

ADJUSTED CAPITAL BUDGET 2010/2011								
DETAIL			BUDGET				Funding Source	
Section	Vote	Description	Original Budget	ROLL OVERS 2010	2009	Adjustments		Adjusted Capital Budget 2010/2011
COUNCIL								
MAYOR	5 5110 001 1	COMPUTER EQUIPMENT - CDW'S	-			36,200	36,200	3
MAYOR	New Vote	COMPUTER EQUIPMENT				56,300	56,300	1
MAYOR	New Vote	FURNITURE & EQUIP - DISABLED				35,000	35,000	1
TOTAL			-	-		127,500	127,500	
INTERNAL AUDIT	5 5212 001 1	LAPTOP - CHIEF INTERNAL AUDITOR	-			6,600	6,600	1
TOTAL COUNCIL			-	-		6,600	6,600	
TOTAL COUNCIL			-	-		134,100	134,100	
COMMUNITY SERVICES								
SERVICES	5 5310 019 1	FLOOD LIGHTS NEW HORIZONS		500,000.00		(452,532)	47,468	2
SERVICES	5 5310 023 1	KURLAND LIBRARY PROJECT - SHELVING		13,200.00			13,200	1
TOTAL			-	513,200.00		(452,532)	60,668	
HOUSING	5 5320 003 1	INTERNAL RETICULATION KURLAND	4,000,000			(3,000,000)	1,000,000	2
HOUSING	5 5320 008 1	UPGRADE OF HOSTEL	1,000,000			(1,000,000)	-	1
HOUSING	New Vote	UPGRADE OF HOSTEL				1,000,000	1,000,000	2
HOUSING	5 5320 010 1	KURLAND 230 ERVEN CIVIL SERVICES	1,500,000			3,576,000	5,076,000	3
HOUSING	New Vote	PURCHASE OF LAND (MINNAAR)				1,900,000	1,900,000	2
HOUSING	5 5320 001 1	FURNITURE AND EQUIPMENT	-			57,000	57,000	1
TOTAL			6,500,000	-		2,533,000	9,033,000	

**ADJUSTED CAPITAL BUDGET
2010/2011**

DETAIL			BUDGET				Funding Source
Section	Vote	Description	Original Budget	ROLL OVERS 2010	2009 Adjustments	Adjusted Capital Budget 2010/2011	
BEACHES	5 5322 001 1	LIFESAIVING TOWER	65,000		(52,470)	12,530	1
BEACHES	5 5322 002 1	LIFESAIVING EQUIPMENT	70,000			70,000	1
BEACHES	5 5322 003 1	TOOLS & LOOSE GEARS	50,000			50,000	1
BEACHES	5 5322 004 1	ABLUTION FACILITY ROBBERG SH	350,000		(155,000)	195,000	1
BEACHES	5 5322 005 1	SLIP WAY-CENTRAL BEACH	210,000		(84,033)	125,967	1
BEACHES	5 5322 006 1	LOOK-OUT SEASHORE PROTECTION	3,500,000		(3,000,000)	500,000	4
TOTAL			4,245,000	-	(3,291,503)	953,497	
LIBRARIES	5 5330 009 1	BLINDS FOR PUBLIC LIBRARIES	25,000			25,000	1
LIBRARIES	5 5330 010 1	REPLACEMENT OF DAMAGED CHAIRS	5,000			5,000	1
LIBRARIES	5 5330 011 1	DISPLAY BOARDS-KURLAND,BOSSIES	7,000			7,000	1
LIBRARIES	5 5330 012 1	SECURITY/MONITORING SYSTEM KURLAND	10,000			10,000	1
LIBRARIES	5 5330 013 1	COMMUNITY LIBRARY-NEW HORIZON	6,116,841	3,531,807.48		9,648,648	3
LIBRARIES	5 5330 014 1	BARGLAR/SECURITY DOOR BOSSIESG	12,500			12,500	1
TOTAL			6,176,341	3,531,807.48	-	9,708,148	
FIRE FIGHTING	5 5340 006 1	PURCHASE FLOATING/PORTAL PUMP	275,000		(205,418)	69,582	1
FIRE FIGHTING	5 5340 007 1	REFURBISH OF BUFFELS	240,000			170,000	1
FIRE FIGHTING	5 5340 008 1	FIRE PUMPER	1,800,000			1,800,000	2
FIRE FIGHTING	5 5340 009 1	FIRE PUMPER	-			70,000	1
TOTAL			2,315,000	-	(205,418)	2,109,582	
TRAFFIC	5 5342 002 1	TOOLS & LOOSE GEARS	44,000			44,000	1
TRAFFIC	5 5342 005 1	TEIZER & BATTONS	73,500			73,500	1
TOTAL			117,500	-	-	117,500	
PARKS AND RECREATION	5 5350 001 1	TOOLS & LOOSE GEARS	50,000			50,000	1
PARKS AND RECREATION	5 5350 006 1	REPLACE BOSSIESKAPPER	75,000			75,000	1
PARKS AND RECREATION	5 5350 007 1	REPLACE FERTILIZER SPREADER	50,000			50,000	1
PARKS AND RECREATION	5 5350 008 1	SWIMMING POOL-NEW HORIZON	1,000,000		(1,000,000)	-	2
PARKS AND RECREATION	5 5350 009 1	BOSSIESGIF SPORTFIELD&STRUCTUR	1,000,000			1,000,000	1
PARKS AND RECREATION	5 5350 010 1	SWIMMING POOL IN NEW HORIZON	1,000,000		(890,000)	110,000	1
PARKS AND RECREATION	5 5350 011 1	GREEN VALLEY SPORTFIELD	1,500,000		-	1,500,000	1
PARKS AND RECREATION	New Vote	GREEN VALLEY SPORTFIELD		2,900,000		2,900,000	2
PARKS AND RECREATION	New Vote	UPGRADE KWANO SPORTFIELD			1,000,000	1,000,000	4
TOTAL			4,675,000	2,900,000.00	(890,000)	6,685,000	

