



*Modimolle Local Municipality*

**2011/12 Adjustment Medium Term Revenue and  
Expenditure Framework (MTREF)**

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## **Part 1 – INTRODUCTION**

### **Municipal Budgeting**

Financial plans have separate budgets for operations and capital investments. This ensures that municipalities do not finance their operational expenses by obtaining loans, but rather helps them to be financially viable.

The municipality may revise an approved annual budget through an adjustment budget after the mid-year budget and performance report was tabled in council, but not later than 28 February of the current year.

### **Operating Budget**

This part of the budget shows how much money is spent on running the administration and delivering the day-to-day services including the maintenance of existing assets and infrastructure. It shows where this money comes from (sources of revenue). This income may be from rates and taxes, service charges and inter-governmental transfers.

### **Capital Budget**

This part of the budget shows how much money local government is planning to invest in infrastructure or other capital assets. Municipalities have to know how much will be spent on this item each year, and where the money for this spending will come from. This part of the budget is called the **capital budget** because it is used for new physical development, or infrastructure investment.

The MFMA requires municipalities to prepare balanced budgets. This means that they have to make reasonable estimates of income and match it to anticipated expenditure.

## **Part 2 - ADJUSTMENT BUDGET**

### **1. MAYORS' REPORT**

Honourable Speaker

Councillors

Municipal Manager and Management Team

Members of Ward Committees

Colleagues

Ladies and Gentlemen

Modimolle Community

Honourable Speaker allow me to present to you the budget adjustment for the financial year 2011/2012.

As the municipality we are still committed to government key priorities and the mandate given by the electorates.

When we do budget adjustment we concentrated much of the infrastructure development and creation of jobs.

Mister Speaker

The total operating revenue was decreased with R3,5 million for the 2011/2012 financial year. The decrease was due to the decrease in service charges after revenue foregone was taken into account.

The capital budget was increased with R8,3 million for 2011/2012 financial year. The increase is due to the following:

- The municipality received a grant from the Department of Sport and Recreation
- We also noted with concern the rollover of unspent Municipal Infrastructure Grant (MIG).

Mister Speaker and Member of the community

Let me outline the issues related to our budget which put more emphasis on the list of Capital Programmes and Projects effected by Adjustment Budget.

	Original Budget R'000	Adjusted Budget R'000
Mabatlane Market stalls	860	1 000
Modimolel market Stalls	1 820	1 850
Development of Sport Park at Mabatlane (Vaalwater) a grant from Sport and Recreation of R3m		
Safe at Mabatlane	10	10
Joe SLoVo Bridge	2909	4 531
Leseding Taxi Rank	1580	121
Meininger Street	800	800
Bridge (Limpopo Bridge)		5 000
Re-seal of Thabo Mbeki		950
Computers	20	20
Furniture	37	37
Mabatlane Sewer Reticulation	5 100	4 826
Modimolle Waste Water Treatment Plant	12 310	627
Alma (Mabaleng Package Plant)		3 000
Vaalwater (Mabatlane Package Plant)		3 056
Phagameng Ext 9 Streetlights	298	298
Phagameng ext 11 Streetlights	298	298
Alma Highmast lights		399
Vaalwater Highmast lights		399
Water Provision for Extension 11		240

Honourable Speaker

I also want to extend my gratitude to my colleagues in the Finance Council Committee, Executive Committee, the Council and Management Team for the support and dedication shown during the budget adjustment.

Working together we can build better communities.



## **2. COUNCIL RESOLUTIONS**

1. The Council of Modimolle Local Municipality, acting in terms of section 28 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
  - 1.1. The adjustment budget of the municipality for the financial year 2011/12 and the multi-year and single-year capital appropriations as set out in the following tables:
    - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 8 on page 19;
    - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 9 on page 21;
    - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 10 on page 22; and
    - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 11 on page 25.
  - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
    - 1.2.1. Budgeted Financial Position as contained in Table 12 on page 28;
    - 1.2.2. Budgeted Cash Flows as contained in Table 13 on page 30;
    - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 14 on page 30;
    - 1.2.4. Asset management as contained in Table 15 on page 32; and
    - 1.2.5. Basic service delivery measurement as contained in Table 16 on page 35.

### 3. EXECUTIVE SUMMARY

The application of sound financial management principles for the compilation of the Municipalities financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The following table is a consolidated overview of the proposed 2011/12 Adjustment Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Overview of the 2011/12 Adjustment MTREF**

Description R thousands	Original Budget 2011/12	Adjustment Budget 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Total Operating Revenue	186 985	183 498	204 548	228 512
Total Operating Expenditure	212 526	208 768	238 301	264 863
<i>(Surplus)/Deficit for the year</i>	-25 542	-25 270	-33 753	-36 351
Total Capital Expenditure	33 315	41 572	49 781	48 903

Total operating revenue was decreased with R3.5 million for the 2011/12 financial year. The decrease to operating revenue is due to the decrease in service charges after revenue foregone was taken into account.

For the two outer years, operational revenue was adjusted to R204.5 million and R228.5 million.

Total operating expenditure for the 2011/12 has decreased with R3.8 million for the 2011/12 financial year, this translates into a budgeted deficit of R25.3 million.

The capital budget was increased with R8.3 million for 2011/12 financial year. The increase is due to the following:

- The municipality receiving a grant from the Department of Sport for the development of Sports facilities and;
- The rollover of unspent Municipal Infrastructure Grant.

#### 1. Operating Revenue Framework

The following table is a summary of the 2011/12 Adjustment MTREF (classified by main revenue source):

**Table 2 Summary of revenue classified by main revenue source**

Description R thousands	Budget Year 2011/12									Budget Year +1 2012/13	Budget Year +2 2013/14
	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
<b>Revenue By Source</b>											
Property rates	16,870	-	-	-	-	-	130	130	17,000	17,747	18,811
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	64,770	-	-	-	-	-	(1,185)	(1,185)	63,586	76,303	91,563
Service charges - water revenue	25,300	-	-	-	-	-	(1,400)	(1,400)	23,900	26,330	29,013
Service charges - sanitation revenue	8,480	-	-	-	-	-	(1,380)	(1,380)	7,100	7,389	7,738
Service charges - refuse revenue	6,540	-	-	-	-	-	(1,800)	(1,800)	4,740	5,032	5,348
Service charges - other	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	150	-	-	-	-	-	-	-	150	162	176
Interest earned - external investments	2,100	-	-	-	-	-	(100)	(100)	2,000	2,030	1,850
Interest earned - outstanding debtors	2,000	-	-	-	-	-	1,500	1,500	3,500	4,200	4,400
Dividends received	-	-	-	-	-	-	-	-	-	-	-
Fines	152	-	-	-	-	-	-	-	152	163	173
Licences and permits	-	-	-	-	-	-	-	-	-	-	-
Agency services	3,000	-	-	-	-	-	-	-	3,000	3,180	3,384
Transfers recognised - operating	55,302	-	-	-	-	-	848	848	56,150	59,426	63,302
Other revenue	2,320	-	-	-	-	-	(100)	(100)	2,220	2,587	2,753
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>186,985</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,487)</b>	<b>(3,487)</b>	<b>183,498</b>	<b>204,548</b>	<b>228,512</b>

**Table 3 Percentage growth in revenue by main revenue source**

Description R thousand	Current Year 2011/12				2011/12 Medium Term Revenue & Expenditure			
	Original Budget 2011/12	%	Adjustment budget 2011/12	%	Budget Year +1 2012/13	%	Budget Year +2 2013/14	%
<b>Revenue By Source</b>								
Property rates	16 870	9%	17 000	9%	17 747	9%	18 811	9%
Service charges - electricity revenue	64 770	35%	63 586	35%	76 303	35%	91 563	36%
Service charges - water revenue	25 300	14%	23 900	14%	26 330	14%	29 013	14%
Service charges - sanitation revenue	8 480	5%	7 100	5%	7 389	4%	7 738	4%
Service charges - refuse revenue	6 540	3%	4 740	3%	5 032	3%	5 348	3%
Rental of facilities and equipment	150	0%	150	0%	162	0%	176	0%
Interest earned - external investments	2 100	1%	2 000	1%	2 030	1%	1 850	1%
Interest earned - outstanding debtors	2 000	1%	3 500	1%	4 200	1%	4 400	1%
Fines	152	0%	152	0%	163	0%	173	0%
Agency services	3 000	2%	3 000	2%	3 180	2%	3 384	2%
Transfers recognised - operational	55 302	30%	56 150	30%	59 426	29%	63 302	29%
Other revenue	2 320	1%	2 220	1%	2 587	1%	2 753	1%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>186 985</b>	<b>100%</b>	<b>183 498</b>	<b>100%</b>	<b>204 548</b>	<b>100%</b>	<b>228 512</b>	<b>100%</b>
Total Revenue from rates and service charges	121 960	65%	116 326	63%	132 800	65%	152 474	67%

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise more than 60% of the total revenue mix. In the 2011/12 adjustment budget, revenue from rates and services charges totalled R116.3 million or 63 percent. This increases to R132.8 million and R152.5 million in the respective financial years of the MTREF. A notable trend is the increase in the total percentage revenue generated from rates and services charges which increases from 63 percent in 2011/12 to 67 percent in 2013/14. This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 17 MBRR SA1 (see page 36).

Operating grants and transfers totals R56.1 million in the 2011/12 adjustment budget and steadily increases to R63 million by 2013/14. This is an increase of R0.8 million and is due to the rollover of Financial Management Grant and the Municipal Systems Improvement Grant. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term as gazetted in the Division of Revenue Act:

**Table 4 Operating Transfers and Grant Receipts**

Description	Budget Year 2011/12							Budget Year +1	Budget Year +2
	Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands									
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
National Government:	53 766	-	-	-	-	-	53 766	59 426	63 302
Local Government Equitable Share	50 075						50 075	55 376	58 990
Finance Management	1 250						1 250	1 500	1 500
Municipal Systems Improvement	790						790	800	900
Integrated National Electrification Programme	-						-		-
Municipal Infrastructure Grant (MIG)	-						-		
Municipal Infrastructure Grant	1 651						1 651	1 750	1 912
Provincial Government:	-	-	-	-	-	-	-	-	-
Department of Provincial & LG	-						-	-	-
District Municipality:	1 000	-	-	-	-	-	-	-	-
Waterberg District	1 000						1 000	-	-
	-						-	-	-
Other grant providers:	536	-	-	-	-	-	536	-	-
[insert description]	-						-	-	-
EPWP	536						536	-	-
<b>Total Operating Transfers and Grants</b>	<b>55 302</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54 302</b>	<b>59 426</b>	<b>63 302</b>

## 2. OPERATING EXPENDITURE FRAMEWORK

The following table is a high level summary of the 2011/12 Adjustment MTREF (classified per main type of operating expenditure)

Table 5 Summary of operating expenditure by standard classification item

Description R thousands	Budget Year 2011/12									Budget Year +1 2012/13	Budget Year +2 2013/14
	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
<b>Expenditure By Type</b>											
Employee related costs	61 669	-	-	-	-	-	(591)	(591)	61 078	66 147	72 668
Remuneration of councillors	4 903	-	-	-	-	-	268	268	5 172	5 430	5 756
Debt impairment	4 000	-	-	-	-	-	-	-	4 000	5 000	5 500
Depreciation & asset impairment	35 750	-	-	-	-	-	-	-	35 750	37 861	40 110
Finance charges	806	-	-	-	-	-	1 500	1 500	2 306	826	846
Bulk purchases	55 560	-	-	-	-	-	-	-	55 560	66 500	85 677
Other materials	8 303	-	-	-	-	-	98	98	8 401	9 753	11 006
Contracted services	4 873	-	-	-	-	-	728	728	5 601	6 302	6 545
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	36 661	-	-	-	-	-	(5 761)	(5 761)	30 900	40 480	36 755
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>212 526</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3 758)</b>	<b>(3 758)</b>	<b>208 768</b>	<b>238 301</b>	<b>264 863</b>

The budgeted allocation for employee related costs for the 2011/12 original budget totals R61.6 million and reduces to R61 million in the adjustment budget. This equals 29 percent of the total operating expenditure.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipalities adjustment budget.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R35.7 million for the 2011/12 financial and equates to 17 percent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist of the repayment of interest on long-term borrowing (cost of capital) and employee related provisions. Finance charges make up 1.1 percent of operating expenditure excluding annual redemption for 2011/12.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Magalies Water. No adjustments have been made to bulk purchases.

### 3. OPERATING SURPLUS/DEFICIT

The Operating budget shows a deficit of R25 270 000,00 as per Table B1 after cash and non-cash items was taken into account.

The municipality have a surplus of R14 480 000,00 if the non- cash items is taken out of the calculation.

With the implementation of GRAP 17, Property, Plant and Equipment, the municipality had to provide for a larger amount for depreciation. Depreciation has to be phased into the tariff structure so that the renewal of infrastructure assets can be done.

The municipality acknowledges that the full impact of providing for depreciation can't be achieved in one financial year. To lift the burden of the community, depreciation will be phased in the tariff structure over a period.

The municipality will be able to phase in R14 480 000,00 of the R39 750 000,00 noncash items during this financial year.

#### 3.4 Capital Expenditure

The following table provides a breakdown of adjustments to capital budget by vote:

**Table 6 2011/12 Medium-term capital budget per vote**

Vote Description R thousand	Current Year 2010/11				Budget Year +1 2012/13		Budget Year +2 2013/14	
	Original Budget	%	Adjustment Budget 2011/12	%	Adjustment Budget	%	Adjustment Budget	%
Vote1 - Executive & Council	-	0%	-	0%	-	0%	-	0%
Vote2 - Financial Services	10	0%	10	0%	-	0%	-	0%
Vote3 - Corporate Services	-	0%	-	0%	-	0%	-	0%
Vote4 - Social Services	2 680	8%	5 850	8%	-	0%	1 500	3%
Vote5 - Technical Services	30 625	92%	35 712	92%	49 781	100%	47 403	97%
<b>Total Capital Budget</b>	<b>33 315</b>	<b>100%</b>	<b>41 572</b>	<b>100%</b>	<b>49 781</b>	<b>100%</b>	<b>48 903</b>	<b>100%</b>

For 2011/12 adjustment budget increase with R8.3 million an amount of R30.6 million has been appropriated for the development of infrastructure which represents 91.75 percent of the total capital budget. In the outer years this amount totals R49.8 million, 100 percent and R47.4 million, 97 percent respectively for each of the financial years.

