

Ba-Phalaborwa Municipality



'THE HOME OF MARULA AND WILDLIFE TOURISM'

ADJUSTMENT BUDGET 2010/2011

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Abbreviations and Acronyms

CPIX	Consumer Price Index
DORA	Division of Revenue Act
CoGTA	Department of Cooperative Governance and Traditional Affairs
EXCO	Executive Committee
DLGH	Department of Local Government and Housing
GRAP	General Recognised Accounting Practice
IDP	Integrated Development Plan
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
INEG	Integrated National Electrification Grant
MPRA	Municipal Property Rates Act
MTREF	Medium Term Revenue and Expenditure Framework
NERSA	National Electricity Regulator of South Africa
NT	National Treasury
PPP	Public-Private Partnership
SALGA	South African Local Government Association
SDBIP	Service Delivery and Budget Implementation Plan

PART ONE

1. Mayor's report

Honorable Speaker, Chief Whip, Fellow Councillors, Makgoshi, Members of the Media and community members

In the Council of the 31st January 2011, Council resolved to allow the Mayor, after considering the 2010/11 Mid-Year performance report of the Accounting Officer, to table an adjustment budget for COUNCIL'S considerations and approval.

In accordance with Section 28 of the Municipal Finance Management Act, 56 of 2003, a municipality may revise an approved annual budget through an adjustment budget. In terms of Section 72 (3) of the MFMA, the Accounting Officer must as part of review, make recommendations as to whether an adjustment budget is necessary and recommends revised projections for revenue and expenditure to the extent that this may be necessary.

It has emerged in the budget assessment that there is gross under collection of revenue on both major and minor sources of income. Collections from electricity and water charges performance as at 31 December 2010 is 44% and 45% 30% respectively. This is a better performance compared to 2009/10 comparable performance in that both electricity and water performed 3% and 32% respectively. Majority of the other sources of revenue also illustrates performance under 50%.

The projected own revenue collection over six months of R87 million against the total billing of R134 million, it is clear that the approved budget of the municipality's projected revenue collection of R47 011 919 (R47 million) which is a 35% may result in under collection. This implies that even with a full capacity to collect revenue, the municipality would still under collect by 35% or R47 million over the same period given the revenue potential based on the billing otherwise the municipality would have to still improve on its billing targets in function at its full potential. The municipality needs to adjust its budget downward by R47 million.

The adjustment budget prioritised service delivery programmes in line with resolutions taken in District Budget Lekgotla and the municipal council.

The following decisions were made to determine how the approved budget can be adjusted down and still take into account service delivery issues:

- Allocation for capital programmes which were not implemented by 31 December 2010 should be revised downwards including NDPG allocation.

- Employee related costs should be adjusted up to cover costs for 2.5% IMATU award as well as remuneration for municipal councillors at Grade 4 allowance range.
- Priority of human resources acquisition should be given to critical posts before the end of the financial year.
- Approval for overtime work will be for service delivery votes only.
- Licensing department should maximise revenue mechanism to fund its budget
- Traffic department should collect all monies due from issued traffic fines
- Collection of electricity revenue should be prioritised
- Full implementation of credit control and debt collection policy

In line with the provisions of Section 28 of MFMA, the following errors are submitted for correction as part of adjustment budget:

- R28.2 million NDPG grant was Gazetted in 2010 DoRA (R10 million direct allocation and R18.2 indirect allocation. The figure has been corrected in National adjustment budget as R10 million direct allocations and additional R10 million direct allocations. The national adjustment has been taken into account on this adjustment to correct the error.
- Capital project: Electrical infrastructure reticulation Gravelotte New Sites was funded twice as renewal of existing asset and new asset acquisition at R1.3 million. The error has been corrected by removing the project and its funding from renewal of existing assets.
- An amount of R590 000 NDPG technical assistance was recognised in the original budget and this funding is indirect allocation from National Treasury and the error has been corrected by derecognising the amount in this adjustment budget
- An error of omission occurred during annual budget preparations. An amount of R6 million for electrification of Matiko-Xikaya and Steve Biko Ville was corrected by recognising the figure in this adjustment budget

Honourable Speaker

Council must note that we are not adjusting revenue projections from property rates because we are in believe that the past year performance of R47 million and stricter consistent implementation of credit control measures, we can still collect on revenue as original planned.

Another major revenue source that has to be adjusted down significantly is the licensing and permits, which we are estimating a decrease of R4,1 million, from the original budget of R11,9 million. It must be noted that Department of Transport has extended services to Post Offices which impact negatively of licensing and permits revenues.

We have received R6million in respect of Integrated National electrification programme grant that was not included on the main budget. Council should also note the additional R10million direct allocation in respect of NDPG based on the revised Dora. All the projects of MIG are running smoothly and ensure completion as stipulated on the agreed timelines. No additions of equitable share and other grants.

Fellow councillors

The projected expenditure is also adjusted downwards by R35, 8million because of the gross revenue under-collection on the first half of our financial year.

The adjustment in expenditure is constituted by an adjustment on the following:

Employee related costs has been adjusted upwards by R450 thousands, bulk purchases increased by R6 million and remuneration of Councillors also adjusted upwards by R570 thousands.

All other expenditure items have been adjusted downwards including capital funded from own revenue decreased by R21, 9 million. It is evident that challenges lies ahead of us, which is to deliver services to the people will still going to be mammoth task as we are not collecting planned/ estimated revenue approved by Council.

The total approved budget was R339 million and the expenditure is decreased to R303.9 million. The total budget is adjusted downward by R35 million. The main adjustments downwards are on:

- Repairs and maintenance (R19.7 million),
- Capital expenditure funded form conditional grants (R2,2 million)
- contracted services is adjusted upward to cover unbundling of infrastructure assets and

Vehicle expenses are adjusted upward to acquire new vehicles for traffic department and parks

Honourable Speaker

I want to thank everyone dedicated for this work to ensure that early warning are detected, I believe our budget was over- projected and thus should be avoided at all times.

On conclusion remarks: Let's encourage the community members to collect their identity document at Home affairs offices and visit the nearest IEC registrations points on the coming weekend and verify the eligibility to vote. Voting is the right but only if your eligible.

I thank you all

2. Adjustment budget resolutions

2.1. Adjustment Budget for 2010/11 Medium Term Revenue and Expenditure Framework

Council resolved that the adjustment and MTREF and its supporting tables of the Ba-Phalaborwa Municipality (LIM334) for the financial year 2010/11; be approved as set out following tables:

- Table B1 Adjustment budget summary
- Table B2 Adjustment budget financial performance – Standard Classification
- Table B3 Adjustment budget financial performance – Revenue and Expenditure by Municipal Vote
- Table B4 Adjustment budget financial performance – Revenue and Expenditure
- Table B5 Adjustment budget Capital Expenditure- Vote
- Table B6 Adjustment Budget Financial Position
- Table B7 Adjustment Budget Cash Flows
- Table B8 Cash backed reserves/accumulated surplus reconciliation
- Table B9 Asset Management
- Table B10 Basic Service Delivery Measures

2.2 Adjustment permitted in terms of Section 28 (2) of MFMA

- Council resolved that the total budgeted annual **Revenues** be adjusted downwards from R339,033 to R303,902 million be approved
- Council resolved the total budgeted annual **Expenditure** be adjusted downwards from R339,033 to R303,902 be approved
- Council resolved that the additional allocated of **R10million** from Neighbourhood Development Grant programme be approved
- Council resolved the amount from MIG unspent at the end of the 2009/10 financial **roll-over amount of R1,1million** be approved
- Council resolved the inclusion of omitted grant in respect of **Integrated National Electrification of R6million** be approved
- Council resolved the amount received from **DBSA as donations of R625 thousands** be approved
- Council resolved the **additional R450 thousands on employee related costs** be approved
- Council resolved the **additional R570 thousand in respect of Councillors remunerations** be approved
- Council resolved the reductions in **Capital programme own funding revenue of R20,4 million** be approved
- Council resolved the reductions in **Capital programme Grant funding of R2,2 million** be approved

2.3 Adjustment budget supporting tables for 2010/11 MTREF

Council resolved that the adjustment budget of the Ba-Phalaborwa Municipality for the financial year 2010/11, and indicative figures for two outer years 2011/12 and 2012/13 are approved as set out in the following tables

- Table SB1 Budgeted financial position
- Table SB2 Supporting details to financial position
- Table SB3 Adjustment - SDBIP- Performance objectives
- Table SB4 Adjustment budget - performance indicators and benchmarks
- Table SB5 Adjustment budget – Social, Economic, Demographic statistics and Assumptions
- Table SB6 Adjustment budget – Funding Measurement
- Table SB7 Adjustment budget – Transfers and Grant Receipts

- Table SB8 Adjustment budget – Expenditure on Transfers and Grant Programme
- Table SB9 Adjustment budget – Reconciliation of transfers, Grant Receipts and Unspent Funds
- Table SB10 Adjustment budget – Transfers and Grant by the Municipality
- Table SB11 Adjustment budget – Councillor and Staff benefits
- Table SB12 Adjustment budget – Monthly Revenue and Expenditure (Municipal Votes)
- Table SB13 Adjustment budget - Monthly Revenue and Expenditure (Standard Classification)
- Table SB14 Adjustment budget – Monthly Revenue and Expenditure
- Table SB15 Adjustment budget – Monthly Cashflows
- Table SB16 Adjustment budget – Monthly Expenditure (Municipal Votes)
- Table SB17 Adjustment budget – Monthly Capital expenditure (Standard Classification)
- Table SB18a Adjustment budget – Capital Expenditure on New Assets (Assets Class)
- Table SB18b Adjustment budget – Capital Assets on renewal of existing assets (Assets Class)
- Table SB18c Adjustment budget – Expenditure on Repairs and Maintenance (Assets Class)
- Table SB19 Adjustment budget – List of Capital Projects affected by Adjustment Budget

2.4. Revised Service Delivery and Budget Implementation Plan (SDBIP)

Council **note** that the revised SDBIP will be circulated after the adjustment budget has been approved in line with MFMA section 54(1) (c).

2.5. Budget Related Policies

Council resolved that the following budget related policies remain unchanged

- Tariff Policy
- Property Rates Policy
- Budget Policy
- Virement Policy
- Supply Chain Management Policy
- Debt Collection and Credit Control Policy

- Asset Management Policy, Processes and Procedures
- Indigent Consumer Subsidy Policy
- Cash Management and Investment Policy and Procedures

3. EXECUTIVE SUMMARY

In accordance with Section 28 of the Municipal Finance Management Act, 56 of 2003, a municipality may revise an approved annual budget through an adjustment budget. In terms of Section 72 (3) of the MFMA, the Accounting Officer must as part of review, make recommendations as to whether an adjustment budget is necessary and recommends revised projections for revenue and expenditure to the extent that this may be necessary.

The section further provides that an adjustment budget may authorise the following:

- a) Provide for any other expenditure within a prescribed framework.
- b) Correct any errors in the annual budget (Budget overstated and under-stated)
- c) Spending of funds that were unspent at the end of the past financial year where under-spending could not reasonably have been foreseen at the time to include correctly projected roll-over amounts when the annual budget for the current year was approved by Council.
- d) Appropriation of projected savings in one vote towards spending under another vote.

3.1.1 Summary of Revenues and Financing activities

Summary of Revenue and Financing

Standard Item	Current Year	Actual	Movement	Proposed Adjustment Budget	Projections	
					2011/12	2012/13
Own Revenue	244,035,420	88,151,541	38,993,321	205,723,041	255,846,608	278,872,803
Equitable Share	47,605,000	35,703,923	-	47,605,000	53,625,000	58,982,000
Operational Grants Financing	4,947,000	4,982,000	35,000	4,982,000	4,667,000	2,300,000
Capital Grants Financing	42,446,000	19,349,755	3,146,755	45,592,755	47,451,000	53,191,000
Total Revenue and Financing	339,033,420	148,187,219	--35,811,566	303,902,796	361,589,608	393,345,803

The above table illustrates summaries of revenues and financing activities. The total estimated revenue is decreased from R339 million to R303.9 million. The changes of the budgeted financing activities were as follows:

- Revenue to be collected from own sources of income (services charges) is reduced from R244 million to 205.7 million.
- Equitable share allocation remains unchanged.
- Conditional grants financing capital as per National Gazette on adjustments issued December 2010 was reduced by R8.2 million being allocation for NDPG and MIG remains unchanged. The total grants allocation for the municipality after taking into account rolled over MIG funding illustrates upward adjustment of R3.1 million. The adjustment has also taken into account an error of omission with regard to INEG grant allocation of R6 million.
- Rollover of funds as at 30 June 2009 amounts to R1.1 million for MIG which was not cash backed at year end and recognised as liability in the annual financial statements. The cheques were unpaid at year end due to cash flow problems.
- Operational grants are adjusted by R35 000 upward due to R625 000 received from DBSA in the current year for infrastructure asset unbundling

- Other financing activities for working capital not stated on the table is overdraft facility at standard bank of R6 million which is a liability to be settled by 30 June 2011.

3.1.2 Adjustment on Grants and Subsidies

Standard Item	Current Year	Actual	Movement	Proposed Adjustment Budget	Projections	
					2011/12	2012/13
Financial management grant	1,000,000	1,000,000	-	1,000,000	1,250,000	1,500,000
MSIG	790,000	790,000	-	790,000	750,000	800,000
Municipal infrastructure grant	14,242,000	16,950,755	5,350,755	19,592,755	17,129,000	20,827,000
NDPG	28,204,000	0	8,204,000	20,000,000	30,322,000	32,364,000
NDPG - Technical Assistance	590,000	0	590,000	-	-	-
Equitable Shares	47,605,000	35,703,923	-	47,605,000	53,625,000	58,982,000
Integrated National Electrification	-	2,399,000	6,000,000	6,000,000	-	-
Provincial Grant - Excess Employees	2,567,000	2,567,000	-	2,567,000	2,667,000	
DBSA Grant		625,000	625,000	625,000		
Total Grant & Subsidies	94,998,000	60,035,678	3,181,755	98,179,755	105,743,000	114,473,000

The table above shows revisions made by National Government to the main conditional grant funding and subsidies. The main allocation was R94.9 million and increased to R98.2 million due to roll-over funds and allocation of electrification grant.

The NDPG has been decreased by R8.2 million. Roll-over of funds as at 30 June 2010 amounted to R5.3 million for MIG.