**ADJUSTED CAPITAL BUDGET
2010/2011**

DETAIL			BUDGET				Funding Source
Section	Vote	Description	Original Budget	ROLL OVERS 2010 2009	Adjustments	Adjusted Capital Budget 2010/2011	
CEMETARIES	5 5352 002 1	NEW FENCE & 4M GATE GREEN VALL	150,000		(22,129)	127,871	1
CEMETARIES	5 5352 003 1	UPGRADE KURLAND CEMETRY FENCE	200,000		(168)	199,832	1
TOTAL			350,000	-	(22,297)	327,703	
MULTI-PURPOSE CENTER	5 5354 002 1	ENCLOSURE OF COURTYARD	50,000		(2,250)	47,750	1
TOTAL			50,000	-	(2,250)	47,750	
WASTE MANAGEMENT	5 5830 002 1	WASTE TRANSFER STATION	5,000,000		(5,000,000)	-	2
WASTE MANAGEMENT	5 5830 003 1	TOOLS & LOOSE GEAR	20,000			20,000	1
WASTE MANAGEMENT	5 5830 004 1	BIN LIFTERS	360,000		(300,000)	60,000	1
WASTE MANAGEMENT	5 5830 005 1	DROP-OFF FACILITIES-RUBBLE	300,000		(300,000)	-	1
WASTE MANAGEMENT		2 X WASTE REMOVAL TRUCKS			-	-	2
TOTAL			5,680,000	-	(5,600,000)	80,000	
TOTAL COMMUNITY			30,108,841	6,945,007	(7,931,000)	29,122,848	