Total new assets represent 37.8 percent or R15.7 million of the total capital budget while asset renewal equates to 62.17 percent or R25.8 million. Further detail relating to asset classes and proposed capital expenditure is contained in Table 15 MBRR B9 (Asset Management) on page 32. In addition to the MBRR Table B9, MBRR Tables SB18 (a), (b), (c) provides a detailed breakdown of the capital programme relating to new asset construction,



capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 52, 53 and 54).

#### **4. ADJUSTMENT BUDGET TABLES**

The information in the following Tables B1 to B10 constitutes the Municipalities adjustment budget for the 2011/12 financial year and indicative allocations for the 2012/13 and 2013/14 financial years in terms of section 21 of the Municipal Budget and Reporting Regulations.

The Municipality does not have any entities through which it provides municipal services. Instead, services are provided internally through departments. The key departments are Technical and Social Services. In instances where internal capability is limited, services are provided through external services providers. In such instances, Service Level Agreements are entered into with the service providers. Therefore, the adjustment budget tables that follow relate to the budget of the municipality only.



**Table 7 MBRR Table B1 -Adjustment Budget Summary**

Description	Budget Year 2011/12									Budget Year +1 2012/13	Budget Year +2 2013/14
	Original Budget	Prior Adjusted 1	Accum. Funds 2	Multi-year capital 3	Unfore. Unavoid. 4	Nat. or Prov. Govt 5	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
<b>Financial Performance</b>											
Property rates	16,870	-	-	-	-	-	130	130	17,000	17,747	18,811
Service charges	105,090	-	-	-	-	-	(5,765)	(5,765)	99,326	115,054	133,663
Investment revenue	4,100	-	-	-	-	-	1,400	1,400	5,500	6,230	6,250
Transfers recognised - operational	55,302	-	-	-	-	-	848	848	56,150	59,426	63,302
Other own revenue	5,622	-	-	-	-	-	(100)	(100)	5,522	6,092	6,485
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>186,985</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,487)</b>	<b>(3,487)</b>	<b>183,498</b>	<b>204,548</b>	<b>228,512</b>
Employee costs	61,669	-	-	-	-	-	(591)	(591)	61,078	66,147	72,668
Remuneration of councillors	4,903	-	-	-	-	-	268	268	5,172	5,430	5,756
Depreciation & asset impairment	35,750	-	-	-	-	-	-	-	35,750	37,861	40,110
Finance charges	806	-	-	-	-	-	1,500	1,500	2,306	826	846
Materials and bulk purchases	63,863	-	-	-	-	-	98	98	63,961	76,253	96,682
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	45,534	-	-	-	-	-	(5,033)	(5,033)	40,501	51,782	48,801
<b>Total Expenditure</b>	<b>212,526</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,758)</b>	<b>(3,758)</b>	<b>208,768</b>	<b>238,301</b>	<b>264,863</b>
<b>Surplus/(Deficit)</b>	<b>(25,542)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>271</b>	<b>271</b>	<b>(25,270)</b>	<b>(33,752)</b>	<b>(36,352)</b>
Transfers recognised - capital	32,505	-	-	-	-	-	7,052	7,052	39,558	39,781	41,903
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>6,964</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,324</b>	<b>7,324</b>	<b>14,287</b>	<b>6,029</b>	<b>5,551</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>6,964</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,324</b>	<b>7,324</b>	<b>14,287</b>	<b>6,029</b>	<b>5,551</b>
<b>Capital expenditure &amp; funds sources</b>											
<b>Capital expenditure</b>	<b>33,315</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,257</b>	<b>8,257</b>	<b>41,572</b>	<b>49,781</b>	<b>48,903</b>
Transfers recognised - capital	32,505	-	-	-	-	-	7,052	7,052	39,558	39,781	41,903
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	10,000	7,000
Internally generated funds	810	-	-	-	-	-	1,205	1,205	2,015	-	-
<b>Total sources of capital funds</b>	<b>33,315</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,257</b>	<b>8,257</b>	<b>41,572</b>	<b>49,781</b>	<b>48,903</b>
<b>Financial position</b>											
Total current assets	55,285	-	-	-	-	-	23,105	23,105	78,390	66,715	71,683
Total non current assets	762,269	-	-	-	-	-	74,642	74,642	836,912	849,050	858,088
Total current liabilities	28,700	-	-	-	-	-	(300)	(300)	28,400	29,650	29,950
Total non current liabilities	16,895	-	-	-	-	-	13,753	13,753	30,648	39,698	46,748
<b>Community wealth/Equity</b>	<b>771,960</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84,294</b>	<b>84,294</b>	<b>856,254</b>	<b>846,417</b>	<b>853,073</b>
<b>Cash flows</b>											
Net cash from (used) operating	33,404	-	-	-	-	-	6,288	6,288	39,692	41,803	43,108
Net cash from (used) investing	(33,510)	-	-	-	-	-	(8,257)	(8,257)	(41,767)	(49,781)	(48,903)
Net cash from (used) financing	(285)	-	-	-	-	-	50	50	(235)	9,465	5,820
<b>Cash/cash equivalents at the year end</b>	<b>2,709</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,791</b>	<b>24,791</b>	<b>27,500</b>	<b>28,987</b>	<b>29,012</b>
<b>Cash backing/surplus reconciliation</b>											
Cash and investments available	28,979	-	-	-	-	-	15,746	15,746	44,724	35,143	42,487
Application of cash and investments	3,565	-	-	-	-	-	21,778	21,778	25,343	25,874	25,938
<b>Balance - surplus (shortfall)</b>	<b>25,413</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,032)</b>	<b>(6,032)</b>	<b>19,381</b>	<b>9,269</b>	<b>16,549</b>
<b>Asset Management</b>											
Asset register summary (WDV)	760,349	-	-	-	-	-	76,642	76,642	836,991	841,223	850,016
Depreciation & asset impairment	35,750	-	-	-	-	-	-	-	35,750	37,861	40,110
Renewal of Existing Assets	24,684	-	-	-	-	-	1,161	1,161	25,845	-	-
Repairs and Maintenance	8,306	-	-	-	-	-	95	95	8,401	9,753	11,006
<b>Free services</b>											
Cost of Free Basic Services provided	3,753	-	-	-	-	-	-	-	3,753	-	-
Revenue cost of free services provided	5,753	-	-	-	-	-	7,682	7,682	13,435	9,482	10,678
<b>Households below minimum service level</b>											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sew erage:	-	-	-	-	-	-	-	-	-	-	-
Energy:	3	-	-	-	-	-	-	-	3	3	3
Refuse:	7	-	-	-	-	-	-	-	7	7	7

### **Explanatory notes to MBRR Table B1 - Adjustment Budget Summary**

1. Table B1 is adjustment budget summary and provides a concise overview of the Municipalities adjustment budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The operating surplus/deficit (after Total Expenditure) is negative over the MTREF
  - b. Capital expenditure is balanced by capital funding sources, of which:
    - i. Transfers recognised is reflected on the Financial Performance Budget;
    - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    - iii. Internally generated funds are financed from accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. These places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

**Table 8 MBRR Table B2 - Adjustment Budgeted Financial Performance (revenue and expenditure by standard classification)**

Standard Description	Budget Year 2011/12									Budget Year +1 2012/13	Budget Year +2 2013/14
	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		
<b>Revenue - Standard</b>											
<i>Governance and administration</i>	52 322	-	-	-	-	-	2 452	2 452	54 774	58 710	61 992
Executive and council	23 547	-	-	-	-	-	482	482	24 029	25 047	26 559
Budget and treasury office	27 812	-	-	-	-	-	1 965	1 965	29 777	32 677	34 334
Corporate services	963	-	-	-	-	-	5	5	968	986	1 099
<i>Community and public safety</i>	4 319	-	-	-	-	-	3 140	3 140	7 459	1 799	3 410
Community and social services	2 910	-	-	-	-	-	140	140	3 050	245	260
Sport and recreation	11	-	-	-	-	-	3 000	3 000	3 011	12	1 512
Public safety	1 398	-	-	-	-	-	-	-	1 398	1 543	1 637
Housing	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	9 526	-	-	-	-	-	5 159	5 159	14 686	23 281	5 680
Planning and development	1 874	-	-	-	-	-	(4)	(4)	1 870	1 932	2 110
Road transport	7 653	-	-	-	-	-	5 163	5 163	12 816	21 349	3 569
Environmental protection	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	153 323	-	-	-	-	-	(7 186)	(7 186)	146 137	160 539	199 334
Electricity	75 194	-	-	-	-	-	(467)	(467)	74 727	89 727	101 983
Water	38 163	-	-	-	-	-	2 362	2 362	40 525	32 522	44 122
Waste water management	30 707	-	-	-	-	-	(7 281)	(7 281)	23 426	30 843	45 309
Waste management	9 259	-	-	-	-	-	(1 800)	(1 800)	7 459	7 447	7 920
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>219 490</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 566</b>	<b>3 566</b>	<b>223 055</b>	<b>244 330</b>	<b>270 415</b>
<b>Expenditure - Standard</b>											
<i>Governance and administration</i>	46 162	-	-	-	-	-	(2 471)	(2 471)	43 691	51 262	55 694
Executive and council	25 610	-	-	-	-	-	(3 893)	(3 893)	21 717	27 607	29 532
Budget and treasury office	9 324	-	-	-	-	-	490	490	9 814	10 053	11 104
Corporate services	11 229	-	-	-	-	-	932	932	12 161	13 601	15 058
<i>Community and public safety</i>	17 128	-	-	-	-	-	48	48	17 175	18 619	19 755
Community and social services	10 695	-	-	-	-	-	94	94	10 789	11 740	12 338
Sport and recreation	5 034	-	-	-	-	-	(46)	(46)	4 988	5 336	5 779
Public safety	1 398	-	-	-	-	-	-	-	1 398	1 543	1 637
Housing	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	34 407	-	-	-	-	-	(350)	(350)	34 058	37 545	40 756
Planning and development	4 225	-	-	-	-	-	(140)	(140)	4 085	4 761	4 951
Road transport	30 182	-	-	-	-	-	(210)	(210)	29 973	32 784	35 805
Environmental protection	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	114 829	-	-	-	-	-	(985)	(985)	113 844	130 875	148 658
Electricity	71 494	-	-	-	-	-	1 064	1 064	72 557	86 352	100 698
Water	25 992	-	-	-	-	-	(513)	(513)	25 479	27 926	30 034
Waste water management	9 036	-	-	-	-	-	(786)	(786)	8 250	8 759	9 432
Waste management	8 308	-	-	-	-	-	(750)	(750)	7 558	7 838	8 494
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	<b>212 526</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3 758)</b>	<b>(3 758)</b>	<b>208 768</b>	<b>238 301</b>	<b>264 863</b>
<b>Surplus/ (Deficit) for the year</b>	<b>6 964</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7 324</b>	<b>7 324</b>	<b>14 287</b>	<b>6 029</b>	<b>5 552</b>

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**Explanatory notes to MBRR Table B2 –Adjustment Budgeted Financial Performance (revenue and expenditure by standard classification)**

1. Table B2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile “whole of government” reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table B4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Water and Waste water and Waste management function.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.

**Table 9 MBRR Table B3 - Adjustment Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description <i>(Insert departmental structure etc)</i>	Budget Year 2011/12									Budget Year +1 2012/13	Budget Year +2 2013/14
	Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
<b>Revenue by Vote</b>											
Vote 1 - Executive & Council	23 547	-	-	-	-	-	482	482	24 029	25 047	26 559
Vote 2 - Financial Services	27 812	-	-	-	-	-	1 965	1 965	29 777	32 677	34 334
Vote 3 - Corporate Services	840	-	-	-	-	-	5	5	845	852	953
Vote 4 - Social Services	16 742	-	-	-	-	-	1 340	1 340	18 082	12 601	14 899
Vote 5 - Technical Services	150 549	-	-	-	-	-	(226)	(226)	150 322	173 153	193 670
Vote 6 - Planning	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Example 7	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Example 8	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Example 9	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Example 10	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Example 11	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Example 12	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Example 13	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Example 14	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Example 15	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>219 490</b>	-	-	-	-	-	<b>3 566</b>	<b>3 566</b>	<b>223 055</b>	<b>244 330</b>	<b>270 414</b>
<b>Expenditure by Vote</b>											
Vote 1 - Executive & Council	25 610	-	-	-	-	-	(3 893)	(3 893)	21 717	27 607	29 532
Vote 2 - Financial Services	9 324	-	-	-	-	-	490	490	9 814	10 053	11 104
Vote 3 - Corporate Services	11 120	-	-	-	-	-	942	942	12 062	13 488	14 935
Vote 4 - Social Services	31 611	-	-	-	-	-	(726)	(726)	30 885	33 044	35 400
Vote 5 - Technical Services	134 862	-	-	-	-	-	(572)	(572)	134 290	153 863	173 892
Vote 6 - Planning	-	-	-	-	-	-	-	-	-	245	-
Vote 7 - Example 7	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Example 8	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Example 9	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Example 10	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Example 11	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Example 12	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Example 13	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Example 14	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Example 15	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>212 526</b>	-	-	-	-	-	<b>(3 758)</b>	<b>(3 758)</b>	<b>208 768</b>	<b>238 301</b>	<b>264 863</b>
<b>Surplus/ (Deficit) for the year</b>	<b>6 964</b>	-	-	-	-	-	<b>7 324</b>	<b>7 324</b>	<b>14 287</b>	<b>6 029</b>	<b>5 551</b>

**Explanatory notes to MBRR Table B3 - Adjustment Budgeted Financial Performance (revenue and expenditure by municipal vote)**

