

MUTALE MUNICIPALITY



2010/2011 BUDGET ADJUSTMENT

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1. MAYOR'S BUDGET SPEECH

Mutshimbidza mushumo

Mulanga dzulo wa khantsele ya masipala wa Mutale

Vho-Thovhela na Misanda yavho

Councilors

Members of business communities

Members of ward committees

Vharangaphanda vha dzikereke

Fellow partners in service delivery

Media representatives

Managers and Officials

Vhadzulapo vha Mutale

Distinguished guests, Comrades, Ladies and gentlemen.

Ndi masiari vhathu vhothe.

This year, 2011 marks the completion of our term of office as your public representative. You will elect the new generation of leadership who will continue in the period post our leadership.

The purpose of this adjustment budget is to fulfill our mandate as outlined in our vision that says:” **A developmental municipality that ensures sustainable economic growth and equitable service delivery**”. This we will do in a certain form and to a certain extent, to bid a farewell. The time is yet to come for farewell, because we have worked diligently together for the past decade.

We are undertaking the last budget adjustment for 2010/2011. Furthermore, we are undertaking this budget adjustment when we have obtained unqualified report from the Auditor General. This is our best achievement ever, and our objective is to have a clean audit report forever.

We have laid a solid basis for the next council to carry on. Despite the recorded achievements such as electrification of villages, water and sanitation, providing free basic electricity, access roads and bridges, there is a lot that still needs to be done to eradicate the service delivery backlogs and meet our developmental goals.

In the overall, the IDP played an essential role in bringing achievement reckoned above. It is because the citizens of Mutale local Municipality participated in municipal governance that saw Mutale obtain medium as per 2010/2011 MEC for the Department of Local Government and Housing IDP Assessment report. That is also a very big achievement this year were we are more than ready to obtain a high level.

Since our establishment in 2000, the citizens of Mutale are enjoying a better life. “a better life for all” has been our guiding light until today. In our last era before the local government election that will be held between 02 March and 02 June 2011.

We have entered into a contract with our people through the election manifesto that won their hearts during the 22nd April 2009 general elections.

BUDGET

Programme director, our 2010/2011 budget is adjusted as follows:

	Budget	Adjustment budget
Our income is estimated at	R79 456 399 million	R80 861 136.
Our operational budget is estimated at	R65 897 058 million	R80 761 136

Therefore, our capital budget for 2010/2011 is aimed at addressing the following strategic focus areas:

NO	NAME OF PROJECTS	BUDGET	ADJUSTMENT BUDGET
1	Electrification projects	R 2 000 000	R 5 000 000
2	Landfill	R 1 280 695	R 1 280 695
3	Khakhu to Mangwele Road	R 3 500 000	R 3 500 000
4	Thengwe to Tshandama road	R6 275 405	R 6 275 405
5	Equipment	R 31 000	R 31 000
6	Furniture	R 70 000	-
7	Municipal Vehicles (TLB and traffic vehicle)	R 294 000	R 350 000
Total		R 13 451 100	R17 087 100

Our main sources of income are: Property rates, Water, Sewer, Rental, Licensing and few tourism centers. For us to implement the above budget we need co-operation from the community as a whole, our customers must pay for this services we are providing. This is so, for us to expand the service and to improve on these services.

Working together we can do more!

NDA

NDO LIVHUWA.

I thank you

2. Budget Resolutions

The Council resolves:

- 1 **That in terms of section 28 of the Municipal Finance Management Act ,56 of 2003,the adjustment budget of Mutale Municipality for the financial year 2010/2011; and indicative allocations for the two projected outer years 2011/2012 and 2012/2013 ;and the multi year and single year capital appropriations are approved as set-out in the following tables:**
 - 1.1 Budgeted financial performance (revenue and expenditure by standard classification);
 - 1.2 Budgeted financial performance (revenue by source and expenditure by municipal vote);
 - 1.3 Budgeted financial performance (revenue by source and expenditure by type); and
 - 1.4 Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source.