ADJUSTED CAPITAL BUDGET 2010/2011							
DETAIL			BUDGET				Funding Source
Section	Vote	Description	Original Budget	ROLL OVERS 2010	2009 Adjustments	Adjusted Capital Budget 2010/2011	
CORPORATE SERVICES							
CORPORATE SERVIC	5 5410 007 1	REFURBISHMENT OF HALLS ETC	150,000		14,284	164,284	1
CORPORATE SERVIC	5 5410 010 1	REPLACEMENT OF CLEANING EQUIP	10,000			10,000	1
CORPORATE SERVIC	5 5410 014 1	BULK HIGH DENSITY FILING CABIN	60,000		(14,284)	45,716	1
CORPORATE SERVIC	5 5410 021 1	FURNITURE & EQUIPMENT	27,950			27,950	1
CORPORATE SERVIC	5 5410 025 1	CALL CENTRE RADIO UPGRADE	30,000			30,000	1
CORPORATE SERVIC	5 5410 027 1	SHREDDER	6,000		(1,443)	4,557	1
CORPORATE SERVIC	New Vote	LAPTP: DEPUTY DIRECTOR	-		10,000	10,000	1
CORPORATE SERVIC	5 5410 028 1	INSTALL OF FILING RACK IN ARC	50,000			50,000	1
TOTAL CORPORATE SERVICES			333,950	-	8,557	342,507	
FINANCIAL SERVICES							
FINANCE	5 5510 001 1	FURNITURE & EQUIPMENT	20,000		8,790	28,790	1
FINANCE	5 5510 008 1	FAX MACHINE: HILLVIEW	1,000		(1,000)	-	1
FINANCE	5 5510 009 1	SHREDDER	6,000		(1,670)	4,330	1
FINANCE	New Vote	LATOP: DEPUTY DIRECTOR	-		10,000	10,000	1
FINANCE	5 5510 011 1	SHREDDER (BUDGET OFFICE)	6,000		(720)	5,280	1
FINANCE	5 5510 012 1	LX 300 PRINTER X6	8,400		(400)	8,000	1
TOTAL			41,400	-	15,000	56,400	
INFORMATION TECH	5 5540 004 1	COMPUTER EQUIPMENT	50,000			50,000	1
INFORMATION TECH	5 5540 002 1	INTEGRATED IT SYSTEM		2,450,000		2,450,000	1
TOTAL			50,000	2,450,000	-	2,500,000	
TOTAL FINANCIAL SERVICES SERVICES			91,400	2,450,000	15,000	2,556,400	

ADJUSTED CAPITAL BUDGET 2010/2011								
DETAIL			BUDGET				Funding Source	
Section	Vote	Description	Original Budget	ROLL OVERS 2010	2009	Adjustments		Adjusted Capital Budget 2010/2011
STRATEGIC SERVICES								
BUILDING CONTROL	5 5710 001 1	1 X FILING CABINET	3,000			3,000	6,000	1
		TOTAL	3,000	-		3,000	6,000	
MUNICIPAL LAND AND BUILDINGS	5 5712 003 1	MULTI PURPOSE CENTRE WITTEDRIF/ GREENVALLEY	-	2,129,500			2,129,500	1
MUNICIPAL LAND AND BUILDINGS	5 5712 004 1	MULTI PURPOSE CENTRE WITTEDRIF/ GREENVALLEY	-	84,000		(84,000)	-	2
MUNICIPAL LAND AND BUILDINGS	5 5712 009 1	PURCHASE OF ERF2102 (TRANSNET)	3,000,000			(3,000,000)	-	1
MUNICIPAL LAND AND BUILDINGS	New Vote	PURCHASE OF ERF2102 (TRANSNET)				6,000,000	6,000,000	2
MUNICIPAL LAND AND BUILDINGS	5 5712 010 1	UPGRADE OF KURLAND COMM HALL	150,000			(150,000)	-	1
		TOTAL	3,150,000	2,213,500		2,766,000	8,129,500	
LED	5 5720 002 1	3X LAPTOPS	12,000			(1,462)	10,538	1
LED	New Vote	LAPTOP: DEPUTY DIRECTOR	-			10,000	10,000	1
LED	5 5720 006 1	ERECTION OF INFORMAL TRADING	250,000			(250,000)	-	1
LED	5 5720 007 1	ERECTION OF INF TRDNG:BEACON W	300,000			(300,000)	-	1
		TOTAL	562,000	-		(541,462)	20,538	
TOWN PLANNING	5 5730 004 1	SIGNAGE/STREET FURNITURE	75,000			(15,000)	60,000	1
TOWN PLANNING	New Vote	LAPTOP:	-			15,000	15,000	1
		TOTAL	75,000	-		-	75,000	
TOTAL STRATEGIC SERVICES SERVICES			3,790,000	2,213,500		2,227,538	8,231,038	