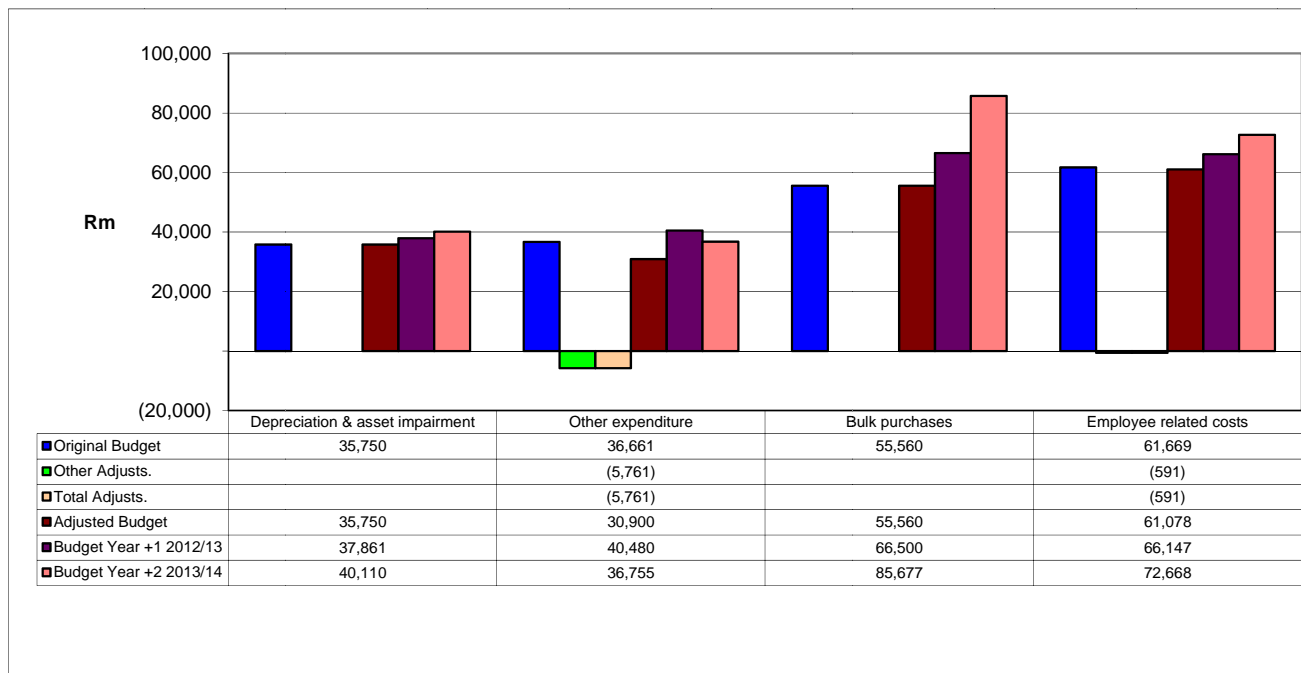
- Table B3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

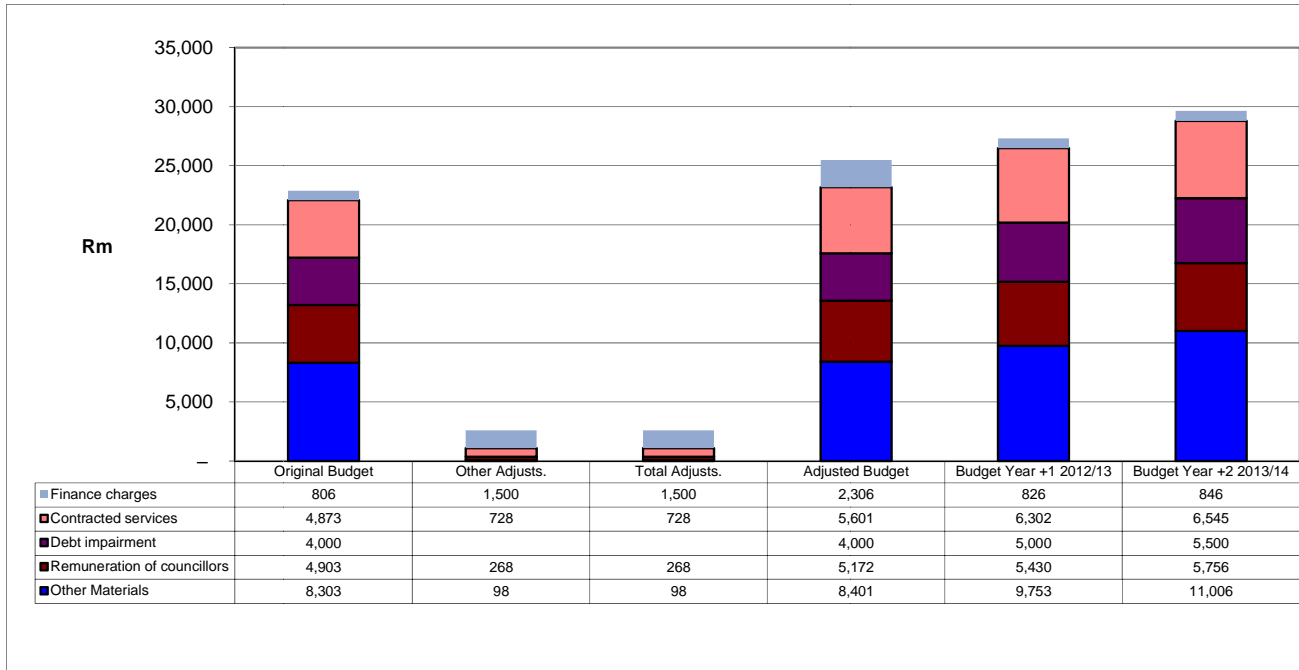
**Table 10 MBRR Table B4 - Adjustment Budgeted Financial Performance**

Description	Budget Year 2011/12									Budget Year +1 2012/13	Budget Year +2 2013/14
	Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
<b>Revenue By Source</b>											
Property rates	16 870	-	-	-	-	-	130	130	17 000	17 747	18 811
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	64 770	-	-	-	-	-	(1 185)	(1 185)	63 586	76 303	91 563
Service charges - water revenue	25 300	-	-	-	-	-	(1 400)	(1 400)	23 900	26 330	29 013
Service charges - sanitation revenue	8 480	-	-	-	-	-	(1 380)	(1 380)	7 100	7 389	7 738
Service charges - refuse revenue	6 540	-	-	-	-	-	(1 800)	(1 800)	4 740	5 032	5 348
Service charges - other	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	150	-	-	-	-	-	-	-	150	162	176
Interest earned - external investments	2 100	-	-	-	-	-	(100)	(100)	2 000	2 030	1 850
Interest earned - outstanding debtors	2 000	-	-	-	-	-	1 500	1 500	3 500	4 200	4 400
Dividends received	-	-	-	-	-	-	-	-	-	-	-
Fines	152	-	-	-	-	-	-	-	152	163	173
Licences and permits	-	-	-	-	-	-	-	-	-	-	-
Agency services	3 000	-	-	-	-	-	-	-	3 000	3 180	3 384
Transfers recognised - operating	55 302	-	-	-	-	-	848	848	56 150	59 426	63 302
Other revenue	2 320	-	-	-	-	-	(100)	(100)	2 220	2 587	2 753
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>186 985</b>	-	-	-	-	-	<b>(3 487)</b>	<b>(3 487)</b>	<b>183 498</b>	<b>204 548</b>	<b>228 512</b>
<b>Expenditure By Type</b>											
Employee related costs	61 669	-	-	-	-	-	(591)	(591)	61 078	66 147	72 668
Remuneration of councillors	4 903	-	-	-	-	-	268	268	5 172	5 430	5 756
Debt impairment	4 000	-	-	-	-	-	-	-	4 000	5 000	5 500
Depreciation & asset impairment	35 750	-	-	-	-	-	-	-	35 750	37 861	40 110
Finance charges	806	-	-	-	-	-	1 500	1 500	2 306	826	846
Bulk purchases	55 560	-	-	-	-	-	-	-	55 560	66 500	85 677
Other materials	8 303	-	-	-	-	-	98	98	8 401	9 753	11 006
Contracted services	4 873	-	-	-	-	-	728	728	5 601	6 302	6 545
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	36 661	-	-	-	-	-	(5 761)	(5 761)	30 900	40 480	36 755
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>212 526</b>	-	-	-	-	-	<b>(3 758)</b>	<b>(3 758)</b>	<b>208 768</b>	<b>238 301</b>	<b>264 863</b>
<b>Surplus/(Deficit)</b>	<b>(25 542)</b>	-	-	-	-	-	<b>271</b>	<b>271</b>	<b>(25 270)</b>	<b>(33 752)</b>	<b>(36 352)</b>
Transfers recognised - capital	32 505	-	-	-	-	-	7 052	7 052	39 558	39 781	41 903
Contributions	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) before taxation</b>	<b>6 964</b>	-	-	-	-	-	<b>7 324</b>	<b>7 324</b>	<b>14 287</b>	<b>6 029</b>	<b>5 551</b>
Taxation	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>	<b>6 964</b>	-	-	-	-	-	<b>7 324</b>	<b>7 324</b>	<b>14 287</b>	<b>6 029</b>	<b>5 551</b>
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>6 964</b>	-	-	-	-	-	<b>7 324</b>	<b>7 324</b>	<b>14 287</b>	<b>6 029</b>	<b>5 551</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>6 964</b>	-	-	-	-	-	<b>7 324</b>	<b>7 324</b>	<b>14 287</b>	<b>6 029</b>	<b>5 551</b>

**Explanatory notes to Table B4 - Adjustment Budgeted Financial Performance (revenue and expenditure)**

1. Total revenue is R183.5 million in 2011/12 adjustment budget and escalates to R228.5 million by 2013/14.
2. Revenue to be generated from property rates is R17 million in the 2011/12 adjustment budget and increases to R18.8 million by 2013/14.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totaling R99.3 million for the 2011/12 adjustment budget and increasing to R133.7 million by 2013/14.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government.
5. The following graph illustrates the major expenditure items per type.



**Figure 1 Expenditure by major type**

**Figure 2 Expenditure by minor type**

1. Bulk purchases is R55.5 million for the 2011/12 financial year and was not adjusted during the adjustment process
2. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.



**Table 11 MBRR Table B5 - Adjustment Budgeted Capital Expenditure by vote, standard classification and funding**

Description	Budget Year 2011/12									Budget Year +1 2012/13	Budget Year +2 2013/14
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	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		
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be adjusted</b>											
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Financial Services	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Social Services	2 680	-	-	-	-	-	170	170	2 850	-	-
Vote 5 - Technical Services	29 973	-	-	-	-	-	(1 676)	(1 676)	28 297	28 127	33 903
Vote 6 - Planning	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Example 7	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Example 8	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Example 9	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Example 10	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Example 11	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Example 12	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Example 13	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Example 14	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Example 15	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	<b>32 653</b>	-	-	-	-	-	<b>(1 506)</b>	<b>(1 506)</b>	<b>31 147</b>	<b>28 127</b>	<b>33 903</b>
<b>Single-year expenditure to be adjusted</b>											
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Financial Services	10	-	-	-	-	-	-	-	10	-	-
Vote 3 - Corporate Services	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Social Services	-	-	-	-	-	-	3 000	3 000	3 000	-	1 500
Vote 5 - Technical Services	652	-	-	-	-	-	6 763	6 763	7 415	21 654	13 500
Vote 6 - Planning	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Example 7	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Example 8	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Example 9	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Example 10	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Example 11	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Example 12	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Example 13	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Example 14	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Example 15	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	<b>662</b>	-	-	-	-	-	<b>9 763</b>	<b>9 763</b>	<b>10 425</b>	<b>21 654</b>	<b>15 000</b>
<b>Total Capital Expenditure - Vote</b>	<b>33 315</b>	-	-	-	-	-	<b>8 257</b>	<b>8 257</b>	<b>41 572</b>	<b>49 781</b>	<b>48 903</b>

<b>Capital Expenditure - Standard</b>												
<i>Governance and administration</i>	10	-	-	-	-	-	-	-	10	-	-	-
Executive and council	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office	10	-	-	-	-	-	-	-	10	-	-	-
Corporate services	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	2 680	-	-	-	-	-	3 170	3 170	5 850	-	-	1 500
Community and social services	2 680	-	-	-	-	-	170	170	2 850	-	-	-
Sport and recreation	-	-	-	-	-	-	3 000	3 000	3 000	-	-	1 500
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	5 346	-	-	-	-	-	6 114	6 114	11 459	17 994	-	-
Planning and development	57	-	-	-	-	-	-	-	57	-	-	-
Road transport	5 289	-	-	-	-	-	6 114	6 114	11 402	17 994	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	25 280	-	-	-	-	-	(1 027)	(1 027)	24 253	31 787	47 403	-
Electricity	595	-	-	-	-	-	813	813	1 408	13 660	7 000	-
Water	7 274	-	-	-	-	-	4 062	4 062	11 336	-	8 507	-
Waste water management	17 410	-	-	-	-	-	(5 901)	(5 901)	11 509	18 127	31 896	-
Waste management	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	<b>33 315</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8 257</b>	<b>8 257</b>	<b>41 572</b>	<b>49 781</b>	<b>48 903</b>	<b>-</b>
<b>Funded by:</b>												
National Government	32 505	-	-	-	-	-	4 052	4 052	36 558	39 781	41 903	-
Provincial Government	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	3 000	3 000	3 000	-	-	-
<b>Total Capital transfers recognised</b>	<b>32 505</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7 052</b>	<b>7 052</b>	<b>39 558</b>	<b>39 781</b>	<b>41 903</b>	<b>-</b>
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	10 000	7 000	-
Internally generated funds	810	-	-	-	-	-	1 205	1 205	2 015	-	-	-
<b>Total Capital Funding</b>	<b>33 315</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8 257</b>	<b>8 257</b>	<b>41 572</b>	<b>49 781</b>	<b>48 903</b>	<b>-</b>

### **Explanatory notes to Table B5 - Adjustment Budgeted Capital Expenditure by vote, standard classification and funding source**

1. Table B5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2011/12 adjustment budget R31.1million has been allocated of the total R41.57 million capital budget, which represents 75 percent of the adjustment budget.
3. Single-year capital expenditure has been appropriated at R10.4 million for the 2011/12 adjustment budget and escalates over the MTREF at levels of R21.6 million and R15 million respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.