3.1.3 Adjustment Budget Revenue

The 2010/11 budget was approved in council on 28 May 2010 with detailed municipal revenue estimates amounting to R339, 033 million for the financial year ending 30 June 2011. Revenue analysis illustrates that the municipality will not be able to collect the budgeted revenues. The 2010/11 budget adjustment changes the main allocation to R303.9 million. Summary of the key adjustment on estimated revenues reflected in the table below:

Standard Item	Current Year	Actual	Movement	Proposed Adjustment Budget	Projections	
					2011/12	2012/13
Property Rates	33,212,300	10,928,704	-	33,212,300	36,201,407	39,459,534
Service Charge: Water	71,853,062	32,685,881	850,262	71,002,800	78,319,837	85,368,623
Service Charge: Electricity	68,133,720	29,685,881	2,989,520	65,144,200	74,265,755	80,949,673
Loans on Old Debt	301,725	806,000	1,471,475	1,773,200	328,880	358,480
Interest on Outstanding debts	32,294,252	-	28,293,107	4,001,145	35,200,735	38,368,801
Refuse Removal Charges	4,938,707	3,077,736	2,061,693	7,000,400	5,383,190	5,867,678
Sewerage/Sanitation Charges	7,729,442	3,193,266	755,442	6,974,000	8,425,092	9,183,351
Grants and Subsidies	94,998,000	60,035,678	3,181,755	98,179,755	105,743,000	114,473,000
Traffic Fines	850,200	340,308	102,200	748,000	926,718	1,010,123
Licenses and Permits	11,922,012	3,544,511	4,125,212	7,796,800	12,994,993	14,164,543
Gain on disposal of PPE	12,800,000	-	9,300,000	3,500,000	3,800,000	4,142,000
Other revenue	-	3,889,254	3,889,254	4,570,196		
Total	339,033,420	148,187,219	-35,811,566	303,902,796	361,589,608	393,345,803

- Property rates is not adjusted because the performance in 2009/10 was R47 million

- The water services revenue has been decreased by R0.8 million due to poor payment of services
- Electricity service is decreased by R2.9 million due poor payment of services
- Intersect on outstanding debts is decreased by R28.3 million due to poor payment of services experienced.
- Licences and payments is decreased by R4 million
- Gain on disposal of PPE is decreased by R9.3 million, plans to dispose vacant land for residential purposed not finalised yet.
- Other revenue increased by R3.9 million being direct deposits without references and sale of tenders

3.1.4 Adjustment of Budget Expenditure

Standard Item	Current Year	Actual	Movement	Proposed Adjustment Budget	Projections	
					2011/12	2012/13
Employee related costs	82,691,746	39,605,286	450,000	83,141,746	90,134,003	98,246,064
Remuneration of councillors	10,940,386	4,626,141	570,000	11,510,386	10,878,621	11,857,697
Debt Impairment	-	-	-	-	-	-
Depreciation & Assets	-	-	-	-	1,010,320	1,101,249
Finance charges	867,399	283,838	69,392	936,791	945,466	1,030,558
Bulk purchases	73,175,491	59,738,063	6,000,000	79,175,491	100,689,286	107,495,042
Repairs and maintenance	30,755,000	3,242,194	-19,700,416	11,054,584	31,889,267	31,021,573
Contracted services	6,900,000	3,984,838	1,621,000	8,521,000	13,613,907	18,656,888
Other expenditure	46,479,840	32,963,058	-	46,479,840	5,761,198	6,279,706
Vehicle expenses	6,977,558	1,389,494	400	6,977,958	37,265,942	40,619,877
Capital expenditure from own revenue	37,800,000	-	-21,937,000	15,863,000	21,950,597	23,846,151
Contributions recognised-capital	42,446,000	7,101,863	-2,204,000	40,242,000	47,451,000	53,191,000
Total Expenditure per Type	339,033,420	152,934,774	-35,130,624	303,902,796	361,589,608	393,345,803

The table 4 shows adjustments of main budget allocation per expenditure type. The total approved budget was R339 million and the expenditure is decreased to R303.9 million. The total budget is adjusted downward by R35 million. The main adjustments downwards are on:

- repairs and maintenance (R19.7 million),
- capital expenditure on own funded projects (R21.9 million)
- capital expenditure funded form conditional grants (R2,2 million)
- bulk purchases are adjusted upward by R6 million due to high consumption on water and high charges on electricity.
- contracted services is adjusted upward to cover unbundling of infrastructure assets and
- Vehicle expenses are adjusted upward to acquire new vehicles for traffic department and parks.

3.1.5 Summary of expenditure adjustment per main vote

Expenditure per Main Vote

Standard Item	Current Year	Actual	Movement	Proposed Adjustment Budget	Projections	
					2011/12	2012/13
COUNCIL AND EXECUTIVE	24,118,431	9,841,470	2,111,548	26,229,979	26,289,090	28,655,109
BUDGET AND TREASURY OFFICE	35,836,871	18,144,251	-3,500,000	32,336,871	36,462,189	37,458,787
CORPORATE SERVICES	24,779,762	6,994,317	-3,300,000	21,479,762	27,009,941	29,440,835
COM. AND SOC. SERVICES	52,318,919	17,304,956	-7,800,000	44,518,919	59,672,358	64,903,570
TECHNICAL SERVICES	181,827,226	96,776,764	-18,752,172	163,075,054	189,430,030	219,612,990
PLANNING AND DEVELOPEMENT	20,152,211	3,873,015	-3,890,000	16,262,211	22,726,000	13,274,512
TOTAL	339,033,421	152,934,773	-35,130,624	303,902,797	361,589,609	393,345,803

The above table shows the movement of budget allocation per main vote

3.1.6 Summary of Expenditure Adjustment per sub-vote

Expenditure per Sub-Vote

Standard Item	Current Year	Actual	Movement	Proposed Adjustment Budget	Projections	
					2011/12	2012/13
OFFICE OF THE MAYOR	13,894,351	4,935,454	2,111,548	16,005,899	15,144,843	16,507,879
OFFICE OF THE MUNICIPAL MANAGER	10,224,080	4,906,016	0	10,224,080	11,144,248	12,147,230
BUDGET AND TREASURY OFFICE	35,836,871	18,144,251	-3,500,000	32,336,871	36,462,189	37,458,787
CORPORATE SERVICES	24,779,762	6,994,317	-3,300,000	21,479,762	27,009,941	29,440,835
COMMUNITY SERVICES	24,572,486	12,433,058	-2,900,000	21,672,486	28,665,036	30,920,590
PUBLIC SAFETY	11,042,406	3,752,676	-1,800,000	9,242,406	12,036,222	13,119,482
ROADS	62,523,042	12,465,449	-10,304,000	52,219,042	67,523,040	75,968,434
ELECTRICITY SERVICES	62,307,895	44,471,649	3,687,520	65,995,415	63,015,606	76,647,011
WATER SERVICES	43,942,861	38,758,610	-12,000,000	31,942,861	46,134,607	53,768,013
WASTE WATER	13,053,428	1,081,056	-135,692	12,917,736	12,756,777	13,229,532
PLANNING	20,152,211	3,873,015	-3,890,000	16,262,211	22,726,000	13,274,512
WASTE MANGEMENT	16,704,027	1,119,221	-3,100,000	13,604,027	18,971,100	20,863,499
TOTAL	339,033,421	152,934,773	35,130,624	303,902,797	361,589,609	393,345,803

The above table shows the movement of budget allocation per sub vote

4. ADJUSTMENT BUDGET TABLES

4.1. Adjustment Budget Summary

Description	Budget Year 2010/11									Budget Year +1 2011/12	Budget Year +2 2012/13
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	1 A1	2 B	3 C	4 D	5 E	6 F	7 G	8 H		
R thousands											
Financial Performance											
Property rates	33,212	-	-	-	-	-	-	-	33,212	36,201	39,460
Service charges	152,957	-	-	-	-	-	(2,836)	(2,836)	150,121	166,394	181,369
Investment revenue	32,294	-	-	-	-	-	(26,519)	(26,519)	5,775	35,201	38,369
Transfers recognised - operational	52,552	-	-	-	-	35	(40)	(5)	52,547	58,332	61,282
Other own revenue	25,572	-	-	-	-	-	(4,718)	(4,718)	20,854	18,011	19,675
Total Revenue (excluding capital transfers and contributions)	296,587	-	-	-	-	35	(34,112)	(34,077)	262,509	314,139	340,155
Employee costs	82,692	-	-	-	-	-	450	450	83,142	90,134	98,246
Remuneration of councillors	10,940	-	-	-	-	-	570	570	11,510	10,879	11,858
Depreciation & asset impairment	-	-	-	-	-	-	-	-	-	-	-
Finance charges	867	-	-	-	-	-	70	70	937	945	1,031
Materials and bulk purchases	73,175	-	-	-	-	-	6,000	6,000	79,175	100,689	107,495
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	171,358	-	-	-	-	-	(42,220)	(42,220)	129,138	158,942	174,717
Total Expenditure	339,033	-	-	-	-	-	(35,131)	(35,131)	303,902	361,590	393,346
Surplus/(Deficit)	(42,446)	-	-	-	-	35	1,018	1,053	(41,393)	(47,451)	(53,191)
Transfers recognised - capital	42,446	-	1,151	-	-	(2,204)	-	(1,053)	41,393	47,451	53,191
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-	-

Surplus/(Deficit) after capital transfers & contributions	-	-	1,151	-	-	(2,169)	1,018	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	-	1,151	-	-	(2,169)	1,018	-	-	-	-
Capital expenditure & funds sources											
Capital expenditure	80,496	-	-	-	-	-	(22,641)	(22,641)	57,855	69,402	77,037
Transfers recognised - capital	42,446	-	-	-	-	(2,204)	-	(2,204)	40,242	47,451	53,191
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	38,050	-	-	-	-	-	(20,437)	(20,437)	17,613	21,951	23,846
Total sources of capital funds	80,496	-	-	-	-	(2,204)	(20,437)	(22,641)	57,855	69,402	77,037
Financial position											
Total current assets	92,876	-	-	-	-	-	(52,876)	(52,876)	40,000	37,666	48,828
Total non current assets	327,616	-	-	-	-	-	605,239	605,239	932,855	998,869	1,080,660
Total current liabilities	348,892	-	-	-	-	-	(329,854)	(329,854)	19,037	27,576	29,561
Total non current liabilities	58,600	-	-	-	-	-	(58,600)	(58,600)	-	3,750	5,000
Community wealth/Equity	13,000	-	-	-	-	-	940,817	940,817	953,817	1,005,209	1,094,927
Cash flows											
Net cash from (used) operating	80,246	-	1,151	-	-	(2,169)	(25,123)	(26,141)	54,105	69,442	77,037
Net cash from (used) investing	(80,246)	-	-	-	-	22,641	3,500	26,141	(54,105)	(69,402)	(77,037)
Net cash from (used) financing	-	-	-	-	-	-	(150)	(150)	(150)	-	-
Cash/cash equivalents at the year end	8,875	-	1,151	-	-	20,472	(20,498)	1,125	10,000	12,000	17,500
Cash backing/surplus reconciliation											
Cash and investments available	5,939	-	-	-	-	-	4,237	4,237	10,176	12,088	17,500
Application of cash and investments	187,610	-	-	-	-	-	(179,132)	(179,132)	8,478	13,053	10,000
Balance - surplus (shortfall)	(181,671)	-	-	-	-	-	183,369	183,369	1,698	(965)	7,500

<u>Asset Management</u>												
Asset register summary (WDV)	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	-	-	-	-	-	-	-	-	-	-	-	-
Renewal of Existing Assets	19,423	-	-	-	-	-	290	290	19,713	21,951	23,846	
Repairs and Maintenance	30,755	-	-	-	-	-	(21,200)	(21,200)	9,555	31,889	31,022	
<u>Free services</u>												
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-	-	-
<u>Households below minimum service level</u>												
Water:	1	-	-	-	-	-	-	-	1	1	1	
Sanitation/sewerage:	15	-	-	-	-	-	-	-	15	15	16	
Energy:	7	-	-	-	-	-	-	-	7	7	8	
Refuse:	-	-	-	-	-	-	-	-	-	-	-	

- The approved budget is adjusted downwards from R339,33 million to R303,902 million

4.2 Adjustment Budget Financial Performance (Standard Classification)

Standard Description	Ref	Budget Year 2010/11									Budget Year +1 2011/12	Budget Year +2 2012/13
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		5	6	7	8	9	10	11	12			
R thousands	1,4	A	A1	B	C	D	E	F	G	H		
Revenue - Standard												
<i>Governance and administration</i>		84,736	-	-	-	-	-	(4,688)	(4,688)	80,048	89,761	95,555
Executive and council		24,118	-	-	-	-	-	2,112	2,112	26,230	26,289	28,655
Budget and treasury office		35,838	-	-	-	-	-	(3,500)	(3,500)	32,338	36,462	37,459
Corporate services		24,780	-	-	-	-	-	(3,300)	(3,300)	21,480	27,010	29,441
<i>Community and public safety</i>		35,614	-	-	-	-	-	(4,700)	(4,700)	30,914	40,701	44,040
Community and social services		24,572	-	-	-	-	-	(2,900)	(2,900)	21,672	28,665	30,921
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		11,042	-	-	-	-	-	(1,800)	(1,800)	9,242	12,036	13,119
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		82,675	-	-	-	-	-	(14,194)	(14,194)	68,481	90,249	89,243
Planning and development		20,152	-	-	-	-	-	(3,890)	(3,890)	16,262	22,726	13,275
Road transport		62,523	-	-	-	-	-	(10,304)	(10,304)	52,219	67,523	75,968
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		136,008	-	-	-	-	-	-	-	124,460	140,878	164,508
Electricity		62,308	-	-	-	-	-	(11,548)	(11,548)	65,996	63,016	76,647
Water		43,943	-	-	-	-	-	3,688	3,688	31,943	46,135	53,768
Waste water management		13,053	-	-	-	-	-	(12,000)	(12,000)	12,917	12,757	13,230
Waste management		16,704	-	-	-	-	-	(136)	(136)	13,604	18,971	20,863
<i>Other</i>		-	-	-	-	-	-	(3,100)	(3,100)	-	-	-

Total Revenue - Standard	2	339,033	-	-	-	-	-	(35,131)	(35,131)	303,902	361,590	393,346
Expenditure - Standard	-											
<i>Governance and administration</i>		84,736	-	-	-	-	-	(4,688)	(4,688)	80,048	89,761	95,555
Executive and council		24,118	-	-	-	-	-	2,112	2,112	26,230	26,289	28,655
Budget and treasury office		35,838	-	-	-	-	-	(3,500)	(3,500)	32,338	36,462	37,459
Corporate services		24,780	-	-	-	-	-	(3,300)	(3,300)	21,480	27,010	29,441
<i>Community and public safety</i>		35,614	-	-	-	-	-	(4,700)	(4,700)	30,914	40,701	44,040
Community and social services		24,572	-	-	-	-	-	(2,900)	(2,900)	21,672	28,665	30,921
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		11,042	-	-	-	-	-	(1,800)	(1,800)	9,242	12,036	13,119
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		82,675	-	-	-	-	-	(14,194)	(14,194)	68,481	90,249	89,243
Planning and development		20,152	-	-	-	-	-	(3,890)	(3,890)	16,262	22,726	13,275
Road transport		62,523	-	-	-	-	-	(10,304)	(10,304)	52,219	67,523	75,968
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		136,008	-	-	-	-	-	(11,548)	(11,548)	124,460	140,878	164,508
Electricity		62,308	-	-	-	-	-	3,688	3,688	65,996	63,016	76,647
Water		43,943	-	-	-	-	-	(12,000)	(12,000)	31,943	46,135	53,768
Waste water management		13,053	-	-	-	-	-	(136)	(136)	12,917	12,757	13,230
Waste management		16,704	-	-	-	-	-	(3,100)	(3,100)	13,604	18,971	20,863
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	339,033	-	-	-	-	-	(35,131)	(35,131)	303,902	361,590	393,346
Surplus/ (Deficit) for the year		-	-	-	-	-	-	-	-	-	-	-