**ADJUSTED CAPITAL BUDGET
2010/2011**

DETAIL			BUDGET				Funding Source	
Section	Vote	Description	Original Budget	ROLL OVERS 2010	2009	Adjustments		Adjusted Capital Budget 2010/2011
MUNICIPAL SERVICES AND INFRASTRUCTURE DEVELOPMENT								
PUBLIC WORKS	5 5810 001 1	FURNITURE & EQUIPMENT	20,000			(19,830)	170	1
PUBLIC WORKS	New Vote	LAPTOP: DEPUTY DIRECTOR	-			10,000	10,000	1
PUBLIC WORKS	New Vote	SCANNER				3,000	3,000	1
TOTAL			20,000	-	-	(6,830)	13,170	
ROADS AND STORMWATER	5 5820 001 1	CONSTR OF STREETS,INCL REHABILITATION	2,500,000	125,000		1,375,000	4,000,000	1
ROADS AND STORMWATER	New Vote	MAINSTREET UPGRADE				1,480,000	1,480,000	2
ROADS AND STORMWATER	5 5820 006 1	PLANT & MACHINERY	8,800				8,800	1
ROADS AND STORMWATER	5 5820 007 1	TOOLS & LOOSE GEARS KWANOKUTHULA STORMWATER IMPROVEMENT	14,300				14,300	1
ROADS AND STORMWATER	5 5820 012 1		500,000			(494,800)	5,200	1
ROADS AND STORMWATER	5 5820 014 1	LANDSCAPING & PEDESTRIAN:NEW HORIZON	18,793,884			(9,910,725)	8,883,159	3
TOTAL			21,816,984	125,000	-	(7,550,525)	14,391,459	
SEWERAGE	5 5840 001 1	SEWER PUMPING NETWORK:PIESANGRIVER	4,000,000			(4,000,000)	-	4
SEWERAGE	5 5840 005 1	NETWORK EXTENSIONS	500,000				500,000	1
SEWERAGE	5 5840 006 1	IMPROV TO KWANO P/S & SEC EXTE	1,500,000			(1,500,000)	-	1
SEWERAGE	5 5840 008 1	UPGRADE OF TELEMTRY SYSTEM	300,000			200,000	500,000	1
SEWERAGE	5 5840 009 1	TOOLS AND LOOSE GEAR	25,000				25,000	1
SEWERAGE	5 5840 010 1	UPGRADE KURLAND SEWER TREATMEN	300,000				300,000	1
SEWERAGE	5 5840 011 1	UPGRADE SEWER RETIC CLEANING E	100,000				100,000	1
SEWERAGE	5 5840 012 1	UPGRADE SEWER PUMP STAT GENERATOR	400,000				400,000	1
SEWERAGE	5 5840 013 1	UPGRADE LAB EQUIP GANZEVLEI	40,000				40,000	1
SEWERAGE	5 5840 014 1	GENEYE CAMERA PIPE INSPECTION	185,000			(45,387)	139,613	1
SEWERAGE	5 5840 015 1	REFURBISHMENT OF INSTALLATIONS	500,000			(200,000)	300,000	1
TOTAL			7,850,000	-	-	(5,545,387)	2,304,613	