5. The capital programme is funded from capital and provincial grants and transfers, borrowing and internally generated funds from current year surpluses. For 2011/12, adjustment budget capital transfers totals R39.5 million (95percent) and escalates to R41.9 million by 2013/14 (86 percent). Borrowing has been provided at R10 million and R7 million for the two outer years with internally generated funding totalling R2 million for the 2011/12 adjustment budget.

**Table 12 MBRR Table B6 - Adjustment Budgeted Financial Position**

Description	Budget Year 2011/12									Budget Year +1 2012/13	Budget Year +2 2013/14
	Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
<b>ASSETS</b>											
<b>Current assets</b>											
Cash	3 300						10 000	10 000	13 300	3 500	10 600
Call investment deposits	23 858	-	-	-	-	-	5 746	5 746	29 604	29 604	29 604
Consumer debtors	21 327	-	-	-	-	-	7 359	7 359	28 686	26 511	23 979
Other debtors	2 000						-	-	2 000	2 000	2 000
Current portion of long-term receivables	-						-	-	-	-	-
Inventory	4 800						-	-	4 800	5 100	5 500
<b>Total current assets</b>	<b>55 285</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23 105</b>	<b>23 105</b>	<b>78 390</b>	<b>66 715</b>	<b>71 683</b>
<b>Non current assets</b>											
Long-term receivables	100						-	-	100	100	100
Investments	1 820						-	-	1 820	2 039	2 283
Investment property	5 191						-	-	5 191	5 191	5 191
Investment in Associate							-	-	-	-	-
Property, plant and equipment	749 660	-	-	-	-	-	79 642	79 642	829 303	841 223	850 016
Agricultural							-	-	-	-	-
Biological							-	-	-	-	-
Intangible	5 497						(5 000)	(5 000)	497	497	497
Other non-current assets							-	-	-	-	-
<b>Total non current assets</b>	<b>762 269</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>74 642</b>	<b>74 642</b>	<b>836 912</b>	<b>849 050</b>	<b>858 088</b>
<b>TOTAL ASSETS</b>	<b>817 555</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>97 747</b>	<b>97 747</b>	<b>915 302</b>	<b>915 765</b>	<b>929 771</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	-						-	-	-	-	-
Borrowing	800	-	-	-	-	-	(300)	(300)	500	1 450	1 450
Consumer deposits	2 900						-	-	2 900	3 200	3 500
Trade and other payables	25 000	-	-	-	-	-	-	-	25 000	25 000	25 000
Provisions	-						-	-	-	-	-
<b>Total current liabilities</b>	<b>28 700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(300)</b>	<b>(300)</b>	<b>28 400</b>	<b>29 650</b>	<b>29 950</b>
<b>Non current liabilities</b>											
Borrowing	2 395	-	-	-	-	-	-	-	2 395	10 945	16 495
Provisions	14 500	-	-	-	-	-	13 753	13 753	28 253	28 753	30 253
<b>Total non current liabilities</b>	<b>16 895</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13 753</b>	<b>13 753</b>	<b>30 648</b>	<b>39 698</b>	<b>46 748</b>
<b>TOTAL LIABILITIES</b>	<b>45 595</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13 453</b>	<b>13 453</b>	<b>59 048</b>	<b>69 348</b>	<b>76 698</b>
<b>NET ASSETS</b>	<b>771 960</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84 294</b>	<b>84 294</b>	<b>856 254</b>	<b>846 417</b>	<b>853 073</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)	771 560	-	-	-	-	-	(525 101)	(525 101)	246 459	236 622	243 278
Reserves	400	-	-	-	-	-	609 395	609 395	609 795	609 795	609 795
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>771 960</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84 294</b>	<b>84 294</b>	<b>856 254</b>	<b>846 417</b>	<b>853 073</b>

### **Explanatory notes to Table B6 - Adjustment Budgeted Financial Position**

1. Table B6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP 1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 12 is supported by an extensive table of notes (SB2 which can be found on page 37 Table 18 MBRR Table SB2 - Supporting detail to 'Adjustment Budgeted Financial Position') providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non current;
  - Changes in net assets; and
  - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

**Table 13 MBRR Table B7 - Adjustment Budgeted Cash Flows**

Description	Budget Year 2011/12									Budget Year +1 2012/13	Budget Year +2 2013/14
	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		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Ratepayers and other	116 621						(16 739)	(16 739)	99 882	116 544	133 465
Government - operating	55 302						848	848	56 150	59 426	63 302
Government - capital	32 505						9 623	9 623	42 128	39 781	41 903
Interest	2 100						-	-	2 100	2 030	1 850
Dividends							-	-	-	-	-
<b>Payments</b>											
Suppliers and employees	(172 318)						12 557	12 557	(159 761)	(175 152)	(196 566)
Finance charges	(806)						-	-	(806)	(826)	(846)
Transfers and Grants	-						-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>33 404</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6 288</b>	<b>6 288</b>	<b>39 692</b>	<b>41 803</b>	<b>43 108</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE							-	-	-	-	-
Decrease (Increase) in non-current debtors	-						-	-	-	-	-
Decrease (increase) other non-current receivables							-	-	-	-	-
Decrease (increase) in non-current investments	(195)						-	-	(195)	-	-
<b>Payments</b>											
Capital assets	(33 315)						(8 257)	(8 257)	(41 572)	(49 781)	(48 903)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(33 510)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8 257)</b>	<b>(8 257)</b>	<b>(41 767)</b>	<b>(49 781)</b>	<b>(48 903)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans							-	-	-	-	-
Borrowing long term/refinancing							-	-	-	10 000	7 000
Increase (decrease) in consumer deposits	200						-	-	200	-	-
<b>Payments</b>											
Repayment of borrowing	(485)						50	50	(435)	(535)	(1 180)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(285)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>50</b>	<b>(235)</b>	<b>9 465</b>	<b>5 820</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(391)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 919)</b>	<b>(1 919)</b>	<b>(2 310)</b>	<b>1 487</b>	<b>25</b>
Cash/cash equivalents at the year begin:	3 100						26 710	26 710	29 810	27 500	28 987
Cash/cash equivalents at the year end:	2 709						24 791	24 791	27 500	28 987	29 012

**Table 14 MBRR Table B8 - Adjustment Cash Backed Reserves / Accumulated Surplus Reconciliation**

Description	Budget Year 2011/12									Budget Year +1 2012/13	Budget Year +2 2013/14
	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		
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	2,709	-	-	-	-	-	22,220	22,220	24,929	26,416	26,442
Other current investments > 90 days	24,449	-	-	-	-	-	(6,475)	(6,475)	17,974	6,687	13,762
Non current assets - Investments	1,820	-	-	-	-	-	-	-	1,820	2,039	2,283
<b>Cash and investments available:</b>	<b>28,979</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,746</b>	<b>15,746</b>	<b>44,724</b>	<b>35,143</b>	<b>42,487</b>
<b>Applications of cash and investments</b>											
Unspent conditional transfers	-	-	-	-	-	-	-	-	-	-	-
Unspent borrowing											
Statutory requirements											
Other working capital requirements	3,565	-	-	-	-	-	19,495	19,495	23,060	23,491	23,455
Other provisions											
Long term investments committed	-	-	-	-	-	-	1,800	1,800	1,800	1,900	2,000
Reserves to be backed by cash/investments	-	-	-	-	-	-	483	483	483	483	483
<b>Total Applications of cash and investments:</b>	<b>3,565</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,778</b>	<b>21,778</b>	<b>25,343</b>	<b>25,874</b>	<b>25,938</b>
<b>Surplus(shortfall)</b>	<b>25,413</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,032)</b>	<b>(6,032)</b>	<b>19,381</b>	<b>9,269</b>	<b>16,549</b>

**Explanatory notes to Table B7 - Adjustment Budgeted Cash Flow Statement**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. The 2011/12 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
4. Cash and cash equivalents totals R27.5 million as at the end of the 2011/12 financial year and escalates to R29 million by 2013/14.

**Explanatory notes to Table B8 - Adjustment Cash Backed Reserves/Accumulated Surplus Reconciliation**

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. As part of the budgeting and planning guidelines that informed the compilation of the 2011/12 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

**Table 15 MBRR Table B9 - Adjustment Asset Management**

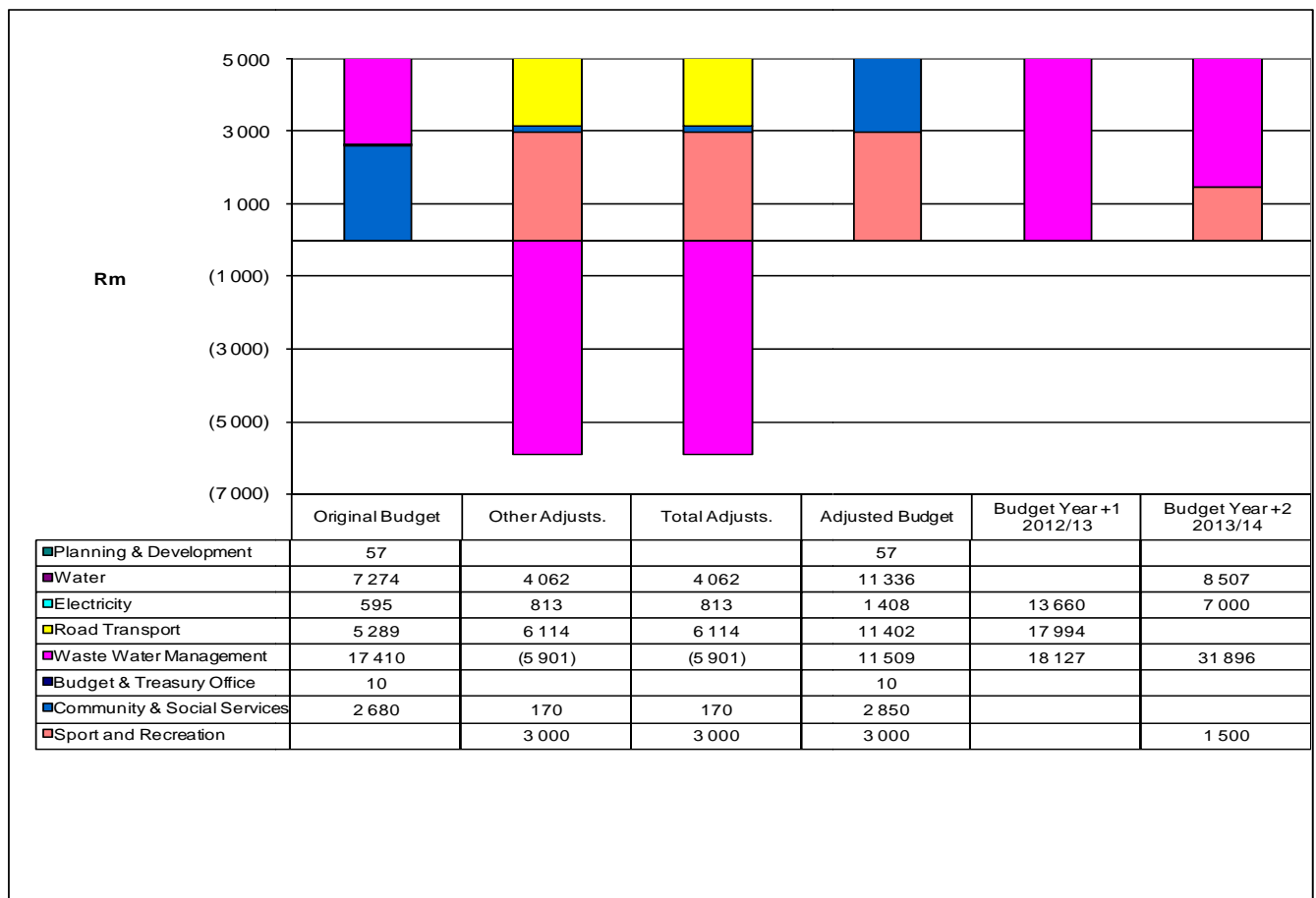
Description	Budget Year 2011/12									Budget Year +1 2012/13	Budget Year +2 2013/14	
	Original Budget	Prior Adjusted 7	Accum. Funds 8	Multi-year capital 9	Unfore. Unavoid. 10	Nat. or Prov. Govt 11	Other Adjus. 12	Total Adjus. 13	Adjusted Budget 14	Adjusted Budget	Adjusted Budget	
	A	A1	B	C	D	E	F	G	H			
R thousands												
<b>CAPITAL EXPENDITURE</b>												
<b>Total New Assets to be adjusted</b>	8 631	-	-	-	-	-	7 096	7 096	15 727	49 781	48 903	
<i>Infrastructure - Road transport</i>	5 289	-	-	-	-	-	6 114	6 114	11 402	17 994	-	
<i>Infrastructure - Electricity</i>	595	-	-	-	-	-	798	798	1 393	13 660	7 000	
<i>Infrastructure - Water</i>	-	-	-	-	-	-	-	-	-	-	8 507	
<i>Infrastructure - Sanitation</i>	-	-	-	-	-	-	-	-	-	18 127	31 896	
<i>Infrastructure - Other</i>	-	-	-	-	-	-	-	-	-	-	-	
Infrastructure	5 884	-	-	-	-	-	6 911	6 911	12 795	49 781	47 403	
Community	2 680	-	-	-	-	-	170	170	2 850	-	1 500	
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	
Investment properties	-	-	-	-	-	-	-	-	-	-	-	
Other assets	67	-	-	-	-	-	15	15	82	-	-	
Agricultural Assets	-	-	-	-	-	-	-	-	-	-	-	
Biological assets	-	-	-	-	-	-	-	-	-	-	-	
Intangibles	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Renewal of Existing Assets to be adjusted</b>	24 684	-	-	-	-	-	1 161	1 161	25 845	-	-	
<i>Infrastructure - Road transport</i>	-	-	-	-	-	-	-	-	-	-	-	
<i>Infrastructure - Electricity</i>	-	-	-	-	-	-	-	-	-	-	-	
<i>Infrastructure - Water</i>	7 274	-	-	-	-	-	4 062	4 062	11 336	-	-	
<i>Infrastructure - Sanitation</i>	17 410	-	-	-	-	-	(5 901)	(5 901)	11 509	-	-	
<i>Infrastructure - Other</i>	-	-	-	-	-	-	-	-	-	-	-	
Infrastructure	24 684	-	-	-	-	-	(1 839)	(1 839)	22 845	-	-	
Community	-	-	-	-	-	-	3 000	3 000	3 000	-	-	
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	
Investment properties	-	-	-	-	-	-	-	-	-	-	-	
Other assets	-	-	-	-	-	-	-	-	-	-	-	
Agricultural Assets	-	-	-	-	-	-	-	-	-	-	-	
Biological assets	-	-	-	-	-	-	-	-	-	-	-	
Intangibles	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Capital Expenditure to be adjusted</b>	30 568	-	-	-	-	-	5 072	5 072	35 640	49 781	47 403	
<i>Infrastructure - Road transport</i>	5 289	-	-	-	-	-	6 114	6 114	11 402	17 994	-	
<i>Infrastructure - Electricity</i>	595	-	-	-	-	-	798	798	1 393	13 660	7 000	
<i>Infrastructure - Water</i>	7 274	-	-	-	-	-	4 062	4 062	11 336	-	8 507	
<i>Infrastructure - Sanitation</i>	17 410	-	-	-	-	-	(5 901)	(5 901)	11 509	18 127	31 896	
<i>Infrastructure - Other</i>	-	-	-	-	-	-	-	-	-	-	-	
Infrastructure	26 800	-	-	-	-	-	3 170	3 170	5 850	-	1 500	
Community	2 680	-	-	-	-	-	-	-	-	-	-	
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	
Investment properties	-	-	-	-	-	-	-	-	-	-	-	
Other assets	67	-	-	-	-	-	15	15	82	-	-	
Agricultural Assets	-	-	-	-	-	-	-	-	-	-	-	
Biological assets	-	-	-	-	-	-	-	-	-	-	-	
Intangibles	-	-	-	-	-	-	-	-	-	-	-	
<b>TOTAL CAPITAL EXPENDITURE to be adjusted</b>	33 315	-	-	-	-	-	8 257	8 257	41 572	49 781	48 903	
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>												
<i>Infrastructure - Road transport</i>	301 483	-	-	-	-	-	60 805	60 805	362 287	362 587	371 877	
<i>Infrastructure - Electricity</i>	68 094	-	-	-	-	-	13 738	13 738	81 832	87 344	90 832	
<i>Infrastructure - Water</i>	98 004	-	-	-	-	-	19 770	19 770	117 774	121 774	119 774	
<i>Infrastructure - Sanitation</i>	85 030	-	-	-	-	-	17 150	17 150	102 180	98 780	96 280	
<i>Infrastructure - Other</i>	240	-	-	-	-	-	45	45	285	235	200	
Infrastructure	552 852	-	-	-	-	-	111 507	111 507	664 358	670 720	678 963	
Community	141 548	-	-	-	-	-	24 980	24 980	166 528	164 528	165 028	
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	
Investment properties	5 191	-	-	-	-	-	-	-	5 191	5 191	5 191	
Other assets	55 260	-	-	-	-	-	(54 844)	(54 844)	417	447	437	
Intangibles	5 497	-	-	-	-	-	(5 000)	(5 000)	497	337	397	
Agricultural Assets	-	-	-	-	-	-	-	-	-	-	-	
Biological assets	-	-	-	-	-	-	-	-	-	-	-	
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	760 349	-	-	-	-	-	76 642	76 642	836 991	841 223	850 016	