- The above table illustrates expenditure adjustment budget per municipal vote

4.3 Adjustment Budget Financial Performance (Revenue and Expenditure by Municipal Vote)

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2010/11									Budget Year +1 2011/12	Budget Year +2 2012/13
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Revenue by Vote	1											
Vote 1 - Mayor and Council		13,894	-	-	-	-	-	2,112	2,112	16,006	15,145	16,508
Vote 2 - Office of the Municipal Manager		10,224	-	-	-	-	-	-	-	10,224	11,144	12,147
Vote 3 - Budget and Treasury Office		35,838	-	-	-	-	-	(3,500)	(3,500)	32,338	36,462	37,459
Vote 4 - Corporate Services		24,780	-	-	-	-	-	(3,300)	(3,300)	21,480	27,010	29,441
Vote 5 - Community and Social Services		24,572	-	-	-	-	-	(2,900)	(2,900)	21,672	28,665	30,921
Vote 6 - Public Safety		11,042	-	-	-	-	-	(1,800)	(1,800)	9,242	12,036	13,119
Vote 7 - Economic and Environment Services		20,152	-	-	-	-	-	(3,890)	(3,890)	16,262	22,726	13,275
Vote 8 - Road Transport		62,523	-	-	-	-	-	(10,304)	(10,304)	52,219	67,523	75,968
Vote 9 - Electricity Services		62,308	-	-	-	-	-	3,688	3,688	65,996	63,016	76,647
Vote 10 - Water Services		43,943	-	-	-	-	-	(12,000)	(12,000)	31,943	46,135	53,768
Vote 11 - Waste Water Management		13,053	-	-	-	-	-	(136)	(136)	12,917	12,757	13,230
Vote 12 - Solid Waste Management		16,704	-	-	-	-	-	(3,100)	(3,100)	13,604	18,971	20,863
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	339,033	-	-	-	-	-	(35,131)	(19,895)	245,438	361,590	393,346
Expenditure by Vote	1											
Vote 1 - Mayor and Council		13,894	-	-	-	-	-	2,112	2,112	16,006	15,145	16,508
Vote 2 - Office of the Municipal Manager		10,224	-	-	-	-	-	-	-	10,224	11,144	12,147
Vote 3 - Budget and Treasury Office		35,838	-	-	-	-	-	(3,500)	(3,500)	32,338	36,462	37,459
Vote 4 - Corporate Services		24,780	-	-	-	-	-	(3,300)	(3,300)	21,480	27,010	29,441

									(3,300)				
Vote 5 - Community and Social Services		24,572	-	-	-	-	-	(2,900)	(2,900)	21,672	28,665	30,921	
Vote 6 - Public Safety		11,042	-	-	-	-	-	(1,800)	(1,800)	9,242	12,036	13,119	
Vote 7 - Economic and Environment Services		20,152	-	-	-	-	-	(3,890)	(3,890)	16,262	22,726	13,275	
Vote 8 - Road Transport		62,523	-	-	-	-	-	(10,304)	(10,304)	52,219	67,523	75,968	
Vote 9 - Electricity Services		62,308	-	-	-	-	-	3,688	3,688	65,996	63,016	76,647	
Vote 10 - Water Services		43,943	-	-	-	-	-	(12,000)	(12,000)	31,943	46,135	53,768	
Vote 11 - Waste Water Management		13,053	-	-	-	-	-	(136)	(136)	12,917	12,757	13,230	
Vote 12 - Solid Waste Management		16,704	-	-	-	-	-	(3,100)	(3,100)	13,604	18,971	20,863	
		-	-	-	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure by Vote	2	339,033	-	-	-	-	-	(35,131)	(19,895)	245,438	361,590	393,346	
Surplus/ (Deficit) for the year	2	-	-	-	-	-	-	-	-	-	-	-	

4.4 Budgeted Financial Performance (Continue)

Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2010/11									Budget Year +1 2011/12	Budget Year +2 2012/13
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Revenue By Source												
Property rates	2	33,212	-	-	-	-	-	-	-	33,212	36,201	39,460
Property rates - penalties & collection charges		-							-	-		
Service charges - electricity revenue	2	68,134	-	-	-	-	-	(2,990)	(2,990)	65,144	74,266	80,950
Service charges - water revenue	2	71,853	-	-	-	-	-	(850)	(850)	71,003	78,320	85,369
Service charges - sanitation revenue	2	7,729	-	-	-	-	-	(755)	(755)	6,974	8,425	9,183
Service charges - refuse revenue	2	4,939	-	-	-	-	-	2,062	2,062	7,000	5,383	5,868
Service charges - other		302						(302)	(302)	-		
Rental of facilities and equipment		351						(351)	(351)	-		
Interest earned - external investments									-	-		
Interest earned - outstanding debtors		32,294						(26,519)	(26,519)	5,775	35,201	38,369
Dividends received									-	-		
Fines		850						(102)	(102)	748	748	927
Licences and permits		11,922						(4,125)	(4,125)	7,797	12,995	14,165
Agency services									-	-		
Transfers recognised - operating		52,552						35	(40)	(5)	52,547	58,332
Other revenue	2	8,949	-	-	-	-	-	(140)	(140)	8,809	468	442
Gains on disposal of PPE		3,500						-	-	3,500	3,800	4,142
Total Revenue (excluding capital transfers and contributions)		296,587	-	-	-	-	35	(34,112)	(34,077)	262,509	314,139	340,155
Expenditure By Type												
Employee related costs	-	82,692	-	-	-	-	-	450	450	83,142	90,134	98,246
Remuneration of councillors		10,940						570	570	11,510	10,879	11,858
Debt impairment									-	-		

Depreciation & asset impairment		-	-	-	-	-	-	-	-	-	-	-
Finance charges		867					70	70	937	945	1,031	
Bulk purchases		73,175	-	-	-	-	6,000	6,000	79,175	100,689	107,495	
Other materials												
Contracted services		6,900	-	-	-	-	1,621	1,621	8,521	13,614	18,657	
Transfers and grants												
Other expenditure		164,458	-	-	-	-	(43,841)	(43,841)	120,617	145,328	156,060	
Loss on disposal of PPE												
Total Expenditure		339,033	-	-	-	-	(35,131)	(35,131)	303,902	361,590	393,346	
Surplus/(Deficit)		(42,446)	-	-	-	35	1,018	1,053	(41,393)	(47,451)	(53,191)	
Transfers recognised - capital		42,446		1,151		(2,204)		(1,053)	41,393	47,451	53,191	
Contributions												
Contributed assets												
Surplus/(Deficit) before taxation		-	-	1,151	-	-	(2,169)	1,018	-	-	-	-
Taxation												
Surplus/(Deficit) after taxation		-	-	1,151	-	-	(2,169)	1,018	-	-	-	-
Attributable to minorities												
Surplus/(Deficit) attributable to municipality		-	-	1,151	-	-	(2,169)	1,018	-	-	-	-
Share of surplus/ (deficit) of associate												
Surplus/ (Deficit) for the year		-	-	1,151	-	-	(2,169)	1,018	-	-	-	-

4.5 Adjustment Capital Expenditure Budget by Vote and Funding

Adjustments Capital Expenditure Budget by vote and funding -

Description	Ref	Budget Year 2010/11									Budget Year +1 2011/12	Budget Year +2 2012/13
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - Mayor and Council		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		716	-	-	-	-	-	(100)	(100)	616	617	685
Vote 3 - Budget and Treasury Office		4,150	-	-	-	-	-	(2,590)	(2,590)	1,560	3,578	3,972
Vote 4 - Corporate Services		5,775	-	-	-	-	-	(3,830)	(3,830)	1,945	4,979	5,527
Vote 5 - Community and Social Services		19,152	-	-	-	-	-	(3,290)	(3,290)	15,862	16,512	18,329
Vote 6 - Public Safety		1,500	-	-	-	-	-	(1,380)	(1,380)	120	1,293	1,436
Vote 7 - Economic and Environment Services		2,055	-	-	-	-	-	(1,980)	(1,980)	75	1,772	1,967
Vote 8 - Road Transport		24,817	-	-	-	-	-	(1,125)	(1,125)	23,692	21,397	23,751
Vote 9 - Electricity Services		15,508	-	-	-	-	-	(4,476)	(4,476)	11,032	13,371	14,842
Vote 10 - Water Services		100	-	-	-	-	-	-	-	100	86	96
Vote 11 - Waste Water Management		3,170	-	-	-	-	-	(3,170)	(3,170)	-	2,733	3,034
Vote 12 - Solid Waste Management		3,553	-	-	-	-	-	(700)	(700)	2,853	3,063	3,400
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	80,496	-	-	-	-	-	(22,641)	(22,641)	57,855	69,402	77,037
Single-year expenditure to be adjusted	2											
Vote 1 - Mayor and Council		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-	-

Vote 3 - Budget and Treasury Office	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community and Social Services	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Economic and Environment Services	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Road Transport	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Electricity Services	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Water Services	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Solid Waste Management	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote	80,496	-	-	-	-	-	(22,641)	(22,641)	57,855	69,402	77,037	
Capital Expenditure - Standard												
<i>Governance and administration</i>	10,641	-	-	-	-	-	(6,520)	(6,520)	4,121	9,174	10,184	
Executive and council	716						(100)	(100)	616	617	685	
Budget and treasury office	4,150						(2,590)	(2,590)	1,560	3,578	3,972	
Corporate services	5,775						(3,830)	(3,830)	1,945	4,979	5,527	
<i>Community and public safety</i>	20,652	-	-	-	-	(2,204)	(2,466)	(4,670)	15,982	17,806	19,765	
Community and social services	19,152					(2,204)	(1,086)	(3,290)	15,862	16,512	18,329	
Sport and recreation												
Public safety	1,500						(1,380)	(1,380)	120	1,293	1,436	
Housing												
Health												
<i>Economic and environmental services</i>	26,872	-	-	-	-	-	(3,105)	(3,105)	23,767	23,168	25,717	
Planning and development	2,055						(1,980)	(1,980)	75	1,772	1,967	
Road transport	24,817						(1,125)	(1,125)	23,692	21,397	23,751	
Environmental protection												

<i>Trading services</i>		22,331	-	-	-	-	-			13,985	19,253	21,371
								(8,346)	(8,346)			
Electricity		15,508						(4,476)	(4,476)	11,032	13,371	14,842
Water		100						-	-	100	86	96
Waste water management		3,170						(3,170)	(3,170)	-	2,733	3,034
Waste management		3,553						(700)	(700)	2,853	3,063	3,400
<i>Other</i>									-	-		
Total Capital Expenditure - Standard	3	80,496	-	-	-	-	(2,204)	(20,437)	(22,641)	57,855	69,402	77,037
Funded by:												
National Government		42,446					(2,204)		(2,204)	40,242	47,451	53,191
Provincial Government									-	-		
District Municipality									-	-		
Other transfers and grants									-	-		
Total Capital transfers recognised	4	42,446	-	-	-	-	(2,204)	-	(2,204)	40,242	47,451	53,191
Public contributions & donations									-	-		
Borrowing									-	-		
Internally generated funds		38,050						(20,437)	(20,437)	17,613	21,951	23,846
Total Capital Funding		80,496	-	-	-	-	(2,204)	(20,437)	(22,641)	57,855	69,402	77,037

4.6 Adjustment Budget Financial Position

Table B6 Adjustments Budget Financial Position -

Description	Ref	Budget Year 2010/11									Budget Year +1 2011/12	Budget Year +2 2012/13
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
ASSETS												
Current assets												
Cash		5,763						5,661	5,661	11,424	10,400	11,000
Call investment deposits	1	88	-	-	-	-	-	43	43	131	88	-
Consumer debtors	1	76,500	-	-	-	-	-	25,914	25,914	102,414	112,656	138,567
Other debtors		-							-	-		
Current portion of long-term receivables		6,375						14,500	14,500	20,875	18,850	22,620
Inventory		4,150						1,700	1,700	5,850	6,435	8,044
Total current assets		92,876	-	-	-	-	-	47,819	47,819	140,695	148,429	180,230
Non current assets												
Long-term receivables		5,497						18,000	18,000	23,497	16,047	16,651
Investments		88						(88)	(88)	-		
Investment property		-							-	-		
Investment in Associate		-							-	-		
Property, plant and equipment	1	316,572	-	-	-	-	-	645,094	645,094	961,666	1,031,068	1,108,105
Agricultural		146							-	146	146	146
Biological		-						132	132	132	132	132
Intangible		5,313						(4,263)	(4,263)	1,050	5,200	4,750
Other non-current assets		-							-	-		
Total non current assets		327,616	-	-	-	-	-	658,875	658,875	986,491	1,052,593	1,129,785
TOTAL ASSETS		420,492	-	-	-	-	-	706,694	706,694	1,127,186	1,201,022	1,310,015
LIABILITIES												
Current liabilities												

Bank overdraft									-	-	-	-	-
Borrowing		2,181	-	-	-	-	-	-	(2,181)	(2,181)	-	-	-
Consumer deposits		56,780							(53,612)	(53,612)	3,168	3,485	3,659
Trade and other payables		277,260	-	-	-	-	-	-	(267,016)	(267,016)	10,244	7,500	10,000
Provisions		12,670							15,326	15,326	27,996	9,239	13,858
Total current liabilities		348,892	-	-	-	-	-	-	(307,483)	(307,483)	41,409	20,224	27,518
Non current liabilities													
Borrowing	1	6,600	-	-	-	-	-	-	(6,600)	(6,600)	-	-	-
Provisions	1	52,000	-	-	-	-	-	-	(41,191)	(41,191)	10,809	18,376	7,350
Total non current liabilities		58,600	-	-	-	-	-	-	(47,791)	(47,791)	10,809	18,376	7,350
TOTAL LIABILITIES		407,492	-	-	-	-	-	-	(355,274)	(355,274)	52,218	38,600	34,868
NET ASSETS	2	13,000	-	-	-	-	-	-	1,061,968	1,061,968	1,074,968	1,162,422	1,275,147
COMMUNITY WEALTH/EQUITY													
Accumulated Surplus/(Deficit)		13,000	-	-	-	-	-	-	1,061,968	1,061,968	1,074,968	1,162,422	1,275,147
Reserves		-	-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		13,000	-	-	-	-	-	-	1,061,968	1,061,968	1,074,968	1,162,422	1,275,147

4.7 Adjustment Budget Cash Flows

Table B7 Adjustments Budget Cash Flows -

Description	Ref	Budget Year 2010/11									Budget Year +1 2011/12	Budget Year +2 2012/13
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Ratepayers and other		244,035						(12,873)	(12,873)	231,162	254,247	267,673
Government - operating	1	52,552					35	(40)	(5)	52,547	58,332	61,282
Government - capital	1	42,446		1,151			(2,204)	-	(1,053)	41,393	47,451	53,191
Interest		-							-	-		
Dividends		-							-	-		
Payments												
Suppliers and employees		(257,911)						(11,303)	(11,303)	(269,214)	(291,243)	(310,578)
Finance charges		(876)						(70)	(70)	(946)	(945)	(1,031)
Transfers and Grants	1	-						-	-	-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		80,246	-	1,151	-	-	(2,169)	(24,286)	(25,304)	54,942	67,842	70,537
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE								3,500	3,500	3,500	-	-
Decrease (Increase) in non-current debtors									-	-		
Decrease (increase) other non-current receivables									-	-		
Decrease (increase) in non-current investments	-								-	-		
Payments												
Capital assets		(80,246)					22,641		22,641	(57,605)	(69,402)	(77,037)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(80,246)	-	-	-	-	22,641	3,500	26,141	(54,105)	(69,402)	(77,037)

CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans									-	-		
Borrowing long term/refinancing									-	-		
Increase (decrease) in consumer deposits									-	-		
Payments												
Repayment of borrowing								(150)	(150)	(150)		
NET CASH FROM/(USED) FINANCING ACTIVITIES									(150)	(150)	(150)	-
		-	-	-	-	-	-	-	(150)	(150)	(150)	-
NET INCREASE/ (DECREASE) IN CASH HELD				1,151	-	-	20,472	(20,936)	687	687	(1,560)	(6,500)
Cash/cash equivalents at the year begin:	2	8,875						550	550	9,425	11,960	17,500
Cash/cash equivalents at the year end:	2	8,875	-	1,151	-	-	20,472	(20,386)	11,424	10,112	10,400	11,000