ADJUSTED CAPITAL BUDGET 2010/2011								
DETAIL			BUDGET				Funding Source	
Section	Vote	Description	Original Budget	ROLL OVERS 2010	2009	Adjustments		Adjusted Capital Budget 2010/2011
ELECTRICITY	5 5850 003 1	UPGRADE LV NETWORK PLETT	500,000		101,900		601,900	1
ELECTRICITY	5 5850 004 1	UPGRADE MV CABLES PLETT	500,000				500,000	1
ELECTRICITY	5 5850 005 1	UPGRADE LV/MV NETWORK KWANO	550,000				389,200	1
ELECTRICITY	5 5850 007 1	REPLACEMENT OF MINI SUBS:ALL	500,000				500,000	1
ELECTRICITY	5 5850 008 1	PURCHASE OF TOOLS & EQUIPMENT	50,000				50,000	1
ELECTRICITY	5 5850 009 1	CABLE	150,000		134,000		134,000	1
ELECTRICITY	5 5850 0101	MINOR EXTENTIONS AND REPAIRS	160,000				-	1
ELECTRICITY	5 5850 011 1	ADDITIONAL STR LIGHTS FOR ALL AREAS	220,000			90,848	310,848	1
ELECTRICITY	5 5850 012 1	FESTIVE LIGHTING:ALL AREAS	100,000			(90,848)	9,152	1
ELECTRICITY	5 5850 013 1	HIGH MAST LIGHT KLAND/KHOEK/KWANO CHANGE SUPPLY FROM 22KV TO 66K	200,000			(20,674)	179,326	1
ELECTRICITY	5 5850 014 1	CHANGE SUPPLY FROM 22KV TO 66K	1,000,000			900,000	1,900,000	2
ELECTRICITY	5 5850 015 1		-		500,000		500,000	1
ELECTRICITY	5 5850 016 1	ELECTRIFICATION:HOUSING PROGRAM	2,000,000				2,000,000	3
ELECTRICITY	5 5850 017 1	ELECTRIFICATION:HOUSING PROGR	2,000,000				2,000,000	3
ELECTRICITY	5 5850 018 1	ESKOM DEMAND SIDE MANAGEMENT	6,000,000		1,959,534		7,959,534	3
ELECTRICITY	5 5850 019 1	Kurland electrification	-			(75,036)	395,764	1
TOTAL			13,930,000		2,695,434	804,290	17,429,724	
WATER	5 5860 001 1	NEW 500 RAW WATER &ABSTRACTION	3,045,000				3,045,000	3
WATER	5 5860 002 1	AUGUMENTATION, OFF CHANNEL DAM	1,000,000				1,000,000	1
WATER	5 5860 003 1	NETWORK EXTENTIONS AND REPLACEMENT	1,000,000			(1,000,000)	-	1
WATER	5 5860 004 1	5ML PER DAY FILTER (CENTRA) RECHARGE GROUND WATER/BOREHOLE	100,000				100,000	1
WATER	5 5860 005 1	RECHARGE GROUND WATER/BOREHOLE	200,000		878,400		1,078,400	1
WATER	New Vote 5 5860 007 1	WATERDEMAND MAN & LOSS CONTROL	250,000			1,000,000	1,000,000	3
WATER	5 5860 008 1	PUMPING MAIN & RESERVIOR PSTAT	7,000,000			(7,000,000)	-	3
WATER	5 5860 011 1	UPGRADE OF LABORATORY	90,000				90,000	1
WATER	5 5860 018 1	DESALINATION PLANT	20,000,000			3,343,473	23,343,473	3
WATER	5 5860 022 1	UPGRADE OF PUMP STATIONS	1,500,000				1,500,000	4
WATER	5 5860 032 1	DEEP COVER METAL DETECTOR	12,000				12,000	1
WATER	5 5860 033 1	REFURBISHMENT OF INSTALLATION	500,000				500,000	1
WATER	5 5860 035 1	TOOLS & LOOSE GEAR	18,000			-	18,000	1
WATER	5 5860 036 1	WATER WORKS	15,000			(5,940)	9,060	1
WATER	5 5860 037 1	NATURE'S VALLEY OZONE PLANT	400,000				400,000	1
WATER	5 5860 038 1	PURCHASE OF TOOLS & EQUIPMENT	30,000			(30,000)	-	1
WATER	5 5860 039 1	TELEMETRY UPGRADING	300,000				300,000	1
WATER	5 5860 040 1	DESALINATION PLANT	-			1,500,000	1,500,000	2
TOTAL			35,460,000		878,400	(2,192,467)	34,145,933	
TOTAL MSID SERVICES			79,076,984		3,698,834.00	(14,490,919)	68,284,899	
TOTAL CAPITAL			113,401,175		15,307,341.48	(20,036,724)	108,671,792	

Section 2: Finance

ITEM C/2/119/02/11

Mayoral Committee Meeting for recommendation to Council

REVISION OF THE 2010/2011 BUDGET

Department: Finance **Demarcation:** All Wards

File Ref: 5/1/1/4

Attachments:

1. Annexure A: Revised Budget 2010/2011 Schedules
2. Annexure B: Revised Capital Budget 2010/2011

Comments by the Chief Financial Officer

A. PURPOSE OF THE REPORT

The adjustment of the annual budget is regulated in terms of the Local Government: Municipal Finance Management Act and is deemed essential to ensure optimal municipal service delivery. Section 72 of the MFMA states that the Accounting Officer must, as part of the midyear budget and performance assessment review, make recommendations as to whether an adjustment budget is necessary. The recommendation by the Accounting officer when presenting the S 72 report to Council was to adjust the 2010 2011 budget. The purpose of this report is therefore to adjust the Council's 2010/2011 Budget in terms of Section 28 of the Local Government: Municipal Finance Management Act (MFMA).