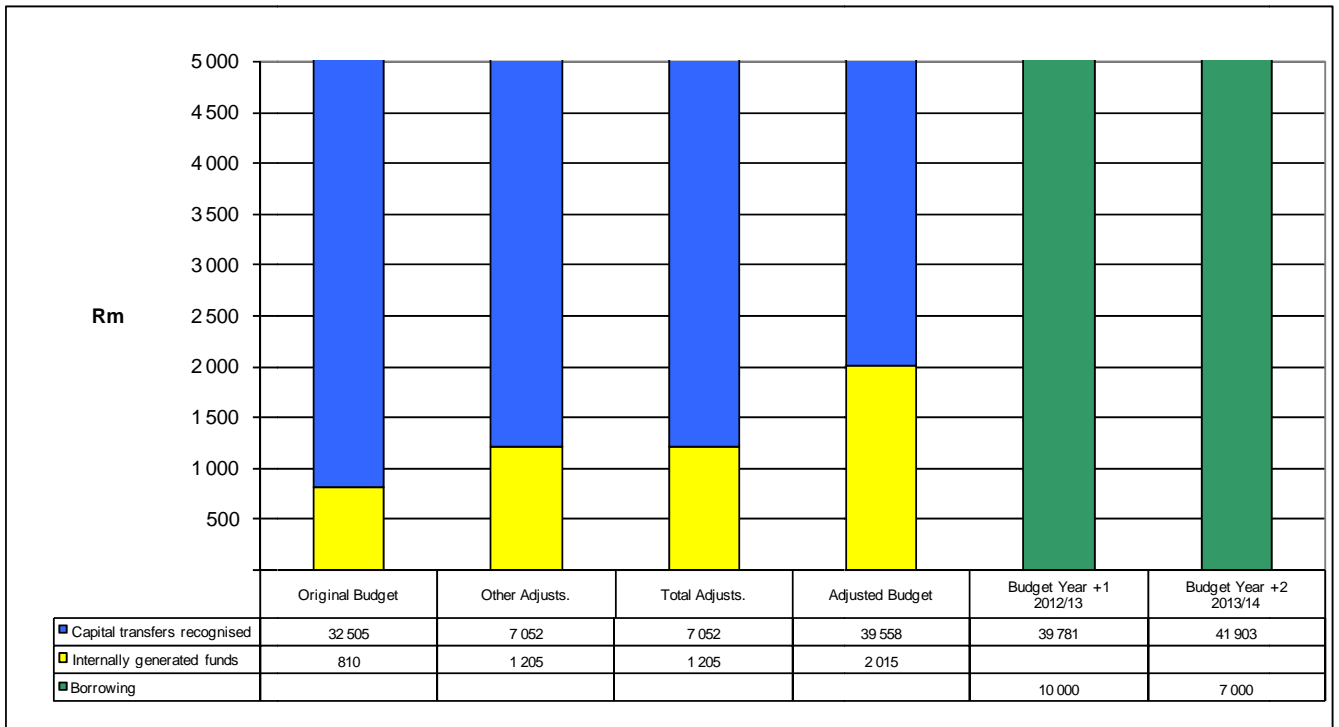
EXPENDITURE OTHER ITEMS											
Depreciation & asset impairment	35 750	-	-	-	-	-	-	-	35 750	37 861	40 110
Repairs and Maintenance by asset class	8 306	-	-	-	-	-	95	95	8 401	9 753	11 006
Infrastructure - Road transport	1 500	-	-	-	-	-	240	240	1 740	2 000	2 500
Infrastructure - Electricity	1 234	-	-	-	-	-	(20)	(20)	1 214	1 357	1 641
Infrastructure - Water	2 500	-	-	-	-	-	-	-	2 500	2 850	3 000
Infrastructure - Sanitation	499	-	-	-	-	-	-	-	499	544	593
Infrastructure - Other	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	5 733	-	-	-	-	-	220	220	5 953	6 751	7 734
Community	283	-	-	-	-	-	(10)	(10)	273	298	320
Heritage assets	-	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-	-
Other assets	2 291	-	-	-	-	-	(115)	(115)	2 176	2 704	2 952
<b>TOTAL EXPENDITURE OTHER ITEMS to be adjusted</b>	<b>44 057</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95</b>	<b>95</b>	<b>44 152</b>	<b>47 615</b>	<b>51 116</b>
% of capital exp on renewal of assets	74.1%	0.0%							62.2%	0.0%	0.0%
Renewal of existing assets as % of deprecn	69.0%	0.0%							72.3%	0.0%	0.0%
R&M as a % of PPE	1.1%	0.0%							1.0%	1.2%	1.3%
Renewal and R&M as a % of PPE	4.3%	0.0%							4.1%	1.2%	1.3%

### Explanatory notes to Table B9 - Adjustment Asset Management

- Table B9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.



**Figure 3 Capital by standard classification**



**Figure 4 Capital Funding by Source**

**Table 16 MBRR Table B10 - Basic Service Delivery Measurement**

Description	Budget Year 2011/12									Budget Year	Budget Year	
	Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted	
	A	7	8	9	10	11	12	13	14	+1 2012/13	+2 2013/14	
<b>Household service targets (000)</b>												
<b>Water:</b>												
Piped water inside dwelling	7								7	7	7	7
Piped water inside yard (but not in dwelling)	10								10	10	10	10
Using public tap (at least min.service level)	2								2	2	2	2
Other water supply (at least min.service level)	1								1	1	1	1
<i>Minimum Service Level and Above sub-total</i>	20								20	20	20	20
Using public tap (< min.service level)												
Other water supply (< min.service level)												
No water supply												
<i>Below Minimum Service Level sub-total</i>												
<b>Total number of households</b>	20								20	20	20	20
<b>Sanitation/sewerage:</b>												
Flush toilet (connected to sewerage)	16								16	16	16	16
Flush toilet (with septic tank)	1								1	1	1	1
Chemical toilet	2								2	2	2	2
Pit toilet (ventilated)												
Other toilet provisions (> min.service level)	2								2	2	2	2
<i>Minimum Service Level and Above sub-total</i>	20								20	20	20	20
Bucket toilet												
Other toilet provisions (< min.service level)												
No toilet provisions												
<i>Below Minimum Service Level sub-total</i>												
<b>Total number of households</b>	20								20	20	20	20
<b>Energy:</b>												
Electricity (at least min. service level)	6							0	6	6	6	6
Electricity - prepaid (> min.service level)	12							(1)	11	12	12	12
<i>Minimum Service Level and Above sub-total</i>	18							(1)	17	18	18	18
Electricity (< min.service level)												
Electricity - prepaid (< min. service level)												
Other energy sources	3								3	3	3	3
<i>Below Minimum Service Level sub-total</i>	3								3	3	3	3
<b>Total number of households</b>	20							(1)	20	20	20	20
<b>Refuse:</b>												
Removed at least once a week (min.service)	13								13	13	13	13
<i>Minimum Service Level and Above sub-total</i>	13								13	13	13	13
Removed less frequently than once a week												
Using communal refuse dump												
Using own refuse dump	7								7	7	7	7
Other rubbish disposal												
No rubbish disposal												
<i>Below Minimum Service Level sub-total</i>	7								7	7	7	7
<b>Total number of households</b>	20								20	20	20	20
<b>Households receiving Free Basic Service</b>												
Water (6 kilolitres per household per month)	6								6	6	6	6
Sanitation (free minimum level service)	6								6	6	6	6
Electricity/other energy (50kwh per household per month)	6								6	6	6	6
Refuse (removed at least once a week)	6								6	6	6	6
<b>Cost of Free Basic Services provided (R'000)</b>												
Water (6 kilolitres per household per month)	565								565			
Sanitation (free sanitation service)	800								800			
Electricity/other energy (50kwh per household per month)	2,014								2,014			
Refuse (removed once a week)	374								374			
<b>Total cost of FBS provided (minimum social p</b>	3,752,621								3,753			
<b>Highest level of free service provided</b>												
Property rates (R'000 value threshold)												
Water (kilolitres per household per month)	6								0	6	6	6
Sanitation (kilolitres per household per month)												
Sanitation (Rand per household per month)	68								0	72	76	76
Electricity (kw per household per month)	75								0	75	75	75
Refuse (average litres per week)	85								0	85	85	85
<b>Revenue cost of free services provided (R'000)</b>												
Property rates (R15 000 threshold rebate)												
Property rates (other exemptions, reductions and	2,000						3,000	3,000	5,000			
Water	565						835	835	1,400	1,500	1,600	1,600
Sanitation	800						700	700	1,500	1,600	1,700	1,700
Electricity/other energy	2,014						1,721	1,721	3,735	4,482	5,378	5,378
Refuse	374						1,426	1,426	1,800	1,900	2,000	2,000
Municipal Housing - rental rebates												
Housing - top structure subsidies												
Other												
<b>Total revenue cost of free services provided (to</b>	5,753						7,682	7,682	13,435	9,482	10,678	10,678