4.8 Cash Backed Reserves /Accumulated Surplus Reconciliation

Table B8 Cash backed reserves/accumulated surplus reconciliation -

Description	Ref	Budget Year 2010/11									Budget Year +1 2011/12	Budget Year +2 2012/13
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Cash and investments available												
Cash/cash equivalents at the year end	1	8,875	-	1,151	-	-	20,472	(20,386)	1,237	10,112	10,400	11,000
Other current investments > 90 days		(3,024)	-	(1,151)	-	-	(20,472)	26,090	4,468	1,444	88	-
Non current assets - Investments	1	88	-	-	-	-	-	(88)	(88)	-	-	-
Cash and investments available:		5,939	-	-	-	-	-	5,616	5,616	11,555	10,488	11,000
Applications of cash and investments												
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-	-
Unspent borrowing									-	-		
Statutory requirements									-	-		
Other working capital requirements	2	187,610	-					(177,367)	(177,367)	10,244	7,500	10,000
Other provisions									-	-		
Long term investments committed		-	-						-	-	-	-
Reserves to be backed by cash/investments		-	-						-	-	-	-
Total Applications of cash and investments:		187,610	-	-	-	-	-	(177,367)	(177,367)	10,244	7,500	10,000
Surplus(shortfall)		(181,671)	-	-	-	-	-	182,983	182,983	1,312	2,988	1,000

4.9 Asset Management

Table B9 Asset Management -

Description	Ref	Budget Year 2010/11									Budget Year +1 2011/12	Budget Year +2 2012/13
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
CAPITAL EXPENDITURE												
<u>Total New Assets to be adjusted</u>	1	60,823	-	-	-	-	-	(20,581)	(20,581)	40,242	47,451	53,191
<i>Infrastructure - Road transport</i>		19,242	-	-	-	-	-	(6,583)	(6,583)	12,659	15,451	16,855
<i>Infrastructure - Electricity</i>		7,400	-	-	-	-	-	-	-	7,400	2,100	-
<i>Infrastructure - Water</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Infrastructure - Sanitation</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Infrastructure - Other</i>		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		26,642	-	-	-	-	-	(6,583)	(6,583)	20,059	17,551	16,855
Community		14,962	-	-	-	-	-	(4,339)	(4,339)	10,623	26,322	32,364
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		500	-	-	-	-	-	(500)	(500)	-	-	-
Other assets	6	8,000	-	-	-	-	-	-	-	8,000	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		10,719	-	-	-	-	-	(9,159)	(9,159)	1,560	3,578	3,972
<u>Total Renewal of Existing Assets to be adjusted</u>	2	19,423	-	-	-	-	-	290	290	19,713	21,951	23,846
<i>Infrastructure - Road transport</i>		1,500	-	-	-	-	-	-	-	1,500	8,836	9,420
<i>Infrastructure - Electricity</i>		7,500	-	-	-	-	-	-	-	7,500	1,650	1,815
<i>Infrastructure - Water</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Infrastructure - Sanitation</i>		2,520	-	-	-	-	-	-	-	2,520	2,772	3,049

<i>Infrastructure - Other</i>	-	2,503	-	-	-	-	-	290	290	2,793	2,753	3,029
Infrastructure	-	14,023	-	-	-	-	-	290	290	14,313	16,011	17,312
Community	-	1,500	-	-	-	-	-	-	-	1,500	1,650	1,815
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	6	3,900	-	-	-	-	-	-	-	3,900	4,290	4,719
Agricultural Assets	-	-	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure to be adjusted	4											
<i>Infrastructure - Road transport</i>		20,742	-	-	-	-	-	(6,583)	(6,583)	14,159	24,287	26,275
<i>Infrastructure - Electricity</i>		14,900	-	-	-	-	-	-	-	14,900	3,750	1,815
<i>Infrastructure - Water</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Infrastructure - Sanitation</i>		2,520	-	-	-	-	-	-	-	2,520	2,772	3,049
<i>Infrastructure - Other</i>		2,503	-	-	-	-	-	290	290	2,793	2,753	3,029
Infrastructure		40,665	-	-	-	-	-	(6,293)	(6,293)	34,372	33,562	34,168
Community		16,462	-	-	-	-	-	(4,339)	(4,339)	12,123	27,972	34,179
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		500	-	-	-	-	-	(500)	(500)	-	-	-
Other assets		11,900	-	-	-	-	-	-	-	11,900	4,290	4,719
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		10,719	-	-	-	-	-	(9,159)	(9,159)	1,560	3,578	3,972
TOTAL CAPITAL EXPENDITURE to be adjusted	2	80,246	-	-	-	-	-	(20,291)	(20,291)	59,955	69,402	77,037
ASSET REGISTER SUMMARY - PPE (WDV)	5											
<i>Infrastructure - Road transport</i>									-	-		
<i>Infrastructure - Electricity</i>									-	-		
<i>Infrastructure - Water</i>									-	-		
<i>Infrastructure - Sanitation</i>									-	-		

<i>Infrastructure - Other</i>									-	-		
Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Community									-	-		
Heritage assets									-	-		
Investment properties									-	-		
Other assets									-	-		
Intangibles									-	-		
Agricultural Assets									-	-		
Biological assets									-	-		
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	-	-	-	-	-	-	-	-	-	-	-
EXPENDITURE OTHER ITEMS												
<u>Depreciation & asset impairment</u>		-	-	-	-	-	-	-	-	-	-	-
<u>Repairs and Maintenance by asset class</u>	3	30,755	-	-	-	-	-	(21,200)	(21,200)	9,555	31,889	31,022
<i>Infrastructure - Road transport</i>		9,795	-	-	-	-	-	(6,759)	(6,759)	3,036	8,833	6,661
<i>Infrastructure - Electricity</i>		2,500	-	-	-	-	-	(1,725)	(1,725)	775	2,750	2,025
<i>Infrastructure - Water</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Infrastructure - Sanitation</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Infrastructure - Other</i>		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		12,295	-	-	-	-	-	(8,484)	(8,484)	3,811	11,583	8,686
Community		11,560	-	-	-	-	-	(7,956)	(7,956)	3,604	12,716	13,988
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	6,900	-	-	-	-	-	(4,761)	(4,761)	2,139	7,590	8,349
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		30,755	-	-	-	-	-	(21,200)	(21,200)	9,555	31,889	31,022
<i>% of capital exp on renewal of assets</i>		24.2%	0.0%							32.9%	31.6%	31.0%
<i>Renewal of existing assets as % of deprecn</i>		0.0%	0.0%							0.0%	0.0%	0.0%
<i>R&M as a % of PPE</i>		0.0%	0.0%							0.0%	0.0%	0.0%
<i>Renewal and R&M as a % of PPE</i>		0.0%	0.0%							0.0%	0.0%	0.0%

PART TWO

ADJUSTMENT BUDGET

SUPPORTING

DOCUMENTATION

5. 1. Adjustment Budget Assumption

It has emerged in the midyear budget assessment that there is gross under collection of revenue on both major and minor sources of income. Collections from electricity and water charges performance as at 31 December 2010 is 44% and 45% 30% respectively.

This is a better performance compared to 2009/10 midyear performance in that both electricity and water performed 3% and 32% respectively. Majority of the other sources of revenue also illustrates performance under 50%.

The projected own revenue collection over six months of R87 million against the total billing of R134 million, it is clear that the approved budget of the municipality's projected revenue collection of R47 011 919 (R47 million) which is a 35% may result in under collection. This implies that even with a full capacity to collect revenue, the municipality would still under collect by 35% or R47 million over the same period given the revenue potential based on the billing otherwise the municipality would have to still improve on its billing targets in function at its full potential. The municipality needs to adjust its budget downward by R47 million or employ new collection strategies to fund the budget.

The following factors were considered to be having negative impact on revenue collection and spending:

- The boycott of property rates payment impacts on payment of services
- Illegal connections is a contributing factor to poor collection of electricity and water revenue
- Barriers to enforce credit control policy effectively in townships and villages on water consumption as electricity is supplied by Eskom in these areas
- High debt rate on municipal services results in consumers defaulting payment agreements
- Lack of government subsidy for water services forced council to impose high tariffs which are not affordable to consumers
- Inadequate water supply at certain rural areas that are fully metered

The adjustment budget prioritised service delivery programmes in line with resolutions taken in District Budget Lekgotla and the municipal council. The following decisions were made to determine how the approved budget can be adjusted down and still take into account service delivery issues:

- Allocation for capital programmes which were not implemented by 31 December 2010 should be revised downwards including NDPG allocation.
- Employee related costs should be adjusted up to cover costs for 2.5% IMATU award as well as remuneration for municipal councillors at Grade 4 allowance range.

- Priority of human resources acquisition should be given to critical posts before the end of the financial year.
- Approval for overtime work will be for service delivery votes only.
- Licensing department should maximise revenue mechanism to fund its budget
- Traffic department should collect all monies due from issued traffic fines
- Collection of electricity revenue should be prioritised
- Full implementation of credit control and debt collection policy

5.2. Supporting details to budgeted financial performance

Supporting Table SB1 Supporting detail to 'Budgeted Financial Performance' -

Description	Ref	Budget Year 2010/11									Budget Year +1 2011/12	Budget Year +2 2012/13	
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
		A	6 A1	7 B	8 C	9 D	10 E	11 F	12 G	13 H			
R thousands													
REVENUE ITEMS													
Property rates													
Total Property Rates		33,212									33,212	36,201	39,460
<i>less Revenue Foregone</i>											-		
Net Property Rates		33,212	-	-	-	-	-	-	-	33,212	36,201	39,460	
Service charges - electricity revenue													
Total Service charges - electricity revenue		68,134									65,144	74,266	80,950
<i>less Revenue Foregone</i>								(2,990)	(2,990)		-		
Net Service charges - electricity revenue		68,134	-	-	-	-	-	(2,990)	(2,990)	65,144	74,266	80,950	
Service charges - water revenue													
Total Service charges - water revenue		71,853									71,003	78,320	85,369
<i>less Revenue Foregone</i>											-		
Net Service charges - water revenue		71,853	-	-	-	-	-	(850)	(850)	71,003	78,320	85,369	
Service charges - sanitation revenue													
Total Service charges - sanitation revenue		7,729									6,974	8,425	9,183
<i>less Revenue Foregone</i>											-		
Net Service charges - sanitation revenue		7,729	-	-	-	-	-	(755)	(755)	6,974	8,425	9,183	
Service charges - refuse revenue													
Total refuse removal revenue		4,939									7,000	5,383	5,868
Total landfill revenue											-		
<i>less Revenue Foregone</i>											-		

Net Service charges - refuse revenue		4,939	-	-	-	-	-	2,062	2,062	7,000	5,383	5,868
-												
Other Revenue By Source												
Fuel levy								-	-			
Other revenue	3	8,949						(140)	(140)	8,809	468	442
Total 'Other' Revenue	1	8,949	-	-	-	-	-	(140)	(140)	8,809	468	442
EXPENDITURE ITEMS												
Employee related costs												
Salaries and Wages		35,876	-	-	-	-	-	15,353	15,353	51,230	54,775	59,705
Contributions to UIF, pensions, medical aid		22,472	-	-	-	-	-	(1,637)	(1,637)	20,835	23,085	25,163
Travel, motor car, accom; & other allowances		14,045	-	-	-	-	-	(8,860)	(8,860)	5,185	5,745	6,262
Housing benefits and allowances		7,490	-	-	-	-	-	(4,967)	(4,967)	2,523	2,795	3,047
Overtime		2,809	-	-	-	-	-	561	561	3,370	3,733	4,069
Performance bonus									-	-		
Long service awards									-	-		
Payments in lieu of leave									-	-		
Post-retirement benefit obligations									-	-		
<i>sub-total</i>	4	82,692	-	-	-	-	-	450	450	83,142	90,134	98,246
<u>Less: Employees costs capitalised to PPE</u>									-	-		
Total Employee related costs	1	82,692	-	-	-	-	-	450	450	83,142	90,134	98,246
Contributions recognised - capital												
<i>List contributions by contract</i>									-	-		
									-	-		
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment												
Depreciation of Property, Plant & Equipment									-	-		
Lease amortisation									-	-		
Capital asset impairment									-	-		
Total Depreciation & asset impairment	1		-	-	-	-	-	-	-	-	-	-
Bulk purchases												

Electricity		53,175						-	53,175	60,000	68,000
Water		20,000					6,000	6,000	26,000	40,689	39,495
Total bulk purchases	1	73,175	-	-	-	-	6,000	6,000	79,175	100,689	107,495
Contracted services											
<i>List services provided by contract</i>		6,900					1,621	1,621	8,521	13,614	18,657
<i>sub-total</i>	1	6,900	-	-	-	-	1,621	1,621	8,521	13,614	18,657
Allocations to organs of state:											
Electricity								-	-		
Water								-	-		
Sanitation								-	-		
Other								-	-		
Total contracted services		6,900	-	-	-	-	1,621	1,621	8,521	13,614	18,657
Other Expenditure By Type											
Repairs and maintenance <i>(to be deleted)</i>	-							-	-		
Collection costs	-							-	-		
Contributions to 'other' provisions								-	-		
Consultant fees								-	-		
Audit fees		1,600					-	-	1,600	1,760	1,936
General expenses	3,5	162,858					(43,841)	(43,841)	119,017	143,568	154,124
Total Other Expenditure	1	164,458	-	-	-	-	(43,841)	(43,841)	120,617	145,328	156,060

5.3. Supporting details to financial position budget

Table SB2 Supporting Financial position

Description	Ref	Budget Year 2010/11									Budget Year +1 2011/12	Budget Year +2 2012/13
		Original Budget A	Prior Adjusted 4 A1	Accum. Funds 5 B	Multi-year capital 6 C	Unfore. Unavoid. 7 D	Nat. or Prov. Govt 8 E	Other Adjusts. 9 F	Total Adjusts. 10 G	Adjusted Budget 11 H	Adjusted Budget	Adjusted Budget
R thousands												
ASSETS												
<u>Call investment deposits</u>												
Call deposits < 90 days												
Other current investments > 90 days		88						43	43	131	88	
Total Call investment deposits	1	88	-	-	-	-	-	43	43	131	88	-
<u>Consumer debtors</u>												
Consumer debtors		76,500						25,914	25,914	102,414	112,656	138,567
Less: provision for debt impairment		-	-	-	-	-	-	-	-	-	-	-
Total Consumer debtors	1	76,500	-	-	-	-	-	25,914	25,914	102,414	112,656	138,567
<u>Debt impairment provision</u>												
Balance at the beginning of the year									-	-	-	-
Contributions to the provision									-	-	-	-
Bad debts written off									-	-	-	-
Balance at end of year		-	-	-	-	-	-	-	-	-	-	-
<u>Property, plant & equipment</u>												
PPE at cost/valuation (excl. finance leases)		316,572						645,094	645,094	961,666	1,031,068	1,108,105
Leases recognised as PPE									-	-	-	-
Less: Accumulated depreciation									-	-	-	-
Total Property, plant & equipment	1	316,572	-	-	-	-	-	645,094	645,094	961,666	1,031,068	1,108,105
LIABILITIES												
<u>Current liabilities - Borrowing</u>												
Short term loans (other than bank overdraft)		-							-	-	-	-
Current portion of long-term liabilities		2,181						(2,181)	(2,181)	-	-	-
Total Current liabilities - Borrowing		2,181	-	-	-	-	-	(2,181)	(2,181)	-	-	-
<u>Trade and other payables</u>												
Creditors		200,370						(197,815)	(197,815)	2,555	7,500	10,000
Unspent conditional grants and receipts		-							-			
VAT		76,890						(69,201)	(69,201)	7,689	-	-

