	70 479	-	70 479	46 279	56 271
Carried Forward Grants						
Total National Grants	65 390	70 479	-	70 479	46 279	56 271
Provincial Government						
Approved Grants	143 754	19 000	-	19 000		
Total Provincial Grants	143 754	19 000	-	19 000		
Total Government Grants	209 144	89 479		89 479	46 279	56 271
Borrowings - DBSA Loan		40 000		40 000		
Public Contributions						
Accumulated Surplus (Own funds)	2 148	7 282	-218	7 064		
Total Funding of Capital Expenditure	211 292	136 761	-218	136 543		

5.1 Municipal Manager's Quality Certification

I _____, Municipal Manager of the King Sabata Dalindyebo Municipality hereby certify that the adjustments budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act 56 of 2003 and the regulations made under the Act, and that the adjustment budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Signature

MMP Tom
Municipal Manager
King Sabata Dalindyebo Municipality (EC157)

Date