**Table 17MBRR Table SB 1 - Supporting detail to 'Adjustment Budgeted Financial Performance'**

Description	Budget Year 2011/12									Budget Year +1 2012/13	Budget Year +2 2013/14
	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	6 A1	7 B	8 C	9 D	10 E	11 F	12 G	13 H		
<b>REVENUE ITEMS</b>											
<b>Property rates</b>											
Total Property Rates	16 870						5 130	5 130	22 000	17 747	18 811
less Revenue Foregone	-						(5 000)	(5 000)	(5 000)	-	-
<b>Net Property Rates</b>	<b>16 870</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>130</b>	<b>130</b>	<b>17 000</b>	<b>17 747</b>	<b>18 811</b>
<b>Service charges - electricity revenue</b>											
Total Service charges - electricity revenue	64 770						2 550	2 550	67 321	80 785	96 942
less Revenue Foregone	-						(3 735)	(3 735)	(3 735)	(4 482)	(5 378)
<b>Net Service charges - electricity revenue</b>	<b>64 770</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 185)</b>	<b>(1 185)</b>	<b>63 586</b>	<b>76 303</b>	<b>91 563</b>
<b>Service charges - water revenue</b>											
Total Service charges - water revenue	25 300						-	-	25 300	27 830	30 613
less Revenue Foregone	-						(1 400)	(1 400)	(1 400)	(1 500)	(1 600)
<b>Net Service charges - water revenue</b>	<b>25 300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 400)</b>	<b>(1 400)</b>	<b>23 900</b>	<b>26 330</b>	<b>29 013</b>
<b>Service charges - sanitation revenue</b>											
Total Service charges - sanitation revenue	8 480						120	120	8 600	8 989	9 438
less Revenue Foregone	-						(1 500)	(1 500)	(1 500)	(1 600)	(1 700)
<b>Net Service charges - sanitation revenue</b>	<b>8 480</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 380)</b>	<b>(1 380)</b>	<b>7 100</b>	<b>7 389</b>	<b>7 738</b>
<b>Service charges - refuse revenue</b>											
Total refuse removal revenue	6 540						-	-	6 540	6 932	7 348
Total landfill revenue	-						-	-	-	-	-
less Revenue Foregone	-						(1 800)	(1 800)	(1 800)	(1 900)	(2 000)
<b>Net Service charges - refuse revenue</b>	<b>6 540</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 800)</b>	<b>(1 800)</b>	<b>4 740</b>	<b>5 032</b>	<b>5 348</b>
<b>Other Revenue By Source</b>											
Fuel levy	-						-	-	-	-	-
Other revenue	2 320						(100)	(100)	2 220	2 587	2 753
<b>Total 'Other' Revenue</b>	<b>2 320</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(100)</b>	<b>(100)</b>	<b>2 220</b>	<b>2 587</b>	<b>2 753</b>
<b>EXPENDITURE ITEMS</b>											
<b>Employee related costs</b>											
Salaries and Wages	42 774						(337)	(337)	42 437	46 154	50 903
Contributions to UIF, pensions, medical aid	11 303						(133)	(133)	11 171	12 073	13 266
Travel, motor car, accom; & other allowances	3 469						(2)	(2)	3 467	3 835	4 195
Housing benefits and allowances	354						-	-	354	388	425
Overtime	1 819						131	131	1 950	1 997	2 179
Performance bonus	250						(250)	(250)	-	-	-
Long service awards	-						-	-	-	-	-
Payments in lieu of leave	900						-	-	900	900	900
Post-retirement benefit obligations	800						-	-	800	800	800
<b>sub-total</b>	<b>61 669</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(591)</b>	<b>(591)</b>	<b>61 078</b>	<b>66 147</b>	<b>72 668</b>
Less: Employees costs capitalised to PPE	-						-	-	-	-	-
<b>Total Employee related costs</b>	<b>61 669</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(591)</b>	<b>(591)</b>	<b>61 078</b>	<b>66 147</b>	<b>72 668</b>
<b>Depreciation &amp; asset impairment</b>											
Depreciation of Property, Plant & Equipment	35 750						-	-	35 750	37 861	40 110
Lease amortisation	-						-	-	-	-	-
Capital asset impairment	-						-	-	-	-	-
<b>Total Depreciation &amp; asset impairment</b>	<b>35 750</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35 750</b>	<b>37 861</b>	<b>40 110</b>
<b>Bulk purchases</b>											
Electricity	49 560						-	-	49 560	60 000	78 677
Water	6 000						-	-	6 000	6 500	7 000
<b>Total bulk purchases</b>	<b>55 560</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55 560</b>	<b>66 500</b>	<b>85 677</b>
<b>Contracted services</b>											
Security costs	3 573						-	-	3 573	3 802	4 045
Legal Services	1 300						728	728	2 028	2 500	2 500
<b>sub-total</b>	<b>4 873</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>728</b>	<b>-</b>	<b>5 601</b>	<b>6 302</b>	<b>6 545</b>
Allocations to organs of state:											
Electricity	-						-	-	-	-	-
Water	-						-	-	-	-	-
Sanitation	-						-	-	-	-	-
Other	-						-	-	-	-	-
<b>Total contracted services</b>	<b>4 873</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>728</b>	<b>-</b>	<b>5 601</b>	<b>6 302</b>	<b>6 545</b>
<b>Other Expenditure By Type</b>											
Repairs and maintenance <i>(to be deleted)</i>	-						-	-	-	-	-
Collection costs	-						-	-	-	-	-
Contributions to 'other' provisions	-						-	-	-	-	-
Consultant fees	1 685						(295)	(295)	1 390	2 076	2 212
Audit fees	2 000						(60)	(60)	1 940	2 320	2 421
General expenses	32 976						(5 406)	(5 406)	27 569	36 084	32 121
<b>Total Other Expenditure</b>	<b>36 661</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5 761)</b>	<b>(5 761)</b>	<b>30 900</b>	<b>40 480</b>	<b>36 755</b>

**Table 18 MBRR Table SB2 - Supporting detail to 'Adjustment Budgeted Financial Position'**

Description	Budget Year 2011/12										Budget Year +1 2012/13	Budget Year +2 2013/14
	Original Budget	Prior Adjusted 4	Accum. Funds 5	Multi-year capital 6	Unfore. Unavoid. 7	Nat. or Prov. Govt 8	Other Adjusts. 9	Total Adjusts. 10	Adjusted Budget 11	Adjusted Budget	Adjusted Budget	
R thousands	A	A1	B	C	D	E	F	G	H			
<b>ASSETS</b>												
<b>Call investment deposits</b>												
Call deposits < 90 days	-						16 467	16 467	16 467	16 467	16 467	
Other current investments > 90 days	23 858						(10 721)	(10 721)	13 137	13 137	13 137	
<b>Total Call investment deposits</b>	<b>23 858</b>	-	-	-	-	-	<b>5 746</b>	<b>5 746</b>	<b>29 604</b>	<b>29 604</b>	<b>29 604</b>	
<b>Consumer debtors</b>												
Consumer debtors	48 197						8 319	8 319	56 515	59 340	62 308	
Less: provision for debt impairment	26 870	-	-	-	-	-	959	959	27 829	32 829	38 329	
<b>Total Consumer debtors</b>	<b>21 327</b>	-	-	-	-	-	<b>7 359</b>	<b>7 359</b>	<b>28 686</b>	<b>26 511</b>	<b>23 979</b>	
<b>Debt impairment provision</b>												
Balance at the beginning of the year	22 370						1 459	1 459	23 829	27 829	32 829	
Contributions to the provision	4 500						(500)	(500)	4 000	5 000	5 500	
Bad debts written off												
<b>Balance at end of year</b>	<b>26 870</b>	-	-	-	-	-	<b>959</b>	<b>959</b>	<b>27 829</b>	<b>32 829</b>	<b>38 329</b>	
<b>Property, plant &amp; equipment</b>												
PPE at cost/valuation (excl. finance leases)	818 044						107 795	107 795	925 840	975 621	1 024 524	
Leases recognised as PPE												
Less: Accumulated depreciation	68 384						28 153	28 153	96 537	134 398	174 508	
<b>Total Property, plant &amp; equipment</b>	<b>749 660</b>	-	-	-	-	-	<b>79 642</b>	<b>79 642</b>	<b>829 303</b>	<b>841 223</b>	<b>850 016</b>	
<b>LIABILITIES</b>												
<b>Current liabilities - Borrowing</b>												
Short term loans (other than bank overdraft)	-											
Current portion of long-term liabilities	800						(300)	(300)	500	1 450	1 450	
<b>Total Current liabilities - Borrowing</b>	<b>800</b>	-	-	-	-	-	<b>(300)</b>	<b>(300)</b>	<b>500</b>	<b>1 450</b>	<b>1 450</b>	
<b>Trade and other payables</b>												
Creditors	25 000								25 000	25 000	25 000	
Unspent conditional grants and receipts												
VAT	-											
<b>Total Trade and other payables</b>	<b>25 000</b>	-	-	-	-	-	-	-	<b>25 000</b>	<b>25 000</b>	<b>25 000</b>	
<b>Non current liabilities - Borrowing</b>												
Borrowing	2 230								2 230	10 780	16 330	
Finance leases (including PPP asset element)	165								165	165	165	
<b>Total Non current liabilities - Borrowing</b>	<b>2 395</b>	-	-	-	-	-	-	-	<b>2 395</b>	<b>10 945</b>	<b>16 495</b>	
<b>Provisions - non current</b>												
Retirement benefits	14 500						1 000	1 000	15 500	16 000	17 500	
List other major items												
Refuse landfill site rehabilitation	-						12 753	12 753	12 753	12 753	12 753	
Other	-											
<b>Total Provisions - non current</b>	<b>14 500</b>	-	-	-	-	-	<b>13 753</b>	<b>13 753</b>	<b>28 253</b>	<b>28 753</b>	<b>30 253</b>	
<b>CHANGES IN NET ASSETS</b>												
<b>Accumulated surplus/(Deficit)</b>												
Accumulated surplus/(Deficit) - opening balance	777 071						(532 424)	(532 424)	244 647	246 459	236 622	
Appropriations to Reserves												
Transfers from Reserves	-											
Depreciation offsets												
Other adjustments	(5 511)						7 324	7 324	1 812	(9 837)	6 655	
<b>Accumulated Surplus/(Deficit)</b>	<b>771 560</b>	-	-	-	-	-	<b>(525 101)</b>	<b>(525 101)</b>	<b>246 459</b>	<b>236 622</b>	<b>243 278</b>	
<b>Reserves</b>												
Housing Development Fund	400						83	83	483	483	483	
Capital replacement	-											
Capitalisation	-											
Government grant	-											
Donations and public contributions	-											
Self-insurance	-											
Other reserves (list)	-											
Revaluation	-						609 312	609 312	609 312	609 312	609 312	
<b>Total Reserves</b>	<b>400</b>	-	-	-	-	-	<b>609 395</b>	<b>609 395</b>	<b>609 795</b>	<b>609 795</b>	<b>609 795</b>	
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>771 960</b>	-	-	-	-	-	<b>84 294</b>	<b>84 294</b>	<b>856 254</b>	<b>846 417</b>	<b>853 073</b>	

**Table 19 MBRR Table SB4 - Performance indicators and benchmarks**

Description of financial indicator	Basis of calculation	2008/9	2009/10	2010/11	Budget Year 2011/12			Budget Year +1 2012/13	Budget Year +2 2013/14
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b><u>Borrowing Management</u></b>									
Borrowing to Asset Ratio	Total Long-term Borrowing/ Total Assets	1.4%	1.1%	0.3%	0.3%	0.0%	0.3%	1.2%	1.8%
Credit Rating	Short term/long term rating								
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.6%	1.5%	1.0%	0.6%	0.0%	1.3%	0.6%	0.8%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants	0.0%	0.0%		0.0%	0.0%	0.0%	126.9%	14.3%
<b><u>Safety of Capital</u></b>									
Debt to Equity	Loans, Creditors, Overdraft & Tax Provision/ Funds & Reserves	16.4%	19.2%	8.5%	11398.8%	0.0%	9.7%	11.4%	12.6%
Gearing	Long Term Borrowing/ Funds & Reserves	831.9%	679.4%		598.8%	0.0%	0.4%	1.8%	2.7%
<b><u>Liquidity</u></b>									
Current Ratio	Current assets/current liabilities	2.4	1.7	1.9%	192.6%	0.0%	276.0%	225.0%	239.3%
Current Ratio adjusted for aged debtors	Current assets/current liabilities less debtors > 90 days/current liabilities	2.4	1.7		2656.0%	0.0%	0.0%	0.0%	0.0%
Liquidity Ratio	Monetary Assets/Current Liabilities	1.1	0.9	1.8%	0.9	0.0	1.5	1.1	1.3
<b><u>Revenue Management</u></b>									
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing	122.7%	97.6%						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	23.9%	15.6%		12.5%	0.0%	16.8%	14.0%	11.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old				0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Creditors Management</u></b>									
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))								
<b><u>Funding of Provisions</u></b>									
Provisions not funded - %	Unfunded Provsns./Total Provisions								
<b><u>Other Indicators</u></b>									
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)	38.1%	32.4%		33.0%	0.0%	0.0%	0.0%	0.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%		4.4%	0.0%	0.0%	0.0%	0.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	9.0%	8.0%		19.6%	0.0%	20.7%	18.9%	17.9%
<b><u>IDP regulation financial viability indicators</u></b>									
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	20	25		9675.5%	0.0%	9357.0%	7163.0%	8154.5%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	37.1%	24.2%		11.4%	0.0%	15.6%	13.0%	10.5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.5	2.2		0.0	0.0	0.3	0.2	0.2

**Table 20 MBRR Table SB5 - Social, economic and demographic statistics and assumptions**

Description of economic indicator	Basis of calculation	1996 Census	2001 Census	2007 Survey	2008/9	2009/10	2010/11	Current year	Original Budget	Adjusted Budget
<b>Demographics</b>										
Population	Census count/estimate	50	68	53	55	55	54	53	53	53
Females aged 5 - 14	Census count/estimate	5	7	5	4	4	4	4	4	4
Males aged 5 - 14	Census count/estimate	5	7	5	6	6	6	6	6	6
Females aged 15 - 34	Census count/estimate	8	14	10	10	10	10	10	10	10
Males aged 15 - 34	Census count/estimate	10	14	10	11	11	11	11	11	11
Unemployment	Census count/estimate	2	5	4						
<b>Household income (households) (1.)</b>										
None	Census count/estimate	618	3,236	454	492	487	482	478	478	
R1 - R4800	Census count per month	7,931	3,024	450	475	471	466	461	461	
R4800 - R9600	Census count per month	940	5,102	1,821	1,953	1,934	1,915	1,896	1,896	
<b>Poverty profiles</b>										
Insert description	Income under R1 500	13,998	18,020	9,590	10020.00	9920.00	9820.00	9722.00	9722.00	
<b>Household/demographics (000)</b>										
Number of people in municipal area		50,227	72,810	52,602	55	55	54	53	53	
Number of poor people in municipal area		13,998	18,020	9,590	10	10	10	10	10	
Number of households in municipal area		12,091	20,965	15,826	17	17	17	16	16	
Number of poor households in municipal area		6,163	3,050	450	0	0	0	0	0	
Definition of poor household (R per month)	Income under R1 500									
<b>Housing statistics (2.)</b>										
Formal		7,046	10,081	9,441		5,137				
Informal		4,216	7,327	4,193		4,227				
<b>Total number of households</b>		11,262	17,408	13,634	-	9,364	-	-	-	-
Dwellings provided by municipality (3.)										
Dwellings provided by province/s						984	1,700	300		
Dwellings provided by private sector (4.)						408	232			
<b>Total new housing dwellings</b>						1,392	1,932	300		
<b>Economic (5.)</b>										
Inflation/inflation outlook (CPIX)					9.9%	6.7%	5.7%			
Interest rate - borrowing										
Interest rate - investment										
Remuneration increases						13.0%	8.0%			
Consumption growth (electricity)										
Consumption growth (water)										
<b>Collection rates (6.)</b>										
Property tax/service charges					%	%	90.0%	%	%	%
Rental of facilities & equipment					%	%	90.0%	%	%	%
Interest - external investments					%	%	100.0%	%	%	%
Interest - debtors					%	%	90.0%	%	%	%
Revenue from agency services					%	%	100.0%	%	%	%