Total Trade and other payables	1	277,260	-	-	-	-	-	(267,016)	(267,016)	10,244	7,500	10,000
Non current liabilities - Borrowing	3	-	-	-	-	-	-	-	-	-	-	-
Borrowing												
Finance leases (including PPP asset element)		6,600	-	-	-	-	-	(6,600)	(6,600)	-	-	-
Total Non current liabilities - Borrowing		6,600	-	-	-	-	-	(6,600)	(6,600)	-	-	-
Provisions - non current												
Retirement benefits		52,000	-	-	-	-	-	(52,000)	(52,000)	-	-	-
List other major items		-	-	-	-	-	-	-	-	-	-	-
Refuse landfill site rehabilitation		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	10,809	10,809	10,809	18,376	7,350
Total Provisions - non current		52,000	-	-	-	-	-	(41,191)	(41,191)	10,809	18,376	7,350
CHANGES IN NET ASSETS												
Accumulated surplus/(Deficit)												
Accumulated surplus/(Deficit) - opening balance										-	-	-
Appropriations to Reserves		13,000	-	-	-	-	-	1,061,968	1,061,968	1,074,968	1,162,422	1,275,147
Transfers from Reserves										-	-	-
Depreciation offsets										-	-	-
Other adjustments										-	-	-
Accumulated Surplus/(Deficit)	1	13,000	-	-	-	-	-	1,061,968	1,061,968	1,074,968	1,162,422	1,275,147
Reserves	-											
Housing Development Fund										-	-	-
Capital replacement										-	-	-
Capitalisation										-	-	-
Government grant										-	-	-
Donations and public contributions										-	-	-
Self-insurance										-	-	-
Other reserves (list)										-	-	-
Revaluation										-	-	-
Total Reserves	2	-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	13,000	-	-	-	-	-	1,061,968	1,061,968	1,074,968	1,162,422	1,275,147

Total capital expenditure includes expenditure on nationally significant priorities:

Provision of basic services										-	-	
2010 World Cup										-	-	

Supporting Table SB3 Adjustments to the SDBIP - performance objectives -

Description	Unit of measurement	Budget Year 2010/11									Budget Year +1 2011/12	Budget Year +2 2012/13
		Original Budget A	Prior Adjusted A1	Accum. Funds B	Multi-year capital C	Unfore. Unavoid. D	Nat. or Prov. Govt E	Other Adjusts. F	Total Adjusts. G	Adjusted Budget H	Adjusted Budget	Adjusted Budget
Vote 1 - vote name												
Function 1 - (name)												
Sub-function 1 - (name)												
<i>Executive and Council</i>		24,118						2,112	2,112	26,230	26,230	26,230
Sub-function 2 - (name)												
<i>Vote 3 - Budget and Treasury Office</i>		35,838						(3,500)	(3,500)	32,338	32,338	32,338
Sub-function 3 - (name)												
Vote 4 - Corporate Services												
Function 2 - (name)		24,780						(3,300)	(3,300)	21,480	21,480	21,480
Sub-function 1 - (name)												
<i>Insert measure/s description</i>												
Vote 5 - Community and Social Services												
Sub-function 2 - (name)		24,572						(2,900)	(2,900)	21,672	21,672	21,672
<i>Vote 6 - Public Safety</i>		11,042						(1,800)	(1,800)	9,242	9,242	9,242
Vote 7 - Economic and Environment Services												
Vote 7 - Economic and Environment Services		20,152						(3,890)	(3,890)	16,262	16,262	16,262

<i>Insert measure/s description</i>												
Vote 8 - Road Transport		62,523						(10,304)	(10,304)	52,219	52,219	52,219
Vote 2 - vote name												
Function 1 - (name)												
Sub-function 1 - (name)												
<i>Vote 9 - Electricity Services</i>		62,308						3,688	3,688	65,996	65,996	65,996
Vote 10 - Water Services		43,943						(12,000)	(12,000)	31,943	31,943	31,943
<i>Insert measure/s description</i>												
Vote 11 - Waste Water Management		13,053						(136)	(136)	12,917	12,917	12,917
Sub-function 3 - (name)												
<i>Vote 12 - Solid Waste Management</i>		16,704						(3,100)	(3,100)	13,604	13,604	13,604
Function 2 - (name)												

5.5 Supporting information to budgeted performance indicators and benchmarks

Supporting Table SB4 Adjustments to budgeted performance indicators and benchmarks -

Description of financial indicator	Basis of calculation	2007/8	2008/9	2009/10	Budget Year 2010/11			Budget Year +1 2011/12	Budget Year +2 2012/13
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Adjusted Budget	Adjusted Budget
<u>Borrowing Management</u>									
Borrowing to Asset Ratio	Total Long-term Borrowing/ Total Assets		0.1%	0.2%	1.6%	0.0%	0.0%	0.2%	0.3%
Credit Rating	Short term/long term rating								
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure		0.4%	0.3%	0.3%	0.0%	0.4%	0.3%	0.3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>									
Debt to Equity	Loans, Creditors, Overdraft & Tax Provision/ Funds & Reserves		38.1%	30.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Gearing	Long Term Borrowing/ Funds & Reserves		0.3%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>									
Current Ratio	Current assets/current liabilities		71.9%	65.0%	26.6%	0.0%	210.1%	136.6%	165.2%
Current Ratio adjusted for aged debtors	Current assets/current liabilities less debtors > 90 days/current liabilities		34.4%	13.2%	93.9%	0.0%	0.0%	0.0%	0.0%
Liquidity Ratio	Monetary Assets/Current Liabilities		31.1%	1.5%	0.0	0.0	0.5	0.4	0.6
<u>Revenue Management</u>									
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing								
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue				29.8%	0.0%	18.2%	11.3%	11.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old				0.0%	0.0%	0.0%	0.0%	0.0%

Creditors Management									
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))	80.0%	90.0%	95.0%					
Funding of Provisions									
Provisions not funded - %	Unfunded Provns./Total Provisions	0.0%	0.0%	0.0%					
Other Indicators									
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated								
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source								
Employee costs	Employee costs/(Total Revenue - capital revenue)		33.6%	29.4%	27.9%	0.0%	0.0%	0.0%	0.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)		0.8%	1.3%	10.4%	0.0%	0.0%	0.0%	0.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)		0.4%	0.1%	0.3%	0.0%	0.4%	0.3%	0.3%
IDP regulation financial viability indicators									
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)			268.1%	25811.1%	0.0%	22207.3%	24822.1%	27060.4%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services				25.8%	0.0%	6.2%	5.7%	6.5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure				0.0	0.0	0.1	0.1	0.1

5.6. Statistics in assumptions

Supporting Table SB5 Adjustments Budget - social, economic and demographic statistics and assumptions -

Description of economic indicator	Basis of calculation	1996 Census	2001 Census	2007 Survey	2007/8	2008/9	2009/10	Current year	Original Budget	Adjusted Budget
<u>Demographics</u>										
Population	Census count/estimate			131,522	131,522	131,522	131,522	131,522	131,522	131,522
Females aged 5 - 14	Census count/estimate			13,967	13,967	13,967	13,967	13,967	13,967	13,967
Males aged 5 - 14	Census count/estimate			23,096	23,096	23,096	23,096	23,096	23,096	23,096
Females aged 15 - 34	Census count/estimate			13,967	13,967	13,967	13,967	13,967	13,967	13,967
Males aged 15 - 34	Census count/estimate			23,096	23,096	23,096	23,096	23,096	23,096	23,096
Unemployment	Census count/estimate			3,842	3,842	3,842	3,842	3,842	3,842	3,842
<u>Household income (households) (1.)</u>										
None	Census count/estimate			54,960	54,960	54,960	54,960	54,960	54,960	54,960
R1 - R4800	Census count per month			3,678	3,678	3,678	3,678	3,678	3,678	3,678
R4800 - R9600	Census count per month			3,123	3,123	3,123	3,123	3,123	3,123	3,123
<u>Poverty profiles</u>										
Insert description										
<u>Household/demographics (000)</u>										
Number of people in municipal area				131,522	131,522	131,522	131,522	131,522	131,522	131,522
Number of poor people in municipal area				-	-	-	-	-	-	-
Number of households in municipal area				32,253	32,253	32,253	32,253	32,253	32,253	32,253
Number of poor households in municipal area				-	-	-	-	-	-	-
Definition of poor household (R per month)				1,050	1,050	1,050	1,050	1,050	1,050	1,050
<u>Housing statistics (2.)</u>										
Formal				29,780	29,780	29,780	29,780	29,780	29,780	29,780
Informal				360	360	360	360	360	360	360
Total number of households				30,140	30,140	30,140	30,140	30,140	30,140	30,140
Dwellings provided by municipality (3.)				3,652	3,652	3,652	3,652	3,652	30,500	30,500
Dwellings provided by province/s										

Dwellings provided by private sector (4.)										
Total new housing dwellings		-	-	3,652	3,652	3,652	3,652	3,652	30,500	30,500
<u>Economic (5.)</u>										
Inflation/inflation outlook (CPIX)										
Interest rate - borrowing										
Interest rate - investment		-	-	-						
Remuneration increases										
Consumption growth (electricity)					7.2%	7.2%	7.2%	7.2%	7.2%	7.2%
Consumption growth (water)					5.2%	5.2%	5.2%	5.2%	5.2%	5.2%
<u>Collection rates (6.)</u>										
Property tax/service charges					57.0%	57.0%	57.0%	57.0%	57.0%	57.0%
Rental of facilities & equipment					%	%	%	%	%	%
Interest - external investments					%	%	%	%	%	%
Interest - debtors					%	%	%	%	%	%
Revenue from agency services					37.0%	37.0%	37.0%	37.0%	37.0%	37.0%

5.7 Adjustment budget – funding measurement

Supporting Table SB6 Adjustments Budget - funding measurement -

Description	Ref	MFMA section	2007/8	2008/9	2009/10	MTREF				
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousands										
Cash/cash equivalents at the year end - R'000	-	-		8,875	562	8,875	-	10,000	12,000	17,500
Cash + investments at the yr end less applications - R'000	1	18(1)b		88	88	(181,671)	-	1,698	(965)	7,500
Cash year end/monthly employee/supplier payments	2	18(1)b		4,522	209,126	0	-	0	0	0
Surplus/(Deficit) excluding depreciation offsets: R'000	3	18(1)				-	-	1,151	-	-
Service charge rev % change - macro CPIX target exclusive	4	18(1)a,(2)				0.0%	0.0%	0.0%	4.5%	3.0%
Cash receipts % of Ratepayer & Other revenue	5	18(1)a,(2)	0.0%	0.0%	0.0%	117.2%	0.0%	0.0%	-5.8%	0.0%
Debt impairment expense as a % of total billable revenue	6	18(1)a,(2)				0.0%	0.0%	0.0%	0.0%	0.0%
Capital payments % of capital expenditure	7	18(1)c;19	98.0%	100.0%	97.0%	99.7%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	8	18(1)c	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	9	18(1)a	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	10	18(1)a							-20.2%	21.7%
Long term receivables % change - incr(decr)	11	18(1)a								6%
R&M % of Property Plant & Equipment	12	20(1)(vi)		2.1%	4.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Asset renewal % of capital budget	13	20(1)(vi)		8.5%	10.5%	24.2%	0.0%	32.9%	31.6%	31.0%

5.8 Transfers and Grants received

- Supporting Table SB7 Adjustments Budget - transfers and grant receipts -

Description	Ref	Budget Year 2010/11							Budget Year +1 2011/12	Budget Year +2 2012/13
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F		
R thousands										
RECEIPTS:	1, 2									
- <u>Operating Transfers and Grants</u>										
National Government:		49,985	-	-	(590)	(40)	(630)	49,355	55,665	61,282
Equitable share		47,605					-	47,605	53,625	58,982
Finance Management	3	1,000					-	1,000	1,250	1,500
Municipal Systems Improvement		790				(40)	(40)	750	790	800
							-	-		
							-	-		
Allocation in kind - NDPG		590			(590)	-	(590)	-		
Provincial Government:		2,567	-	-	-	-	-	2,567	2,667	-
							-	-		
	4						-	-		
Excess Employees	5	2,567					-	2,567	2,667	-
District Municipality:		-	-	-	-	-	-	-	-	-
							-	-		
							-	-		
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>DBSA</i>		-					-	-		
							-	-		
Total Operating Transfers and Grants	6	52,552	-	-	(590)	(40)	(630)	51,922	58,332	61,282

<u>Capital Transfers and Grants</u>										
National Government:		42,446	-	-	(2,204)	-	(2,204)	40,242	47,451	53,191
Municipal Infrastructure (MIG)		14,242					-	14,242	17,129	20,827
							-	-		
							-	-		
Neighbourhood Development Partnership Grant		28,204			(8,204)	-	(8,204)	20,000	30,322	32,364
Intergrated National Electrification Grant		-			6,000		6,000	6,000		
Provincial Government:		-	-	-	-	-	-	-	-	-
							-	-		
							-	-		
District Municipality:		-	-	-	-	-	-	-	-	-
							-	-		
							-	-		
Other grant providers:		-	-	-	-	-	-	-	-	-
							-	-		
							-	-		
Total Capital Transfers and Grants	6	42,446	-	-	(2,204)	-	(2,204)	40,242	47,451	53,191
TOTAL RECEIPTS OF TRANSFERS & GRANTS		94,998	-	-	(2,794)	(40)	(2,834)	92,164	105,783	114,473

5.9 Expenditure on transfers and Grants programme

Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme -

Description	Ref	Budget Year 2010/11							Budget Year +1 2011/12	Budget Year +2 2012/13
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	2 A1	3 B	4 C	5 D	6 E	7 F		
R thousands										
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		49,945	-	-	-	(590)	(590)	49,355	55,665	61,282
Equitable share		47,605					-	47,605	53,625	58,982
Finance Management		1,000					-	1,000	1,250	1,500
Municipal Systems Improvement		750					-	750	790	800
							-	-	-	-
							-	-	-	-
							-	-	-	-
Allocation in kind - NDPG		590				(590)	(590)	-		
Provincial Government:		2,567	-	-	-	-	-	2,567	2,667	-
							-	-		
							-	-		
							-	-		
Excess Employees		2,567					-	2,567	2,667	
District Municipality:		-	-	-	-	-	-	-	-	-
							-	-		
							-	-		
Other grant providers:		-	-	-	-	625	-	-	-	-
DBSA						625	625	625		
							-	-		
Total operating expenditure of Transfers and Grants:		52,512	-	-	-	35	(590)	51,922	58,332	61,282
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		42,446	-	-	(2,204)	-	(2,204)	40,242	47,451	53,191

Municipal Infrastructure (MIG)		14,242					-	14,242	17,129	20,827
							-	-		
							-	-		
Neighbourhood Development Partnership Grant		28,204			(8,204)	-	(8,204)	20,000	30,322	32,364
Intergrated National Electrification Grant		-			6,000		6,000	6,000		
Provincial Government:		-	-	-	-	-	-	-	-	-
							-	-		
							-	-		
District Municipality:		-	-	-	-	-	-	-	-	-
							-	-		
							-	-		
Other grant providers:		-	-	-	-	-	-	-	-	-
							-	-		
							-	-		
Total capital expenditure of Transfers and Grants		42,446	-	-	(2,204)	-	(2,204)	40,242	47,451	53,191
Total capital expenditure of Transfers and Grants		94,958	-	-	(2,204)	35	(2,794)	92,164	105,783	114,473

5.10. Reconciliations of transfers, Grants receipts and unspent funds

Supporting Table SB9 Adjustments Budget - reconciliation of transfers, grant receipts, and unspent funds -