B. LEGAL FRAMEWORK

Section 28 of the MFMA stipulates as follows:

1. A municipality may revise an approved annual budget through an adjustments budget.
2. An adjustments budget-
 - Must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
 - May appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
 - May, within a prescribed framework, authorize unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;

Section 2: Finance

- May authorize the utilization of projected savings in one vote towards spending under another vote;
 - May authorize the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonable have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the Council;
 - May correct any errors in the annual budget; and
 - May provide for any other expenditure within a prescribed framework.
3. An adjustment budget must be in a prescribed form.
4. Only the mayor may table an adjustment budget in the municipal council.
5. When an adjustments budget is tabled, it must be accompanied by-
- An explanation how the adjustments budget affects the annual budget;
 - A motivation of any material changes to the annual budget;
 - An explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years; and
 - Any other supporting documentation that may be prescribed.
6. Municipal tax and tariffs may not be increased during a financial year except when required in terms of a financial recovery plan.

Municipalities are required by the MFMA to table and approve three-year budgets in accordance with uniform formats. The new budget and reporting regulations was promulgated by the Minister of finance in Gazette No 32141 on 17 April 2009.

The Gazette further states that an adjustment budget referred to in section 28(2) (b) and (f) of the MFMA may be tabled in the municipal council at any time after the mid- year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.

C. ADJUSTMENT CRITERIA

The following factors were taken into consideration with a view to the adjustment of the 2010/2011 Budget:

- a. The guidelines and priorities as contained in Council's approved IDP;
- b. The guidelines determined by National Treasury for the adjustment of municipal budgets;
- c. The actual budget performance up to 31 December 2010;
- d. The actual realization of income as measured against budgeted income;
- e. The critical evaluation of progress on capital projects;
- f. The input received from functional departmental heads;
- g. The confirmation of all external sources of capital funding and
- h. The Council's current cash flow position

Section 2: Finance

E. THE OPERATIONAL BUDGET (Statement of Performance Budget)

The proposed adjustment budget for 2010/2011 is attached as Annexure A. The affect of the budget adjustments can be illustrated as follows:

DESCRIPTION	2010/2011 Budget ‘R’	Actual 31.12.2010 ‘R’	Expected 30 June 2011 “R”	Adjustmen ts R	2010/2011 Revised Budget “R”	% incre ase
OPERATIONAL BUDGET (Statement of Performance Budget)						
OPERATING REVENUE						
Property Rates	69,300,000	68,628,571	74,300,000	5,000,000	74,300,000	7
Penalties imposed/Collection charges	2,160,000	1,354,266	2,500,000	340,000	2,500,000	16
Service Charges	144,715,244	89,798,388	146,450,244	1,735,000	146,450,244	1
Rent of Facilities and equipment	1,003,522	477,502	1,028,522	25,000	1,028,522	2
Interest earned – external investments	4,400,000	347,873	1,400,000	-3,000,000	1,400,000	-68
Fines	5,504,000	2,586,069	5,504,000	-	5,504,000	-
Licenses & Permits	18,500	33,041	35,000	16,500	35,000	89
Grants & Subsidies received – Operating	35,566,000	18,540,137	51,069,389	15,503,389	51,069,389	44
Grants & Subsidies received – Capital	64,955,725	30,275,634	69,112,341	4,156,616	69,112,341	6
Other Revenue	6,614,808	2,627,074	6,855,887	241,079	6,855,887	4
Public Contributions and Donations	512,000	1,178,905	1,212,000	700,000	1,212,000	137
Gain on Disposal of PPE	1,500,000		1,500,000	-	1,500,000	-
TOTAL OPERATING REVENUE	336,249,799	215,847,459	360,967,383	24,717,584	360,967,383	7
OPERATING EXPENDITURE						
Employee Related costs – Wages & Sal.	92,602,301	47,432,558	96,452,360	3,850,059	96,452,360	4
Remuneration of Councillors	2,797,694	1,126,389	2,973,861	176,167	2,973,861	6
Debt & Other Impairment	5,500,000	2,750,000	5,500,000	-	5,500,000	-
Collection Cost	1,150,000	393,410	1,150,000	-	1,150,000	-
Depreciation & Amortisation	18,328,300	9,170,747	13,328,299	-5,000,000	13,328,299	27
Revenue Foregone	10,083,256	4,400,000	10,083,256	-	10,083,256	-
Repairs & Maintenance	10,801,244	9,342,465	15,107,610	4,306,366	15,107,610	40
Finance Charges	9,106,407	4,075,253	9,677,716	571,309	9,677,716	6
Bulk Purchases	52,367,800	27,987,539	52,267,800	-100,000	52,267,800	-0.2
Contracted Services	6,131,000	1,629,013	8,314,000	2,183,000	8,314,000	36
Grants and Subsidies Paid	3,496,962	1,317,564	3,098,962	-398,000	3,098,962	-11
Other Operating Grant Expenditure	12,594,000	11,682,292	24,893,000	12,299,000	24,893,000	1
General Expenses – Other	54,485,732	28,012,603	52,690,230	-1,795,502	52,690,230	-3
TOTAL OPERATING EXPENDITURE	279,444,697	149,319,833	295,537,094	16,092,398	295,537,094	6
Surplus/(Deficit) for the year	56,805,101		65,430,289		65,430,289	