**Table 21 MBRR Table SB6 - Funding measurement**

Description	MFMA section	2008/9	2009/10	2010/11	Medium Term Revenue and Expenditure Framework				
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousands</b>									
<b>Funding measures</b>									
Cash/cash equivalents at the year end - R'000	18(1)b	9 376	19 009	29 810	2 709	-	27 500	28 987	29 012
Cash + investments at the yr end less applications - R'000	18(1)b	20 963	7 228		25 413	-	19 381	9 269	16 549
Cash year end/monthly employee/supplier payments	18(1)b	0	0		0	-	0	0	0
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	22 196	6 781		6 964	-	-	-	-
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5.2%	19.4%		0.0%	0.0%	0.0%	8.2%	8.8%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	0.0%	0.0%	0.0%	91.4%	0.0%	0.0%	-1.6%	-1.6%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	0.0%	12.4%		3.3%	0.0%	3.4%	3.8%	3.6%
Capital payments % of capital expenditure	18(1)c:19	100.0%	100.0%		100.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	0.0%		0.0%	0.0%	0.0%	126.9%	14.3%
Grants % of Govt. legislated/gazetted allocations	18(1)a				0.0%	0.0%	0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	15.7%	-18.1%					-7.1%	-8.9%
Long term receivables % change - incr(decr)	18(1)a	0.0%	0.0%					0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	1.6%	2.8%		1.1%	0.0%	1.0%	1.2%	1.3%
Asset renewal % of capital budget	20(1)(vi)	0.0%	0.0%		74.1%	0.0%	62.2%	0.0%	0.0%



**Table 22 MBRR Table SB7 – Adjustments Budget Transfers and grant receipts**

Description	Budget Year 2011/12							Budget Year +1 2012/13	Budget Year +2 2013/14
	Original Budget	Prior Adjusted	Multi-year capital	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		
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	53,766	-	-	-	-	-	53,766	59,426	63,302
Local Government Equitable Share	50,075						50,075	55,376	58,990
Finance Management	1,250						1,250	1,500	1,500
Municipal Systems Improvement	790						790	800	900
Integrated National Electrification Programme	-						-	-	-
Municipal Infrastructure Grant (MIG)	-						-	-	-
Municipal Infrastructure Grant	1,651						1,651	1,750	1,912
<b>Provincial Government:</b>	-	-	-	-	-	-	-	-	-
Department of Provincial & LG	-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	1,000	-	-	-	-	-	-	-	-
Waterberg District	1,000						1,000	-	-
<b>Other grant providers:</b>	536	-	-	-	-	-	536	-	-
[insert description]	-						-	-	-
EPWP	536						536	-	-
<b>Total Operating Transfers and Grants</b>	55,302	-	-	-	-	-	54,302	59,426	63,302
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	32,505	-	-	-	3,000	3,000	35,505	39,781	41,903
Municipal Infrastructure Grant (MIG)	32,505						32,505	39,781	41,903
Department of Sport and Recreation	-						-	-	-
Other capital grants (insert description)	-						-	-	-
Department of Sport and Recreation	-				3,000	3,000	3,000	-	-
<b>Provincial Government:</b>	-	-	-	-	-	-	-	-	-
Other capital grants (insert description)	-						-	-	-
<b>District Municipality:</b>	-	-	-	-	-	-	-	-	-
[insert description]	-						-	-	-
<b>Other grant providers:</b>	-	-	-	-	-	-	-	-	-
[insert description]	-						-	-	-
<b>Total Capital Transfers and Grants</b>	32,505	-	-	-	3,000	3,000	35,505	39,781	41,903
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	87,807	-	-	-	3,000	3,000	89,807	99,207	105,205

**Table 23 MBRR Table SB8 – Adjustments Budget Expenditure on transfers and grant programme**

Description	Budget Year 2011/12							Budget Year	Budget Year
	Original	Prior	Multi-year	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted
	Budget	Adjusted	capital	Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	A	2 A1	3 B	4 C	5 D	6 E	7 F	+1 2012/13	+2 2013/14
<b>EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	53,766	-	-	-	848	848	54,614	59,426	63,302
Local Government Equitable Share	50,075					-	50,075	55,376	58,990
Finance Management	1,250				545	545	1,795	1,500	1,500
Municipal Systems Improvement	790				303	303	1,093	800	900
Integrated National Electrification Programme						-	-		-
0						-	-		-
Municipal Infrastructure Grant (MIG)	1,651					-	1,651	1,750	1,912
Municipal Infrastructure Grant						-	-		-
<b>Provincial Government:</b>	-	-	-	-	-	-	-	-	-
0						-	-		-
0						-	-		-
0						-	-		-
0						-	-		-
Department of Provincial & LG						-	-		-
<b>District Municipality:</b>	1,000	-	-	-	-	-	-	-	-
Waterberg District	1,000					-	1,000		
0						-	-		-
<b>Other grant providers:</b>	536	-	-	-	-	-	536	-	-
[insert description]						-	-		-
EPWP	536					-	536		
<b>Total operating expenditure of Transfers and Grants:</b>	55,302	-	-	-	848	848	55,150	59,426	63,302
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	32,505	-	-	-	9,623	9,623	42,128	39,781	41,903
Municipal Infrastructure Grant (MIG)	32,505				6,623	6,623	39,128	39,781	41,903
0						-	-		-
0						-	-		-
0						-	-		-
0						-	-		-
Department of Sport and Recreation					3,000	3,000	3,000		
<b>Provincial Government:</b>	-	-	-	-	-	-	-	-	-
Other capital grants (insert description)						-	-		-
0						-	-		-
<b>District Municipality:</b>	-	-	-	-	-	-	-	-	-
[insert description]						-	-		-
0						-	-		-
<b>Other grant providers:</b>	-	-	-	-	-	-	-	-	-
[insert description]						-	-		-
0						-	-		-
<b>Total capital expenditure of Transfers and Grants</b>	32,505	-	-	-	9,623	9,623	42,128	39,781	41,903
<b>Total capital expenditure of Transfers and Grants</b>	87,807	-	-	-	10,471	10,471	97,278	99,207	105,205

**Table 24 MBRR Table SB9 – Adjustments Budget - Reconciliation of transfers, grant receipts and unspent funds**

Description	Budget Year 2011/12							Budget Year	Budget Year
	Original	Prior	Multi-year	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted
	Budget	Adjusted	capital	Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	A	2 A1	3 B	4 C	5 D	6 E	7 F		
<b>Operating transfers and grants:</b>									
<b>National Government:</b>									
Balance unspent at beginning of the year	-				848	848	848		
Current year receipts	53,766					-	53,766	59,426	63,302
<b>Conditions met - transferred to revenue</b>	<b>53,766</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>848</b>	<b>848</b>	<b>54,614</b>	<b>59,426</b>	<b>63,302</b>
Conditions still to be met - transferred to liabilities						-	-		
<b>Provincial Government:</b>									
Balance unspent at beginning of the year						-	-		
Current year receipts						-	-		
<b>Conditions met - transferred to revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities						-	-		
<b>District Municipality:</b>									
Balance unspent at beginning of the year						-	-		
Current year receipts	1,000					-	1,000		
<b>Conditions met - transferred to revenue</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities						-	-		
<b>Other grant providers:</b>									
Balance unspent at beginning of the year						-	-		
Current year receipts	536					-	536		
<b>Conditions met - transferred to revenue</b>	<b>536</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>536</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities						-	-		
<b>Total operating transfers and grants revenue</b>	<b>55,302</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>848</b>	<b>848</b>	<b>56,150</b>	<b>59,426</b>	<b>63,302</b>
<b>Total operating transfers and grants - CTBM</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital transfers and grants:</b>									
<b>National Government:</b>									
Balance unspent at beginning of the year	-				6,623	6,623	6,623		
Current year receipts	32,505					-	32,505	39,781	41,903
<b>Conditions met - transferred to revenue</b>	<b>32,505</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,623</b>	<b>6,623</b>	<b>39,128</b>	<b>39,781</b>	<b>41,903</b>
Conditions still to be met - transferred to liabilities						-	-		
<b>Provincial Government:</b>									
Balance unspent at beginning of the year						-	-		
Current year receipts					3,000	3,000	3,000		
<b>Conditions met - transferred to revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>3,000</b>	<b>3,000</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities						-	-		
<b>District Municipality:</b>									
Balance unspent at beginning of the year						-	-		
Current year receipts						-	-		
<b>Conditions met - transferred to revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities						-	-		
<b>Other grant providers:</b>									
Balance unspent at beginning of the year						-	-		
Current year receipts						-	-		
<b>Conditions met - transferred to revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities						-	-		
<b>Total capital transfers and grants revenue</b>	<b>32,505</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,623</b>	<b>9,623</b>	<b>42,128</b>	<b>39,781</b>	<b>41,903</b>
<b>Total capital transfers and grants - CTBM</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>	<b>87,807</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,471</b>	<b>10,471</b>	<b>98,278</b>	<b>99,207</b>	<b>105,205</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**Table 25 MBRR Table SB 10 – Adjustment Budget - Transfers and grants made by the municipality**

Description	Budget Year 2011/12									Budget Year +1 2012/13	Budget Year +2 2013/14
	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	A1	B	C	D	E	F	G	H		
<b>Transfers to other municipalities</b>											
<i>(insert description)</i>								-	-		
<i>(insert description)</i>								-	-		
<i>(insert description)</i>								-	-		
<b>TOTAL ALLOCATIONS TO MUNICIPALITIES:</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Transfers to Entities/Other External Mechanisms</b>											
<i>(insert description)</i>								-	-		
<i>(insert description)</i>								-	-		
<i>(insert description)</i>								-	-		
<b>TOTAL ALLOCATIONS TO ENTITIES/EMs'</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Transfers to other Organs of State</b>											
<i>(insert description)</i>								-	-		
<i>(insert description)</i>								-	-		
<i>(insert description)</i>								-	-		
<b>TOTAL ALLOCATIONS TO OTHER ORGANS OF STATE:</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Grants to other Organisations</b>											
<i>(insert description)</i>								-	-		
<i>(insert description)</i>								-	-		
<i>(insert description)</i>								-	-		
<b>TOTAL GRANTS TO OTHER ORGANISATIONS:</b>	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS/GRANTS</b>	-	-	-	-	-	-	-	-	-	-	-

**Table 26 MBRR Table SB11 – Adjustments Budget - Summary councillor and staff benefits**

Summary of remuneration	Budget Year 2011/12										% change
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget		
R thousands	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
<b>Councillors (Political Office Bearers plus Other)</b>											
Salary	2,877						143	143	3,020	5.0%	
Pension Contributions	432						21	21	453	5.0%	
Medical Aid Contributions	125						32	32	158	25.9%	
Motor vehicle allowance	1,145						66	66	1,210	5.7%	
Cell phone allowance	240						5	5	245		
Housing allowance							-	-	-		
Other benefits or allowances	85						-	-	85		
In-kind benefits	-						-	-	-		
<b>Sub Total - Councillors</b>	<b>4,903</b>	<b>-</b>					<b>268</b>	<b>268</b>	<b>5,172</b>	<b>5.5%</b>	
% increase		(0)							0		
<b>Senior Managers of the Municipality</b>											
Salary	2,649						(513)	(513)	2,136	-19.4%	
Pension Contributions	538						(104)	(104)	434	-19.4%	
Medical Aid Contributions	138						(27)	(27)	110	-19.9%	
Motor vehicle and cell phone	922						(185)	(185)	737	-20.0%	
Cell phone allowance							-	-	-		
Housing allowance							-	-	-		
Performance Bonus	250						(250)	(250)	-		
Other benefits or allowances	118						(14)	(14)	104	-11.8%	
In-kind benefits	-						-	-	-		
<b>Sub Total - Senior Managers of Municipality</b>	<b>4,614</b>	<b>-</b>	<b>-</b>				<b>(1,093)</b>	<b>(1,093)</b>	<b>3,521</b>	<b>-23.7%</b>	
% increase		(0)							(0)		
<b>Other Municipal Staff</b>											
Basic Salaries and Wages	39,634						177	177	39,810	0.4%	
Pension Contributions	7,467						(47)	(47)	7,420	-0.6%	
Medical Aid Contributions	2,721						43	43	2,763	1.6%	
Motor vehicle and cell phone	2,526						182	182	2,708	7.2%	
Cell phone allowance	22						-	-	22		
Housing allowance	354						-	-	354	0.0%	
Overtime	1,819						131	131	1,950	7.2%	
Performance Bonus							-	-	-		
Other benefits or allowances	2,513						16	16	2,530	0.6%	
In-kind benefits	-						-	-	-		
<b>Sub Total - Other Municipal Staff</b>	<b>57,055</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>502</b>	<b>502</b>	<b>57,557</b>	<b>0.9%</b>	
% increase											
<b>Total Parent Municipality</b>	<b>66,573</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(323)</b>	<b>(323)</b>	<b>66,250</b>	<b>-0.5%</b>	
<b>COUNCILLOR ALLOWANCES, EMPLOYEE REMUNERATION &amp; ENTITY REMUNERATION</b>											
	66,573	-	-	-	-	-	(323)	(323)	66,250	-0.5%	
% increase											
<b>TOTAL MANAGERS AND STAFF</b>	<b>61,669</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(591)</b>	<b>(591)</b>	<b>61,078</b>	<b>-1.0%</b>	