Description	Ref	Budget Year 2010/11							Budget Year +1 2011/12	Budget Year +2 2012/13
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	2 A1	3 B	4 C	5 D	6 E	7 F		
R thousands										
Operating transfers and grants:										
National Government:										
Balance unspent at beginning of the year		-					-	-		
Current year receipts		49,945					-	49,945		
Conditions met - transferred to revenue		49,945	-	-	-	-	-	49,945	-	-
Conditions still to be met - transferred to liabilities							-	-		
Provincial Government:										
Balance unspent at beginning of the year							-	-		
Current year receipts		2,567					-	2,567		
Conditions met - transferred to revenue		2,567	-	-	-	-	-	2,567	-	-
Conditions still to be met - transferred to liabilities							-	-		
District Municipality:										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-		
Other grant providers:										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-		
Total operating transfers and grants revenue		52,512	-	-	-	-	-	52,512	-	-
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:										
National Government:										

Balance unspent at beginning of the year							-	-		
Current year receipts		42,446					-	42,446		
Conditions met - transferred to revenue		42,446	-	-	-	-	-	42,446	-	-
Conditions still to be met - transferred to liabilities							-	-		
Provincial Government:										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-		
District Municipality:										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-		
Other grant providers:										
Balance unspent at beginning of the year							-	-		
Current year receipts							-	-		
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-		
Total capital transfers and grants revenue		42,446	-	-	-	-	-	42,446	-	-
Total capital transfers and grants - CTBM		-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		94,958	-	-	-	-	-	94,958	-	-
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

5.11. Transfers and Grants made by the municipality

Supporting Table SB10 Adjustments Budget - transfers and grants made by the municipality -

Description	Ref	Budget Year 2010/11									Budget Year +1 2011/12	Budget Year +2 2012/13
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	6 A1	7 B	8 C	9 D	10 E	11 F	12 G	13 H		
R thousands												
Transfers to other municipalities												
<i>[insert description]</i>	1								-	-		
<i>[insert description]</i>									-	-		
<i>[insert description]</i>									-	-		
TOTAL ALLOCATIONS TO MUNICIPALITIES:		-	-	-	-	-	-	-	-	-	-	-
Transfers to Entities/Other External Mechanisms												
<i>[insert description]</i>	2								-	-		
<i>[insert description]</i>									-	-		
<i>[insert description]</i>									-	-		
TOTAL ALLOCATIONS TO ENTITIES/EMS'		-	-	-	-	-	-	-	-	-	-	-
Transfers to other Organs of State												
<i>[insert description]</i>	3								-	-		
<i>[insert description]</i>									-	-		
<i>[insert description]</i>									-	-		
TOTAL ALLOCATIONS TO OTHER ORGANS OF STATE:		-	-	-	-	-	-	-	-	-	-	-
Grants to other Organisations												
<i>[insert description]</i>	4								-	-		
<i>[insert description]</i>									-	-		
<i>[insert description]</i>									-	-		
TOTAL GRANTS TO OTHER ORGANISATIONS:		-	-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS/GRANTS	5	-	-	-	-	-	-	-	-	-	-	-

5.12. Councillors and staff benefits

LIM334 Ba-Phalaborwa - Supporting Table SB11 Adjustments Budget - councillor and staff benefits -

Summary of remuneration	Ref	Budget Year 2010/11									% change
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	
		1	5	6	7	8	9	10	11	12	
R thousands	1	A	A1	B	C	D	E	F	G	H	
Councillors (Political Office Bearers plus Other)											
Salary		10,504						570	570	11,074	5.4%
Pension Contributions									-	-	
Medical Aid Contributions									-	-	
Motor vehicle allowance									-	-	
Cell phone allowance		436							-	436	
Housing allowance											
Other benefits or allowances											
In-kind benefits									-	-	
Sub Total - Councillors		10,940	-					570	570	11,510	5.2%
% increase			(0)							0	
Senior Managers of the Municipality											
Salary		4,923							-	4,923	0.0%
Pension Contributions									-	-	
Medical Aid Contributions									-	-	
Motor vehicle and cell phone									-	-	
Cell phone allowance		-							-	-	
Housing allowance									-	-	
Performance Bonus									-	-	
Other benefits or allowances		130							-	130	0.0%
In-kind benefits									-	-	
Sub Total - Senior Managers of Municipality		5,053	-	-				-	-	5,053	0.0%
% increase			(0)							-	
Other Municipal Staff											
Basic Salaries and Wages		49,746						450	450	50,196	0.9%
Pension Contributions		7,348							-	7,348	0.0%

Medical Aid Contributions		12,529							-	12,529	0.0%
Motor vehicle and cell phone		1,182							-	1,182	0.0%
Cell phone allowance											
Housing allowance		1,255							-	1,255	0.0%
Overtime		3,889							-	3,889	0.0%
Performance Bonus		-							-	-	
Other benefits or allowances		1,692							-	1,692	0.0%
In-kind benefits	2	-							-	-	
Sub Total - Other Municipal Staff		77,640	-	-	-	-	-	450	450	78,090	0.6%
% increase											
Total Parent Municipality		93,632	-	-	-	-	-	1,020	1,020	94,652	1.1%
<u>Board Members of Entities</u>											
Salary									-	-	
Pension Contributions									-	-	
Medical Aid Contributions									-	-	
Motor vehicle allowance									-	-	
Cell phone allowances									-	-	
Housing allowance									-	-	
Board Fees									-	-	
Other benefits and allowances									-	-	
In-kind benefits	3								-	-	
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-	
% increase											
<u>Senior Managers of Entities</u>											
Salary									-	-	
Pension Contributions									-	-	
Medical Aid Contributions									-	-	
Motor vehicle and cell phone									-	-	
Cell phone allowances									-	-	
Housing allowance									-	-	
Performance Bonus									-	-	
Other benefits or allowances									-	-	
In-kind benefits	3								-	-	
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-	

% increase												
Other Staff of Entities												
Basic Salaries and Wages									-	-		
Pension Contributions									-	-		
Medical Aid Contributions									-	-		
Motor vehicle and cell phone									-	-		
Cell phone allowances									-	-		
Housing allowance									-	-		
Overtime									-	-		
Performance Bonus									-	-		
Other benefits or allowances									-	-		
In-kind benefits	3								-	-		
Sub Total - Other Staff of Entities									-	-		
% increase												
Total Municipal Entities									-	-		
COUNCILLOR ALLOWANCES, EMPLOYEE REMUNERATION & ENTITY REMUNERATION		93,632	-	-	-	-	-	1,020	1,020	94,652	1.1%	
% increase												
TOTAL MANAGERS AND STAFF	5	82,692	-	-	-	-	-	450	450	83,142	0.5%	

5.13. Monthly revenues and Expenditure per Municipal vote

Description	Budget Year 2010/11												MTREF			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13	
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	
R thousands																
Revenue by Vote																
Vote 1 - Mayor and Council	1,606	2,367	1,426	1,973	2,204	1,620	704	620	426	973	904	1,183	16,006	15,145	16,508	
Vote 2 - Office of the Municipal Manager							1,704	1,704	1,704	1,704	1,704	1,704	10,224	11,144	12,147	
Vote 3 - Budget and Treasury Office	9,836	4,149	-	-	5,068	2,567	-	-	-	10,719	-	-	32,338	36,462	37,459	
Vote 4 - Corporate Services	7,433				2,567		1,580	1,580	1,580		3,580	3,160	21,480	27,010	29,441	
Vote 5 - Community and Social Services				10,801			1,612	2,612	2,612	1,612	1,612	811	21,672	28,665	30,921	
Vote 6 - Public Safety	619	770	582	648	673	592	673	892	682	648	773	1,691	9,242	12,036	13,119	
Vote 7 - Economic and Environment Services							2,710	2,710	2,710	2,710	2,710	2,710	16,262	22,726	13,275	
Vote 8 - Road Transport							6,703	8,703	8,703	8,703	8,703	10,703	52,219	67,523	75,968	
Vote 9 - Electricity Services	3,571	4,496	4,153	5,412	5,583	6,397	8,583	7,397	5,153	6,412	5,583	3,256	65,996	63,016	76,647	
Vote 10 - Water Services	5,353	6,742	4,366	4,790	5,814	4,878						-	31,943	46,135	53,768	
Vote 11 - Waste Water Management	664	554	444	499	512	497	512	497	444	499	512	7,284	12,917	12,757	13,230	
Vote 12 - Solid Waste Management	778	837	406	538	495	459	495	459	406	538	495	7,698	13,604	18,971	20,863	
												-	-	-	-	
Total Revenue by Vote	29,860	19,914	11,377	24,661	22,915	17,010	25,276	27,174	24,420	34,517	26,576	40,200	303,902	361,590	393,346	
Expenditure by Vote																
Vote 1 - Mayor and Council	561	944	758	859	955	857	1,792	1,721	2,722	1,230	1,645	1,961	16,006	15,145	16,508	
Vote 2 - Office of the Municipal Manager	926	1,201	642	808	697	631	887	887	887	887	887	887	10,224	11,144	12,147	
Vote 3 - Budget and Treasury Office	2,876	3,079	6,109	827	1,638	4,112	2,283	2,283	2,283	2,283	2,283	2,283	32,338	36,462	37,459	
Vote 4 - Corporate Services	1,400	1,123	1,280	1,350	1,055	1,063	2,368	2,368	2,368	2,368	2,368	2,368	21,480	27,010	29,441	
Vote 5 - Community and Social Services					2,141			1,633	1,633			1,633		28,665	30,921	

	1,362	1,922	2,037	2,387		2,024	1,633			1,633	1,633		21,672			
Vote 6 - Public Safety	864	609	548	547	560	624	915	915	915	915	915	915	915	9,242	12,036	13,119
Vote 7 - Economic and Environment Services	439	1,039	505	735	569	586	2,065	2,065	2,065	2,065	2,065	2,065	2,065	16,262	22,726	13,275
Vote 8 - Road Transport	1,243	2,390	3,763	1,642	1,329	2,096	6,626	6,626	6,626	6,626	6,626	6,626	6,626	52,219	67,523	75,968
Vote 9 - Electricity Services	5,165	6,467	9,260	8,167	6,298	4,686	4,326	4,326	4,326	4,326	4,326	4,326	4,325	65,996	63,016	76,647
Vote 10 - Water Services	5,834	5,006	5,443	4,461	4,750	6,450	-	-	-	-	-	-	-	31,943	46,135	53,768
Vote 11 - Waste Water Management	113	224	126	324	268	26	1,973	1,973	1,973	1,973	1,973	1,973	1,973	12,917	12,757	13,230
Vote 12 - Solid Waste Management	102	95	99	-	471	352	2,081	2,081	2,081	2,081	2,081	2,081	2,081	13,604	18,971	20,863
													-	-	-	-
													-	-	-	-
													-	-	-	-
Total Expenditure by Vote	20,885	24,099	30,569	22,106	20,731	23,507	26,948	26,877	27,877	26,386	26,801	27,117	303,902	361,590	393,346	
Surplus/ (Deficit)	8,975	(4,185)	(19,192)	2,555	2,184	(6,497)	(1,671)	297	(3,457)	8,132	(224)	13,084	-	-	-	

5.14 Monthly revenue and expenditure by standard classifications

Description - Standard classification	Budget Year 2010/11												MTREF			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13	
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	
R thousands																
Revenue - Standard																
<i>Governance and administration</i>	18,875	6,516	1,426	1,973	9,839	4,187	3,988	3,904	3,710	13,396	6,188	6,047	80,048	89,761	95,555	
Executive and council	1,606	2,367	1,426	1,973	2,204	1,620	2,408	2,324	2,130	2,677	2,608	2,887	26,230	26,289	28,655	
Budget and treasury office	9,836	4,149	-	-	5,068	2,567	-	-	-	10,719	-	-	32,338	36,462	37,459	
Corporate services	7,433	-	-	-	2,567	-	1,580	1,580	1,580	-	3,580	3,160	21,480	27,010	29,441	
<i>Community and public safety</i>	-	-	-	10,801	-	-	1,612	2,612	2,612	1,612	1,612	10,053	30,914	40,701	44,040	
Community and social services	-	-	-	10,801	-	-	1,612	2,612	2,612	1,612	1,612	811	21,672	28,665	30,921	
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Public safety	-	-	-	-	-	-	-	-	-	-	-	9,242	9,242	12,036	13,119	
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Economic and environmental services</i>	-	-	-	-	-	-	9,414	11,414	11,414	11,414	11,414	13,414	68,481	90,249	89,243	
Planning and development	-	-	-	-	-	-	2,710	2,710	2,710	2,710	2,710	2,710	16,262	22,726	13,275	
Road transport	-	-	-	-	-	-	6,703	8,703	8,703	8,703	8,703	10,703	52,219	67,523	75,968	
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Trading services</i>	10,366	12,629	9,369	11,239	12,404	12,232	9,590	8,353	6,002	7,449	6,590	18,238	124,460	140,878	164,508	
Electricity	3,571	4,496	4,153	5,412	5,583	6,397	8,583	7,397	5,153	6,412	5,583	3,256	65,996	63,016	76,647	
Water	5,353	6,742	4,366	4,790	5,814	4,878	-	-	-	-	-	-	31,943	46,135	53,768	
Waste water management	664	554	444	499	512	497	512	497	444	499	512	7,284	12,917	12,757	13,230	

Waste management	778	837	406	538	495	459	495	459	406	538	495	7,698	13,604	18,971	20,863
<i>Other</i>												-	-	-	-
Total Revenue - Standard	29,241	19,144	10,795	24,013	22,243	16,418	24,603	26,282	23,738	33,870	25,803	47,752	303,902	361,590	393,346
<u>Expenditure - Standard</u>															
<i>Governance and administration</i>	3,813	4,469	3,322	3,825	3,404	3,182	5,933	5,863	6,863	5,371	5,786	28,217	80,048	89,761	95,555
Executive and council	1,487	2,145	1,400	1,667	1,652	1,488	2,678	2,608	3,608	2,117	2,532	2,848	26,230	26,289	28,655
Budget and treasury office	926	1,201	642	808	697	631	887	887	887	887	887	23,001	32,338	36,462	37,459
Corporate services	1,400	1,123	1,280	1,350	1,055	1,063	2,368	2,368	2,368	2,368	2,368	2,368	21,480	27,010	29,441
<i>Community and public safety</i>	2,226	2,531	2,585	2,934	2,701	2,648	2,548	2,548	2,548	2,548	2,548	2,548	30,914	40,701	44,040
Community and social services	1,362	1,922	2,037	2,387	2,141	2,024	1,633	1,633	1,633	1,633	1,633	1,633	21,672	28,665	30,921
Sport and recreation												-	-	-	-
Public safety	864	609	548	547	560	624	915	915	915	915	915	915	9,242	12,036	13,119
Housing												-	-	-	-
Health												-	-	-	-
<i>Economic and environmental services</i>	1,682	2,390	3,763	1,642	1,329	2,096	9,336	9,336	9,336	9,336	9,336	8,897	68,481	90,249	89,243
Planning and development	439	-	-	-	-	-	2,710	2,710	2,710	2,710	2,710	2,271	16,262	22,726	13,275
Road transport	1,243	2,390	3,763	1,642	1,329	2,096	6,626	6,626	6,626	6,626	6,626	6,626	52,219	67,523	75,968
Environmental protection												-	-	-	-
<i>Trading services</i>	11,214	11,792	14,927	12,951	11,787	11,514	8,379	8,379	8,379	8,379	8,379	8,379	124,460	140,878	164,508
Electricity	5,165	6,467	9,260	8,167	6,298	4,686	4,326	4,326	4,326	4,326	4,326	4,325	65,996	63,016	76,647
Water	5,834	5,006	5,443	4,461	4,750	6,450	-	-	-	-	-	-	31,943	46,135	53,768
Waste water management	113	224	126	324	268	26	1,973	1,973	1,973	1,973	1,973	1,973	12,917	12,757	13,230
Waste management	102	95	99	-	471	352	2,081	2,081	2,081	2,081	2,081	2,081	13,604	18,971	20,863
<i>Other</i>												-	-	-	-
Total Expenditure - Standard	18,935	21,182	24,597	21,352	19,221	19,440	26,197	26,126	27,127	25,635	26,050	48,041	303,902	361,590	393,346
Surplus/ (Deficit) 1.	10,306	(2,038)	(13,802)	2,661	3,022	(3,022)	(1,593)	156	(3,388)	8,235	(246)	(289)	-	-	-