- 2 **That the financial position ,cash flow, cash backed reserve accumulated surplus ,asset management and basic services delivery targets are adopted as set-out in the following tables:**
 - 2.1 Budgeted financial position
 - 2.2 Budgeted cash flows
 - 2.3 Cash backed reserves and accumulated surplus reconciliation;
 - 2.4 Asset management; and
 - 2.5 Basic service delivery

- 3 **That in terms of section 24(2) (c)(i) and (ii) of the Municipal Finance Management Act,56 of 2003 and sections 74 and 75A of the Local Government :Municipal Systems Act ,Act 32 of 2000 as amended ,the tariffs for the supply of Water ,Electricity, Waste services, sanitation services and property rates as set out in Budget Chapter 21 and annexure C is used to prepare the estimates of revenue by source ,are approved with effect from 1 July 2010.**

- 4 That in terms of section 5 of the Municipal Property Rates Act ,6 of 2004,the rates policy (or the amendments to the rates policy)as set out in budget Chapter 19 and Annexure D is approved.**
- 5 That in terms of section 24(2)(C)(iii) of the Municipal Finance Management Act, 56 of 2003 ,the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework as set out in supporting table SA7 are approved**
- 6 That in terms of section 24(2)(C)(iv) of the Municipal Finance Act ,56 of 2003,the amendments to the integrated development plan as set out in Budget Chapter 17 are approved.**
- 7 That in terms of section 24(2)(c)(v) of the Municipal Finance Management Act,56 of 2003 ,The budget-related policies ,including any amendments as set out in Budget Chapter 19 are approved for the budget year 2010/2011**
- 8 The Basic Services Package as set out in budget is approved for the budget year 2010/2011.**

3. Executive Summary

The budget has been compiled and funded in terms section 28 of Municipal Finance Management Act. The adjustment budget has been approved by council on 25 January 2011

The revenue sources to fund both operating and capital expenditure for 2010/2011 financial year are as follows

	Budget	Adjustment budget
Grants and Subsidies	R64,170 million	R64, 580 million
Accumulated Funds [own/other income]	R15,286 million	R16, 281 million
External Borrowings	<u>R = nil</u>	
Total Income Budget	R79,456 million	R80, 861 million

The Adjusted Capital budget for 2010/2011 financial year is R17,087 million

The operating budget for 2010/2011 is subdivided as follows:

	Budget	Adjustment budget
Employee related costs	R39,865 million	R36, 952 million
Councillors remuneration	R 5,600 million	R 5, 262 million
Repairs & Maintenance	R 7,999 million	R7, 124 million
General Expenditure	<u>R12,432 million</u>	<u>R14 436</u>
Total operating expenditure	R65,896 million	R63, 674 million

4.1 Adjustment budget tables

The adjustment budget tables are detailed in **annexure A**. It includes the following:

Number	Description
Table B1	Adjustments Budget Summary
Table B2	Adjustments Budget Financial Performance (standard classification)
Table B3	Adjustments Budget Financial Performance (revenue and expenditure by municipal vote)
Table B4	Adjustments Budget Financial Table Performance(revenue and expenditure)
Table B5	Adjustments Budget Capital Expenditure by vote and funding
Table B6	Adjustments Budget Financial Position
Table B7	Adjustments Budget Cash Flows
Table B8	Cash backed reserves/accumulated surplus reconciliation
Table B9	Asset management
Table B10	Basic service delivery measurement

4.2 Budget Related Charts and Explanatory Notes.

The budget related charts to support the tables are also shown for each table in annexure B. The charts are displayed in the following sections:

Chart	
B1	Revenue by Municipal Vote classification
B2(a)-A2(b)	Expenditure by Municipal Vote
B3	Revenue by standard classification
B4	Expenditure by standard classification
B5(a)-A5(b)	Revenue by Source- Major
B6	Revenue by Source- Minor
B7	Expenditure by Type- Major and Minor
B9-A10	Capital expenditure by Municipal Vote- Major and Minor
B11	Capital Expenditure by Standard Classification
B12	Capital Expenditure by Municipal Vote (Major trend)
B13	Capital funding by source
B14	IDP Strategic Objectives- Revenue

B15	IDP Strategic Objectives- Expenditure
B16	IDP Strategic Objectives Capital Expenditure
B17	Debt (borrowing as a % of total revenue collection)
B18	Revenue collection
B19-A20	Distribution losses and borrowed capex funding
B21	Expenditure analysis (of total revenue)
B22	Service charges- Revenue % change

5. SUPPORTING DOCUMENTATION

The budget is accompanied by supporting documents in terms of section 17 (3) of the MFMA.

*See supporting tables SB1 –SB 20 in **annexture C***

5.1 Other supporting documents

Refer to **Annexure D**

5.2 Municipal manager’s quality certification

Refer to Annexture E