Section 2: Finance

The budget adjustments can mainly be attributed to the following factors:

INCOME:

Budgeted income is increased due to the following factors:

- Property Rates income increased due to the interim valuation that has not been taken into account with the original budget.
- Electricity income relating to prepaid electricity has been increased based on the actual figures as at 31 December 2010.
- More augmentation fees was received than budgeted for
- Additional Integrated Housing & Human Settlement Grant allocation amounting to R 14,000,000 from the Western Cape Provincial Administration.
- Allocation of R1m from Eden District Municipality for water services
- Allocation of R 1m from the Lotto for the upgrade of Sport field in Kwanokuthula
- Increase in projection for Rent of Facilities and equipment
- Inclusion of Unspent Government Grants as at 30 June 2010 as per Annual Financial Statements

EXPENDITURE:

Budgeted expenditures were adjusted due to inter alia, the following factors:

- i. The minor moving of funds between remuneration votes according to actual spending trends up to 31 December 2010
- ii. Adjustment of Salary Budget due to shortfall on medical aid, salaries and other employee benefits when taking the actual spending to date into account
- iii. The increase of Repairs and Maintenance votes due to a need for additional funds
 - a. The following **additional** allocations were included into the 2010/2011 Budget:

Description	Amount 'R'
Repairs and Maintenance of Houses	1,700,000
Mayoral Interventions	400,000
Communications	420,000
Rehabilitation of Landfill Site	400,000
Parks and Recreations (Grounds)	535,000
Disaster Relief	300,000
Training	200,000
5 Year Performance Evaluation	2,000,000
Property Rates investigation	650,000
Legal Expenses	500,000

(The above list is not complete and don't include the minor adjustments)

Section 2: Finance

F. CAPITAL BUDGET ADJUSTMENT

Council approved a capital budget to the amount of R 113,401,175 on 31 May 2010. After an in dept work session with all the Heads of the Departments, and taking the 2009/ 2010 roll over's into consideration, the adjusted budget will be decrease with R4,729,383.00.

The funding for the revised budget can be summarized as follow:

	ORIGINAL BUDGET 2010/2011	ROLL – OVER 2009/10	Revised AMOUNT 2010/2011	Revised Budget 2010/2011
CAPITAL REPLACEMENT RESERVE	25,145,450	6,332,000	(8,325,140)	23,152,310
EXTERNAL FUNDING	12,800,000	3,484,000	3,243,468	19,527,468
GRANTS	66,455,725	5,491,341	(8,955,052)	62,992,014
OTHER	9,000,000	-	(6,000,000)	3,000,000
TOTAL	113,402,175	15,307,341	(20,036,724)	108,671,792

It should be noted that the municipality will take up an overdraft facility amounting to R 5 million to finance capital projects that was to be financed from a long term loan. The municipality financed these projects from our own funds in the interim and therefore the need for a short term overdraft facility. The overdraft facility will be settled once the external loan is taken up by the municipality. The municipality will go out on tender for the external loan after the approval of the adjustment budget.