5.15. Monthly Revenue and Expenditure

Description	Budget Year 2010/11												MTREF		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands															
Revenue By Source															
Property rates	1,606	2,367	1,426	1,973	2,204	1,620	3,204	2,620	2,426	5,973	3,204	4,589	33,212	36,201	39,460
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	3,571	4,496	4,153	5,412	5,583	6,397	6,583	7,397	5,153	6,412	5,583	4,405	65,144	74,266	80,950
Service charges - water revenue	5,353	6,742	4,366	4,790	5,814	5,209	6,814	5,209	6,366	6,790	6,814	6,735	71,003	78,320	85,369
Service charges - sanitation revenue	664	554	444	499	512	497	512	497	444	499	512	1,340	6,974	8,425	9,183
Service charges - refuse	447	837	406	538	495	459	495	459	406	538	495	1,426	7,000	5,383	5,868
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - external investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	-	-	-	-	-	-	-	2,972	2,035	769	-	-	5,775	35,201	38,369
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	63	76	66	40	49	47	49	47	66	40	49	157	748	748	927
Licences and permits	556	694	516	607	624	545	624	845	616	607	724	836	7,797	12,995	14,165
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	19,836	4,149	-	-	15,868	2,567	-	-	-	10,127	-	-	52,547	58,332	61,282
Other revenue	3,359	139	93	63	88	149	88	149	93	63	88	4,436	8,809	468	442
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	3,500	3,500	3,800	4,142
Total Revenue	35,455	20,053	11,470	13,923	31,237	17,491	18,368	20,195	17,605	31,819	17,468	27,425	262,509	314,139	340,155
Expenditure By Type															
Employee related costs			6,564		6,610			6,457				8,201		90,134	98,246

	6,431														
		7,011		6,457		6,528	7,545		6,610	6,528	8,201		83,142		
Remuneration of councillors	542	915	724	817	814	814	1,099	862	862	862	862	2,339	11,510	10,879	11,858
Debt impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance charges	16	16	85	35	73	58	85	35	73	58	120	283	937	945	1,031
Bulk purchases	9,123	4,888	8,823	8,559	7,569	9,540	4,120	5,300	4,020	4,225	5,998	7,010	79,175	100,689	107,495
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	-	1,227	486	372	441	232	486	1,372	1,441	1,232	464	769	8,521	13,614	18,657
Grants and subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	4,769	5,808	7,594	5,835	3,852	6,335	15,594	14,835	15,105	16,020	12,345	12,526	120,617	145,328	156,060
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	20,881	19,865	24,275	22,076	19,359	23,507	28,928	28,861	28,111	28,925	27,989	31,126	303,902	361,590	393,346
Surplus/(Deficit)	14,574	188	(12,805)	(8,153)	11,878	(6,016)	(10,560)	(8,665)	(10,505)	2,894	(10,520)	(3,701)	(41,393)	(47,451)	(53,191)
Transfers recognised - capital	4,200	-	4,800	2,399	3,801	-	-	-	-	20,000	-	6,193	41,393	47,451	53,191
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	18,774	188	(8,005)	(5,754)	15,679	(6,016)	(10,560)	(8,665)	(10,505)	22,894	(10,520)	2,491	-	-	-

5.16 Monthly Cashflows

Supporting Table SB15 Adjustments Budget - Monthly

	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
Cash Receipts By Source															
Property rates	1,606	2,367	1,426	1,973	2,204	1,620	3,204	2,620	2,426	5,973	3,204	4,589	33,212	36,201	39,460
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	3,571	4,496	4,153	5,412	5,583	6,397	6,583	7,397	5,153	6,412	5,583	4,405	65,144	74,266	80,950
Service charges - water revenue	5,353	6,742	4,366	4,790	5,814	5,209	6,814	5,209	6,366	6,790	6,814	6,735	71,003	78,320	85,369
Service charges - sanitation revenue	664	554	444	499	512	497	512	497	444	499	512	1,340	6,974	8,425	9,183
Service charges - refuse	447	837	406	538	495	459	495	459	406	538	495	1,426	7,000	5,383	5,868
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - external investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	-	-	-	-	-	-	-	2,972	2,035	769	-	-	5,775	35,201	38,369
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	63	76	66	40	49	47	49	47	66	40	49	157	748	748	927
Licences and permits	556	694	516	607	624	545	624	845	616	607	724	836	7,797	12,995	14,165
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	19,836	4,149	-	-	15,868	2,567	-	-	-	10,127	-	-	52,547	58,332	61,282
Other revenue	3,359	139	93	63	88	149	88	149	93	63	88	4,436	8,809	468	442
Cash Receipts by Source	35,455	20,053	11,470	13,923	31,237	17,491	18,368	20,195	17,605	31,819	17,468	23,925	259,009	310,339	336,013
Other Cash Flows by Source															
Transfers receipts - capital	4,200	-	4,800	2,399	3,801	-	-	-	-	20,000	-	6,193	41,393	47,451	53,191
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Proceeds on disposal of PPE												3,500	3,500		
Short term loans												-			
Borrowing long term/refinancing												-			
Increase in consumer deposits												-			
Decrease (Increase) in non-current debtors												-			
Decrease (increase) other non-current receivables												-			
Decrease (increase) in non-current investments												-			
Total Cash Receipts by Source	39,655	20,053	16,270	16,322	35,038	17,491	18,368	20,195	17,605	51,819	17,468	33,618	303,902	357,790	389,204
Cash Payments by Type															
Employee related costs	6,431	7,011	6,564	6,457	6,610	6,528	7,545	6,457	6,610	6,528	8,201	8,201	83,142	90,134	98,246
Remuneration of councillors	542	915	724	817	814	814	1,099	862	862	862	862	2,339	11,510	10,879	11,858
Collection costs												-			
Interest paid												-			
Bulk purchases - Electricity	-											53,175	53,175	57,961	62,598
Bulk purchases - Water & Sewer												26,000	26,000	42,728	44,897
Other materials	-											-			
Contracted services	-	1,227	486	372	441	232	486	1,372	1,441	1,232	464	769	8,521	13,614	18,657
Grants and subsidies paid - other municipalities												-			
Grants and subsidies paid - other												-			
General expenses	3,710	3,814	5,991	4,622	3,316	5,638	15,544	14,785	15,055	16,020	12,345	(36,739)	64,100	73,072	75,911
Cash Payments by Type	10,683	12,967	13,765	12,268	11,181	13,212	24,674	23,475	23,968	24,642	21,871	53,744	246,449	288,388	312,167
Other Cash Flows/Payments by Type															
Capital assets	1,059	1,994	1,603	1,213	536	697	8,459	8,459	8,459	8,459	8,459	8,459	57,855	69,402	77,037
Repayment of borrowing							50	50	50	50	50	-	150	-	-
Other Cash Flows/Payments												-	-		
Total Cash Payments by Type	11,742	14,961	15,368	13,481	11,717	13,909	33,182	31,984	32,476	33,100	30,330	62,203	304,454	357,790	389,204
NET INCREASE/(DECREASE) IN CASH HELD	27,913	5,092	902	2,841	23,321	3,582	(14,814)	(11,789)	(14,871)	18,718	(12,861)	(28,585)	(552)	-	-
Cash/cash equivalents at the month/year beginning:	552	28,465	33,557	34,459	37,300	60,621	64,202	49,388	37,600	22,728	41,447	28,585	552	-	-
Cash/cash equivalents at the month/year end:	28,465	33,557	34,459	37,300	60,621	64,202	49,388	37,600	22,728	41,447	28,585	-	-	-	-

5.17. Monthly Capital Expenditure by Municipal Vote

Description - Municipal Vote	Budget Year 2010/11												MTREF		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands															
Multi-year expenditure appropriation															
Vote 1 - Mayor and Council	-											-	-	-	-
Vote 2 - Office of the Municipal Manager							103	103	103	103	103	103	616	617	685
Vote 3 - Budget and Treasury Office							260	260	260	260	260	260	1,560	3,578	3,972
Vote 4 - Corporate Services							324	324	324	324	324	324	1,945	4,979	5,527
Vote 5 - Community and Social Services	424	797	641	485	215	279	2,170	2,170	2,170	2,170	2,170	2,170	15,862	16,512	18,329
Vote 6 - Public Safety							20	20	20	20	20	20	120	1,293	1,436
Vote 7 - Economic and Environment Services	-	-	-	-	-	-	13	13	13	13	13	13	75	1,772	1,967
Vote 8 - Road Transport	635	1,196	962	728	322	418	3,238	3,238	3,238	3,238	3,238	3,238	23,692	21,397	23,751
Vote 9 - Electricity Services							1,839	1,839	1,839	1,839	1,839	1,839	11,032	13,371	14,842
Vote 10 - Water Services							17	17	17	17	17	17	100	86	96
Vote 11 - Waste Water Management							-	-	-	-	-	-	-	2,733	3,034
Vote 12 - Solid Waste Management							476	476	476	476	476	476	2,853	3,063	3,400
													-	-	-
													-	-	-
													-	-	-
Capital Multi-year expenditure sub-total	1,059	1,994	1,603	1,213	536	697	8,459	8,459	8,459	8,459	8,459	8,459	57,855	69,402	77,037
												16,918	115,710	138,804	154,074
Single-year expenditure appropriation															

Vote 1 - Mayor and Council												-	-	-	-
Vote 2 - Office of the Municipal Manager												-	-	-	-
Vote 3 - Budget and Treasury Office												-	-	-	-
Vote 4 - Corporate Services												-	-	-	-
Vote 5 - Community and Social Services												-	-	-	-
Vote 6 - Public Safety												-	-	-	-
Vote 7 - Economic and Environment Services												-	-	-	-
Vote 8 - Road Transport												-	-	-	-
Vote 9 - Electricity Services												-	-	-	-
Vote 10 - Water Services												-	-	-	-
Vote 11 - Waste Water Management												-	-	-	-
Vote 12 - Solid Waste Management												-	-	-	-
Capital single-year expenditure sub-total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	1,059	1,994	1,603	1,213	536	697	8,459	8,459	8,459	8,459	8,459	8,459	57,855	69,402	77,037

5.18. Monthly Capital Expenditure by Standard Classification

Table SB17

Description	Budget Year 2010/11												MTREF		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
Capital Expenditure - Standard															
<i>Governance and administration</i>	-	-	-	-	-	-	-	-	-	-	-	4,121	4,121	9,174	10,184
Executive and council												616	616	617	685
Budget and treasury office												1,560	1,560	3,578	3,972
Corporate services												1,945	1,945	4,979	5,527
<i>Community and public safety</i>	424	797	641	485	215	279	2,170	2,170	2,170	2,170	2,170	2,290	15,982	17,806	19,765
Community and social services	424	797	641	485	215	279	2,170	2,170	2,170	2,170	2,170	2,170	15,862	16,512	18,329
Sport and recreation												-	-	-	-
Public safety												120	120	1,293	1,436
Housing												-	-	-	-
Health												-	-	-	-
<i>Economic and environmental services</i>	635	1,196	962	728	322	418	3,251	3,251	3,251	3,251	3,251	3,251	23,767	23,168	25,717
Planning and development	-	-	-	-	-	-	13	13	13	13	13	13	75	1,772	1,967
Road transport	635	1,196	962	728	322	418	3,238	3,238	3,238	3,238	3,238	3,238	23,692	21,397	23,751
Environmental protection												-	-	-	-
<i>Trading services</i>	-	-	-	-	-	-	2,331	2,331	2,331	2,331	2,331	2,331	13,985	19,253	21,371
Electricity							1,839	1,839	1,839	1,839	1,839	1,839	11,032	13,371	14,842
Water	-	-	-	-	-	-	17	17	17	17	17	17	100	86	96
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	2,733	3,034
Waste management	-	-	-	-	-	-	476	476	476	476	476	476	2,853	3,063	3,400
<i>Other</i>												-	-	-	-
Total Capital Expenditure - Standard	1,059	1,994	1,603	1,213	536	697	7,752	7,752	7,752	7,752	7,752	11,993	57,855	69,402	77,037

5.19. Adjustments on Capital Expenditure (New Assets)

Supporting Table SB18a Adjustments Budget - capital expenditure on new assets by asset class -

Description	Ref	Budget Year 2010/11									Budget Year +1 2011/12	Budget Year +2 2012/13
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
Capital expenditure on new assets by Asset Class/Sub-class												
-												
Infrastructure		26,642	-	-	-	-	-	(6,583)	(6,583)	20,059	17,551	16,855
Infrastructure - Road transport		19,242	-	-	-	-	-	(6,583)	(6,583)	12,659	15,451	16,855
<i>Roads, Pavements & Bridges</i>		19,242	-	-	-	-	-	(6,583)	(6,583)	12,659	15,451	16,855
<i>Storm water</i>									-	-		
Infrastructure - Electricity		7,400	-	-	-	-	-	-	-	7,400	2,100	-
<i>Generation</i>									-	-		
<i>Transmission & Reticulation</i>		4,400	-	-	-	-	-	-	-	4,400		
<i>Street Lighting</i>		3,000	-	-	-	-	-	-	-	3,000	2,100	
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
<i>Dams & Reservoirs</i>									-	-		
<i>Water purification</i>									-	-		
<i>Reticulation</i>									-	-		
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
<i>Reticulation</i>									-	-		
<i>Sewerage purification</i>									-	-		
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-
<i>Refuse</i>									-	-		
<i>Transportation</i>	2								-	-		
<i>Gas</i>									-	-		
<i>Other</i>	3								-	-		
Community		14,962	-	-	-	-	-	(4,339)	(4,339)	10,623	26,322	32,364
Parks & gardens									-	-		

Sports Fields & stadia	9,204	-					(2,669)	(2,669)	6,535	26,322	32,364
Swimming pools							-	-	-	-	-
Community halls							-	-	-	-	-
Libraries							-	-	-	-	-
Recreational facilities							-	-	-	-	-
Fire, safety & emergency							-	-	-	-	-
Security and policing	258	-					(75)	(75)	183	-	-
Buses							-	-	-	-	-
Clinics							-	-	-	-	-
Museums & Art Galleries							-	-	-	-	-
Cemeteries	3,000	-					(870)	(870)	2,130	-	-
Social rental housing							-	-	-	-	-
Other	2,500	-					(725)	(725)	1,775	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-
Buildings								-	-		
Other											
Investment properties	500	-	-	-	-	-	(500)	(500)	-	-	-
Housing development	500	-					(500)	(500)	-	-	-
Other								-	-		
Other assets	8,000	-	-	-	-	-	-	-	8,000	-	-
General vehicles	-							-	-		
Specialised vehicles	-							-	-		
Plant & equipment	-							-	-		
Computers - hardware/equipment	-							-	-		
Furniture and other office equipment	-							-	-		
Abattoirs	-							-	-		
Markets	2,000							-	2,000		
Civic Land and Buildings	6,000							-	6,000		
Other Buildings	-							-	-		
Other Land	-							-	-		
Surplus Assets - (Investment or Inventory)	-							-	-		

Other		-								-	-		
Agricultural assets		-	-	-	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>													
Biological assets		-	-	-	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>													
Intangibles		10,719	-	-	-	-	-	(9,159)	(9,159)	1,560	3,578	3,972	
Computers - software & programming		-						-					
Software		10,719						(9,159)	(9,159)	1,560	3,578	3,972	
Total Capital Expenditure on new assets <i>to be adjusted</i>	1	60,823	-	-	-	-	-	(20,581)	(20,581)	40,242	47,451	53,191	

Specialized vehicles		-	-	-	-	-	-	-	-	-	-	-	-
Refuse													
Fire													
Conservancy													
Ambulances													

5.20. Adjustments on Capital Expenditure on renewal of existing assets by asset class

Supporting Table SB18b Adjustments Budget - capital expenditure on renewal of existing assets by asset class -

Description	Ref	Budget Year 2010/11									Budget Year +1 2011/12	Budget Year +2 2012/13
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
R thousands												
<u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u>												
-												
Infrastructure		14,023	-	-	-	-	-	290	290	14,313	16,011	17,312
Infrastructure - Road transport		1,500	-	-	-	-	-	-	-	1,500	8,836	9,420
<i>Roads, Pavements & Bridges</i>		1,500								1,500	8,836	9,420
<i>Storm water</i>										-		
Infrastructure - Electricity		7,500	-	-	-	-	-	-	-	7,500	1,650	1,815
<i>Generation</i>										-		
<i>Transmission & Reticulation</i>		7,500								7,500	1,650	1,815
<i>Street Lighting</i>										-		
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
<i>Dams & Reservoirs</i>										-		
<i>Water purification</i>										-		
<i>Reticulation</i>										-		
Infrastructure - Sanitation		2,520	-	-	-	-	-	-	-	2,520	2,772	3,049
<i>Reticulation</i>		2,520								2,520	2,772	3,049
<i>Sewerage purification</i>										-		
Infrastructure - Other		2,503	-	-	-	-	-	290	290	2,793	2,753	3,029
<i>Refuse Transportation</i>	2									-		

		2,503						290	290	2,793	2,753	3,029
Gas									-	-		
Other	3								-	-		
Community		1,500	-	-	-	-	-	-	-	1,500	1,650	1,815
Parks & gardens									-	-		
Sports Fields & stadia									-	-		
Swimming pools									-	-		
Community halls									-	-		
Libraries									-	-		
Recreational facilities									-	-		
Fire, safety & emergency		1,500							-	1,500	1,650	1,815
Security and policing									-	-		
Buses									-	-		
Clinics									-	-		
Museums & Art Galleries									-	-		
Cemeteries									-	-		
Social rental housing									-	-		
Other									-	-		
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Buildings									-	-		
Other									-	-		
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Housing development									-	-		
Other									-	-		

<u>Other assets</u>		3,900	-	-	-	-	-	-	-	1,800	4,290	4,719
General vehicles		650							-	650	715	787
Specialised vehicles		2,100									2,310	2,541
Plant & equipment		1,150							-	1,150	1,265	1,391
Computers - hardware/equipment		-							-	-		
Furniture and other office equipment		-							-	-		
Abattoirs		-							-	-		
Markets		-							-	-		
Civic Land and Buildings		-							-	-		
Other Buildings		-							-	-		
Other Land		-							-	-		
Surplus Assets - (Investment or Inventory)		-							-	-		
Other		-							-	-		
<u>Agricultural assets</u>		-	-	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>									-	-		
<u>Biological assets</u>		-	-	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>									-	-		
<u>Intangibles</u>		-	-	-	-	-	-	-	-	-	-	-
Computers - software & programming												
Other (list sub-class)									-	-		
Total Capital Expenditure on renewal of existing assets <i>to be adjusted</i>	1	19,423	-	-	-	-	-	290	290	17,613	21,951	23,846

5.21. Adjustments on Expenditure on Repairs and Maintenance

Supporting Table SB18c Adjustments Budget - expenditure on repairs and maintenance by asset class -

Description	Ref	Budget Year 2010/11									Budget Year +1 2011/12	Budget Year +2 2012/13
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
R thousands		A	A1	B	C	D	E	F	G	H		
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>												
-												
<u>Infrastructure</u>		12,295	-	-	-	-	-	(8,484)	(8,484)	3,811	11,583	8,686
Infrastructure - Road transport		9,795	-	-	-	-	-	(6,759)	(6,759)	3,036	8,833	6,661
<i>Roads, Pavements & Bridges</i>		8,245						(5,689)	(5,689)	2,556	7,128	4,785
<i>Storm water</i>		1,550						(1,070)	(1,070)	481	1,705	1,876
Infrastructure - Electricity		2,500	-	-	-	-	-	(1,725)	(1,725)	775	2,750	2,025
<i>Generation</i>									-	-		
<i>Transmission & Reticulation</i>		-							-	-		
<i>Street Lighting</i>		2,500						(1,725)	(1,725)	775	2,750	2,025
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
<i>Dams & Reservoirs</i>									-	-		
<i>Water purification</i>									-	-		
<i>Reticulation</i>									-	-		
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
<i>Reticulation</i>									-	-		
<i>Sewerage purification</i>									-	-		
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-
<i>Refuse</i>									-	-		
<i>Transportation</i>	2								-	-		
<i>Gas</i>									-	-		
<i>Other</i>	3								-	-		

<u>Community</u>	11,560	-	-	-	-	-	(7,956)	(7,956)	3,604	12,716	13,988
Parks & gardens	560						(386)	(386)	174	616	678
Sports Fields & stadia	1,500						(1,035)	(1,035)	465	1,650	1,815
Swimming pools	-						-	-	-	-	-
Community halls	2,500						(1,725)	(1,725)	775	2,750	3,025
Libraries	2,500						(1,725)	(1,725)	775	2,750	3,025
Recreational facilities	-						-	-	-	-	-
Fire, safety & emergency	1,500						(1,035)	(1,035)	465	1,650	1,815
Security and policing	-						-	-	-	-	-
Buses	-						-	-	-	-	-
Clinics	-						-	-	-	-	-
Museums & Art Galleries	-						-	-	-	-	-
Cemeteries	3,000						(2,049)	(2,049)	951	3,300	3,630
Social rental housing	-						-	-	-	-	-
Other	-						-	-	-	-	-
<u>Heritage assets</u>	-	-	-	-	-	-	-	-	-	-	-
Buildings											
Other											
<u>Investment properties</u>	-	-	-	-	-	-	-	-	-	-	-
Housing development											
Other											
<u>Other assets</u>	6,900	-	-	-	-	-	(4,761)	(4,761)	2,139	7,590	8,349
General vehicles	3,300						(2,277)	(2,277)	1,023	3,630	3,993
Specialised vehicles	-						-	-	-	-	-
Plant & equipment	2,500						(1,725)	(1,725)	775	2,750	3,025
Computers - hardware/equipment	-						-	-	-	-	-
Furniture and other office equipment	1,100						(759)	(759)	341	1,210	1,331
Abattoirs	-						-	-	-	-	-

Markets		-							-	-	-	-	-
Civic Land and Buildings		-							-	-	-	-	-
Other Buildings		-							-	-	-	-	-
Other Land		-							-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-							-	-	-	-	-
Other		-							-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>													
Biological assets		-	-	-	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>													
Intangibles		-	-	-	-	-	-	-	-	-	-	-	-
Computers - software & programming													
Other (list sub-class)													
Total Repairs and Maintenance Expenditure to be adjusted	1	30,755	-	-	-	-	-	(21,200)	(21,200)	9,555	31,889	31,022	

Specialised vehicles		-	-	-	-	-	-	-	-	-	-	-	-
Refuse													
Fire													
Conservancy													
Ambulances													

5.21. List of Capital Programmes and Projects affected by Adjustment Budget

LIM334 Ba-Phalaborwa - Supporting Table SB19 List of capital programmes and projects affected by Adjustments Budget -

Municipal Vote/Capital project R thousand	Program/Project description	Project number	IDP Goal Code 3.	Asset Class 4.	Asset Sub-Class 4.	Medium Term Revenue and Expenditure Framework					
						Budget Year 2010/11		Budget Year +1 2011/12		Budget Year +2 2012/13	
						Original Budget	Adjusted Budget	Original Budget	Adjusted Budget	Original Budget	Adjusted Budget
<i>Executive and Council</i>	Special Projects			<i>Community projects</i>							
<i>Budget and Treasury</i>	Financial Management Solution			<i>Intangible</i>	<i>Software</i>	716	-	617	617	685	685
<i>Corporate Services</i>	ICT and Office Furniture and Equipment			<i>Intangible and tangible</i>	<i>ICT and Software</i>	4,150	1,050	3,578	3,578	3,972	3,972
<i>Public Safety</i>	Safety Equipment			<i>PPE</i>	<i>Vehicle</i>	5,775	610	4,979	4,979	5,527	5,527
<i>Economic and Environment Services</i>	Land survey Equipment			<i>PPE</i>	<i>Equipment</i>	1,500	348	1,293	1,293	1,436	1,436
<i>Road Transport</i>	Roads and Storm Water			<i>Infrastructure - Road Transport</i>	<i>Infrastructure - Road Transport</i>	2,055	250	1,772	1,772	1,967	1,967
<i>Electricity Services</i>	Electrical Infrastructure			<i>Infrastructure - Electricity</i>	<i>Infrastructure - Electricity</i>	24,817	17,797	21,397	21,397	23,751	23,751
<i>Waste Water: Sanitation</i>	Sanitation Equipment			<i>PPE</i>	<i>Equipment</i>	15,508	13,500	13,371	13,371	14,842	14,842
<i>Solid Waste: Refuse</i>	Refuse Removal Assets			<i>PPE</i>	<i>Equipment</i>	3,170		2,733	2,733	3,034	3,034
<i>Community and Social Services</i>	Community Facilities			<i>Community Assets</i>	<i>Community Assets</i>	3,553		3,063	3,063	3,400	3,400
<i>Water Services</i>	Water Related Equipments			<i>PPE</i>	<i>Equipment</i>	19,152	24,300	16,512	16,512	18,329	18,329
						100		86	86	96	96

6. OVERVIEW OF ADJUSTMENT BUDGET ASSUMPTIONS

The following factors were considered to be having negative impact on revenue collection and spending:

- The boycott of property rates payment impacts on payment of services
- Illegal connections is a contributing factor to poor collection of electricity and water revenue
- Barriers to enforce credit control policy effectively in townships and villages on water consumption as electricity is supplied by Eskom in these areas
- High debt rate on municipal services results in consumers defaulting payment agreements
- Lack of government subsidy for water services forced council to impose high tariffs which are not affordable to consumers
- Inadequate water supply at certain rural areas that are fully metered

The adjustment budget prioritised service delivery programmes in line with resolutions taken in District Budget Lekgotla and the municipal council. The following decisions were made to determine how the approved budget can be adjusted down and still take into account service delivery issues:

- Allocation for capital programmes which were not implemented by 31 December 2010 should be revised downwards including NDPG allocation.
- Employee related costs should be adjusted up to cover costs for 2.5% IMATU award as well as remuneration for municipal councillors at Grade 4 allowance range.
- Priority of human resources acquisition should be given to critical posts before the end of the financial year.
- Approval for overtime work will be for service delivery votes only.
- Licensing department should maximise revenue mechanism to fund its budget
- Traffic department should collect all monies due from issued traffic fines
- Collection of electricity revenue should be prioritised
- Full implementation of credit control and debt collection policy

7. OVERVIEW OF ADJUSTMENT BUDGET FUNDING

7.1.1 Tariff schedule

The tariff schedule for 2010/11 on all services remains unchanged.

7.1.2 Investments

The municipality has no investment held except the Guaranteed held with ABSA for R88,000.

7.1.3 Government Grant and Subsidies allocation

Standard Item	Current Year	Actual	Movement	Proposed Adjustment Budget	Projections	
					2011/12	2012/13
Financial management grant	1,000,000	1,000,000	-	1,000,000	1,250,000	1,500,000
MSIG	790,000	790,000	-	790,000	750,000	800,000
Municipal infrastructure grant	14,242,000	16,950,755	5,350,755	19,592,755	17,129,000	20,827,000
NDPG	28,204,000	0	8,204,000	20,000,000	30,322,000	32,364,000
NDPG - Technical Assistance	590,000	0	590,000	-	-	-
Equitable Shares	47,605,000	35,703,923	-	47,605,000	53,625,000	58,982,000
Integrated National Electrification	-	2,399,000	6,000,000	6,000,000	-	-
Provincial Grant - Excess Employees	2,567,000	2,567,000	-	2,567,000	2,667,000	0
DBSA Grant		625,000	625,000	625,000	0	0
Total Grant & Subsidies	94,998,000	60,035,678	3,181,755	98,179,755	105,743,000	114,473,000

The table above indicates or highlights grants made to the municipality National, Provincial and Other stake financing institutions

The main allocation was R94, 9 million before revised Dora and roll-over funds.

The NDPG allocation was R10 million direct allocations and R18 204 million indirect, since the indirect income will never be transferred to the municipality bank accounts the money cannot be recognised but be noted. The revised Dora, Gazette 33879 of 15 December 2010 indicates additional R10 million for direct allocation.

8. COUNCILLORS REMUNERATIONS AND ALLOWANCES

8.1.1 Disclosure on Councillors remunerations and allowances

Position	Adjusted 2010/11	Projected 2011/12	Projected 2012/13
Mayor (Full -time)	623,041	660,423	700,049
Speaker (Full- time)	502,023	532,144	564,073
Chief Whip (Full - time)	471,768	500,074	530,079
Executive Committee Members	1,303,975	1,382,214	1,465,146
Other Councillors (Part - time)	4,625,304	4,902,822	5,196,992
TOTAL	7,526,111	7,977,678	8,456,338

- It must be note that packages are inclusive of cell phone allowances and travelling allowances.

8.1.2 Disclosure on Section 57 Managers remunerations

Table below illustrates Section 57 manager's remunerations

Position	Current Year 2010/11	Projected 2011/12	Projected 2012/13
Municipal Manager	1,093,452	1,159,059	1,228,603
Chief Financial Officer	775,166	821,675	870,976
Director Technical Services	749,060	794,004	841,644
Director Corporate Services	693,084	734,669	778,749
Director Planning and Development	693,084	734,669	778,749
Director Community Services	693,084	734,669	778,749
TOTAL	4,696,929	4,978,745	5,277,470

- It must be noted that the Municipal Manager and Technical Directors remuneration excludes cell phone allowances as an additional to the packages. The other Directors are receiving R18000 per annum for cell phone and is included on their packages.

9. REVISED SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

- The SDBIP will be attached once finalised and approved.

10. LEGISLATION COMPLIANCE STATUS

10.1.1 Compliance to Municipal Finance Management Act (MFMA, 56 of 2003)

The MFMA came into effect on 01 July 2004. This legislation provides for significant changes in the way municipalities in South Africa manage their financial affairs. The legislation not only deals with Financial Management issues but also with general management issues.

In terms of the implementation, the municipality has been classified as medium capacity hence now the new revised demarcation takes the municipality to high capacity and status thereof is no longer level 03 rather is level 04 local municipalities. The municipality has full operational Budget and Treasury office with full complement of finance staff.

11.

MUNICIPAL MANAGER'S QUALITY

QUALITY CERTIFICATE

I Setimela Simpson Sebashe, Acting Municipal Manager of BA-PHALABORWA LOCAL MUNICIPALITY (LIM334) hereby certify that the adjustment budget and its supporting documentation have been prepared in accordance with the Municipal Finance Management act and the regulations made under the Act, and that the adjustments budget and supporting documentation are consistent with the Integrated Development Plan of the Municipality.

Print Name	_____
Municipal Manager of	_____ LIM334
Signature	_____
Date	_____