Projects on the budget, financed from external loans, but paid for by the municipality as at 31 December 2010 is as follow:

PROJECT	AMOUNT BUDGET	EXPENDITURE 31 DEC 2010
	R	R
INTERNAL RETICULATION KURLAND	1,000,000	1,000,000
UPGRADE OF HOSTEL	1,000,000	1,000,000
CHANGE SUPPLY FROM 22KV TO 66K	1,900,000	1,690,708
GREENVALLEY SPORTFIELD	2,900,000	1,950,092
TOTAL LOAN PROJECTS FINANCED FROM OWN FUNDS:	6,800,000	5,640,800

Section 2: Finance

Annexure B contains the proposed draft capital adjustments budget for 2010/2011
The proposed adjustment entails the following:

The following projects with amounts above R1Million were added:

	PROJECT	AMOUNT – R	FINANCE SOURCE
1.1	Purchase of Land (Minnaar)	1,900,000	EFF
1.2	Main street Upgrade	1,480,000	EFF
1.3	Desalination Plant	1,500,000	EFF
1.4	Desalination Plant	3,343,473	Grants
1.5	Upgrade Kwano Sportfield	1,000,000	Other (lotto)
1.6	Purchase of Erf 2102 (Transnet)	3,000,000	EFF
1.7	Recharge Groundwater Borehole	1,000,000	EDM

The projected savings on some of the items on the original budget were shifted between projects where additional funds were required. The detailed revised capital budget is attached as Annexure B.

It is recommended to Council that:

1. The 2010/2011 budget is adjusted from R 113,401,175 to R 108,671,792
2. The adjusted capital budget will be funded as follows:

2.1	Own Funding	R 23,152,310
2.2	External Loans	R 19,527,468
2.3	Grants	R 62,992,014
2.4	Other	R 3,000,000
	TOTAL	R 108,671,792

G. PARTIES CONSULTED

- Office of the Municipal Manager.
- All Departmental Heads.
- Treasury (National and Provincial) – with respect to legal framework.
- Department Local Government and Housing (Western Cape).

H. ATTACHMENTS:

- A: Adjusted 2010/2011 Budget Schedules
- B: Adjusted 2010/2011 Capital Budget.

Section 2: Finance

THE DETAILED ITEMIZED BUDGET SCHEDULES ARE AVAILABLE AT THE BUDGET AND TREASURY OFFICE FOR PERUSAL

Recommendation by the Municipal Manager

1. That, in terms of Section 28 of the MFMA, Council adopts the 2010/2011 Adjustments Budget, attached as Annexure A.
2. That the total increase in the 2010/2011 Operating Budget from R279,444,697 to R 295,537,094 be approved.
3. That the 2010/2011 Capital Budget be adjusted from R113,401,175 to R108,671,792 as per attached Annexure B.
4. That the adjusted 2010/2011 Capital Budget be funded as follows:
 - a. External Loans R 19,527,468
 - b. Own Funding R 23,152,310
 - c. Grants R 62,992,014
 - d. Other R 3,000,000

TOTAL

R 108,671,792

6. That in terms of section 22 of the MFMA, Council's adopted 2010/2011 Adjustments Budget be submitted to National Treasury and the Western Cape Provincial Treasury.
7. That the 2010/2011 Service Delivery Budget Implementation Plan (SDBIP) be adjusted in accordance with the 2010/2011 revised budget.
8. That approval be granted for the taking up of an overdraft facility to the amount of R5 million to be utilised as bridging finance for capital projects to be funded from long term loans and that the facility be repaid when the external loans has been received."

**SOURCES OF FINANCE
ADJUSTED CAPITAL BUDGET 2010/2011**

FUNDING SOURCE	CODE	ORIGINAL BUDGET	ROLL OVERS	ADJUSTMENTS	REVISED BUDGET 2010/2011
Capital Replacement Reserve	1	25,145,450.00	6,332,000.00	(8,325,140.00)	23,152,310.00
External Loans	2	12,800,000.00	3,484,000.00	3,243,468.00	19,527,468.00
Grants	3	66,455,725.00	5,491,341.48	(8,955,052.00)	62,992,014.48
Other	4	9,000,000.00	0.00	(6,000,000.00)	3,000,000.00
TOTAL		113,401,175.00	15,307,341.48	(20,036,724.00)	108,671,792.48