**Table 27 MBRR Table SB12 – Adjustment Budgeted monthly revenue and expenditure (municipal vote)**

Description	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>R thousands</b>															
<b>Revenue by Vote</b>															
Vote 1 - Executive & Council	1,464	1,456	3,854	1,519	1,505	3,611	1,470	1,470	3,273	1,470	1,470	1,470	24,029	25,047	26,559
Vote 2 - Financial Services	383	226	9,227	1,574	953	7,996	490	490	6,967	490	490	491	29,777	32,677	34,334
Vote 3 - Corporate Services	-	-	17	99	165	-	1	1	392	2	2	168	845	852	953
Vote 4 - Social Services	1,602	1,114	1,489	1,000	331	1,356	794	1,758	3,172	2,003	1,843	1,620	18,082	12,601	14,899
Vote 5 - Technical Services	8,401	7,783	17,043	10,460	7,352	21,143	11,417	10,581	19,766	13,010	12,452	10,914	150,322	173,153	193,670
Vote 6 - Planning													-	-	-
Vote 7 - Example 7													-	-	-
Vote 8 - Example 8													-	-	-
Vote 9 - Example 9													-	-	-
Vote 10 - Example 10													-	-	-
Vote 11 - Example 11													-	-	-
Vote 12 - Example 12													-	-	-
Vote 13 - Example 13													-	-	-
Vote 14 - Example 14													-	-	-
Vote 15 - Example 15													-	-	-
<b>Total Revenue by Vote</b>	<b>11,850</b>	<b>10,578</b>	<b>31,631</b>	<b>14,652</b>	<b>10,305</b>	<b>34,105</b>	<b>14,172</b>	<b>14,300</b>	<b>33,569</b>	<b>16,975</b>	<b>16,257</b>	<b>14,662</b>	<b>223,055</b>	<b>244,330</b>	<b>270,414</b>
<b>Expenditure by Vote</b>															
Vote 1 - Executive & Council	1,138	2,129	2,110	1,435	1,394	1,493	(2,535)	1,632	1,629	1,630	1,634	8,029	21,717	27,607	29,532
Vote 2 - Financial Services	1,033	968	1,860	1,052	845	880	(1,050)	887	722	878	861	878	9,814	10,053	11,104
Vote 3 - Corporate Services	1,027	740	1,491	1,523	1,226	923	(1,078)	802	1,527	799	1,085	1,998	12,062	13,488	14,935
Vote 4 - Social Services	1,637	2,338	2,064	2,269	1,732	1,847	4,161	2,962	3,060	2,979	2,872	2,963	30,885	33,044	35,400
Vote 5 - Technical Services	2,306	10,689	12,221	14,607	3,264	6,349	19,681	12,239	13,247	13,256	13,240	13,190	134,290	153,863	173,892
Vote 6 - Planning													-	245	-
Vote 7 - Example 7													-	-	-
Vote 8 - Example 8													-	-	-
Vote 9 - Example 9													-	-	-
Vote 10 - Example 10													-	-	-
Vote 11 - Example 11													-	-	-
Vote 12 - Example 12													-	-	-
Vote 13 - Example 13													-	-	-
Vote 14 - Example 14													-	-	-
Vote 15 - Example 15													-	-	-
<b>Total Expenditure by Vote</b>	<b>7,140</b>	<b>16,863</b>	<b>19,747</b>	<b>20,885</b>	<b>8,461</b>	<b>11,492</b>	<b>19,179</b>	<b>18,523</b>	<b>20,185</b>	<b>19,543</b>	<b>19,692</b>	<b>27,058</b>	<b>208,768</b>	<b>238,301</b>	<b>264,863</b>
<b>Surplus/ (Deficit)</b>	<b>4,710</b>	<b>(6,285)</b>	<b>11,884</b>	<b>(6,234)</b>	<b>1,844</b>	<b>22,613</b>	<b>(5,007)</b>	<b>(4,223)</b>	<b>13,384</b>	<b>(2,569)</b>	<b>(3,435)</b>	<b>(12,396)</b>	<b>14,287</b>	<b>6,029</b>	<b>5,551</b>

**Table 28 MBRR Table SB13 - Budgeted monthly revenue and expenditure (standard classification)**

Description - Standard classification	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>R thousands</b>															
<b>Revenue - Standard</b>															
<i>Governance and administration</i>	1,847	1,681	13,099	3,192	2,629	11,607	1,980	1,980	10,651	1,981	1,981	2,147	54,774	58,710	61,992
Executive and council	1,464	1,456	3,854	1,519	1,505	3,611	1,470	1,470	3,273	1,470	1,470	1,470	24,029	25,047	26,559
Budget and treasury office	383	226	9,227	1,574	953	7,996	490	490	6,967	490	490	491	29,777	32,677	34,334
Corporate services	-	-	18	99	171	-	20	21	411	21	21	187	968	986	1,099
<i>Community and public safety</i>	295	17	(159)	132	166	233	252	1,115	1,905	1,361	1,200	941	7,459	1,799	3,410
Community and social services	15	17	12	20	10	107	19	506	1,052	506	506	280	3,050	245	260
Sport and recreation	2	0	0	0	1	-	1	501	701	701	601	501	3,011	12	1,512
Public safety	277	-	(172)	112	154	127	231	109	152	154	93	160	1,398	1,543	1,637
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	912	778	501	605	(159)	2,274	983	1,843	1,941	1,560	2,044	1,406	14,686	23,281	5,680
Planning and development	6	81	80	140	79	107	261	220	220	220	220	235	1,870	1,932	2,110
Road transport	906	697	420	465	(238)	2,166	722	1,623	1,721	1,340	1,824	1,170	12,816	21,349	3,569
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	8,796	8,102	18,191	10,723	7,670	19,992	10,956	9,362	19,072	12,073	11,031	10,168	146,137	160,539	199,334
Electricity	5,479	5,038	8,186	5,001	4,503	8,896	5,724	5,724	8,200	6,522	5,724	5,730	74,727	89,727	101,983
Water	2,308	2,056	5,775	4,286	1,984	5,172	4,269	1,788	5,411	2,788	2,788	1,899	40,525	32,522	44,122
Waste water management	608	607	3,002	1,033	780	4,793	574	1,361	4,349	2,274	2,030	2,015	23,426	30,843	45,309
Waste management	402	400	1,228	404	404	1,131	389	489	1,113	489	489	525	7,459	7,447	7,920
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>11,850</b>	<b>10,578</b>	<b>31,631</b>	<b>14,652</b>	<b>10,305</b>	<b>34,105</b>	<b>14,172</b>	<b>14,300</b>	<b>33,569</b>	<b>16,975</b>	<b>16,257</b>	<b>14,662</b>	<b>223,055</b>	<b>244,330</b>	<b>270,415</b>
<b>Expenditure - Standard</b>															
<i>Governance and administration</i>	3,198	3,858	5,462	4,015	3,465	3,296	(4,628)	3,328	3,885	3,315	3,587	10,912	43,691	51,262	55,694
Executive and council	1,138	2,129	2,110	1,435	1,394	1,493	(2,535)	1,632	1,629	1,630	1,634	8,029	21,717	27,607	29,532
Budget and treasury office	1,033	968	1,860	1,052	845	880	(1,050)	887	722	878	861	878	9,814	10,053	11,104
Corporate services	1,027	762	1,491	1,528	1,226	923	(1,043)	809	1,534	806	1,092	2,005	12,161	13,601	15,058
<i>Community and public safety</i>	974	1,046	1,130	1,108	958	1,043	2,147	1,771	1,819	1,802	1,722	1,656	17,175	18,619	19,755
Community and social services	668	660	643	654	632	642	1,324	1,130	1,130	1,114	1,097	1,096	10,789	11,740	12,338
Sport and recreation	213	275	330	327	230	257	691	532	537	534	532	529	4,988	5,336	5,779
Public safety	93	112	157	126	96	145	131	109	152	154	93	31	1,398	1,543	1,637
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	1,009	1,110	1,940	1,451	1,402	1,317	4,993	4,212	4,147	4,190	4,160	4,127	34,058	37,545	40,756
Planning and development	189	211	276	215	214	249	504	445	445	445	445	445	4,085	4,761	4,951
Road transport	819	899	1,664	1,236	1,188	1,068	4,489	3,767	3,701	3,745	3,715	3,682	29,973	32,784	35,805
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	1,960	10,848	11,215	14,313	2,636	5,836	16,668	9,212	10,334	10,237	10,223	10,364	113,844	130,875	148,658
Electricity	358	8,155	8,549	11,829	468	4,491	9,541	5,037	6,039	6,041	6,041	6,008	72,557	86,352	100,698
Water	1,015	1,380	1,645	1,368	1,455	667	4,491	2,688	2,696	2,689	2,698	2,687	25,479	27,926	30,034
Waste water management	251	371	432	386	325	268	1,597	924	924	924	924	924	8,250	8,759	9,432
Waste management	337	942	589	728	388	410	1,038	562	675	583	560	745	7,558	7,838	8,494
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	<b>7,140</b>	<b>16,863</b>	<b>19,747</b>	<b>20,885</b>	<b>8,461</b>	<b>11,492</b>	<b>19,179</b>	<b>18,523</b>	<b>20,185</b>	<b>19,543</b>	<b>19,692</b>	<b>27,058</b>	<b>208,768</b>	<b>238,301</b>	<b>264,863</b>
<b>Surplus/ (Deficit) 1.</b>	<b>4,710</b>	<b>(6,285)</b>	<b>11,884</b>	<b>(6,234)</b>	<b>1,844</b>	<b>22,613</b>	<b>(5,007)</b>	<b>(4,223)</b>	<b>13,384</b>	<b>(2,569)</b>	<b>(3,435)</b>	<b>(12,396)</b>	<b>14,287</b>	<b>6,029</b>	<b>5,552</b>

**Table 29 MBRR Table SB 14 – Adjustment Budgeted monthly revenue and expenditure**

Description	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	
<b>R thousands</b>																
<b>Revenue By Source</b>																
Property rates	1,464	1,422	1,419	1,491	1,474	1,482	1,375	1,375	1,375	1,375	1,375	1,375	17,000	17,747	18,811	
Property rates - penalties & collection charges													-	-	-	
Service charges - electricity revenue	5,456	5,038	4,889	4,996	4,503	4,420	5,714	5,714	5,714	5,714	5,714	5,714	63,586	76,303	91,563	
Service charges - water revenue	2,308	2,056	1,808	1,732	1,977	3,349	1,778	1,778	1,778	1,778	1,778	1,778	23,900	26,330	29,013	
Service charges - sanitation revenue	607	607	614	611	610	609	574	574	574	574	574	574	7,100	7,389	7,738	
Service charges - refuse	402	400	397	404	404	403	389	389	389	389	389	389	4,740	5,032	5,348	
Service charges - other													-	-	-	
Rental of facilities and equipment	5	3	2	3	2	2	21	21	21	21	21	26	150	162	176	
Interest earned - external investments	-	166	120	372	430	(52)	161	161	161	161	161	161	2,000	2,030	1,850	
Interest earned - outstanding debtors	377	(0)	416	431	435	458	231	231	231	231	231	231	3,500	4,200	4,400	
Dividends received													-	-	-	
Fines	0	0	0	0	57	14	13	13	13	13	13	13	152	163	173	
Licences and permits													-	-	-	
Agency services	906	697	420	465	(295)	(23)	138	138	138	138	138	138	3,000	3,180	3,384	
Transfers recognised - operational	-	140	19,220	1,005	244	17,851	380	480	15,187	480	480	683	56,150	59,426	63,302	
Other revenue	325	49	(118)	167	288	152	308	185	230	231	171	233	2,220	2,587	2,753	
Gains on disposal of PPE													-	-	-	
<b>Total Revenue</b>	<b>11,850</b>	<b>10,578</b>	<b>29,188</b>	<b>11,676</b>	<b>10,130</b>	<b>28,664</b>	<b>11,081</b>	<b>11,059</b>	<b>25,810</b>	<b>11,104</b>	<b>11,044</b>	<b>11,314</b>	<b>183,498</b>	<b>204,548</b>	<b>228,512</b>	
<b>Expenditure By Type</b>																
Employee related costs	4,075	4,457	4,250	4,662	4,560	4,699	5,543	5,588	5,526	5,600	5,569	6,549	61,078	66,147	72,668	
Remuneration of councillors	413	389	399	376	423	400	462	462	462	462	462	462	5,172	5,430	5,756	
Debt impairment	-	-	-	-	-	-	-	-	-	-	-	4,000	4,000	5,000	5,500	
Depreciation & asset impairment							5,790	5,882	5,882	5,882	5,882	6,431	35,750	37,861	40,110	
Finance charges	-	-	144	-	-	-	85	85	85	85	85	1,735	2,306	826	846	
Bulk purchases	465	8,266	8,301	9,471	422	3,806	4,138	4,138	4,138	4,138	4,138	4,138	55,560	66,500	85,677	
Other materials	372	1,039	1,891	1,378	716	566	378	379	516	397	380	389	8,401	9,753	11,006	
Contracted services	729	496	961	1,075	455	450	240	240	240	240	240	233	5,601	6,302	6,545	
Grants and subsidies													-	-	-	
Other expenditure	1,087	2,215	3,802	3,922	1,884	1,571	2,543	1,748	3,335	2,738	2,935	3,120	30,900	40,480	36,755	
Loss on disposal of PPE													-	-	-	
<b>Total Expenditure</b>	<b>7,140</b>	<b>16,863</b>	<b>19,747</b>	<b>20,885</b>	<b>8,461</b>	<b>11,492</b>	<b>19,179</b>	<b>18,523</b>	<b>20,185</b>	<b>19,543</b>	<b>19,692</b>	<b>27,058</b>	<b>208,768</b>	<b>238,301</b>	<b>264,863</b>	
<b>Surplus/(Deficit)</b>	<b>4,710</b>	<b>(6,285)</b>	<b>9,441</b>	<b>(9,209)</b>	<b>1,668</b>	<b>17,172</b>	<b>(8,098)</b>	<b>(7,464)</b>	<b>5,625</b>	<b>(8,439)</b>	<b>(8,648)</b>	<b>(15,744)</b>	<b>(25,270)</b>	<b>(33,752)</b>	<b>(36,352)</b>	
Transfers recognised - capital	-	-	2,443	2,976	175	5,441	3,091	3,242	7,759	5,870	5,212	3,349	39,558	39,781	41,903	
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/(Deficit) after capital transfers &amp; contributio</b>	<b>4,710</b>	<b>(6,285)</b>	<b>11,884</b>	<b>(6,234)</b>	<b>1,844</b>	<b>22,613</b>	<b>(5,007)</b>	<b>(4,223)</b>	<b>13,384</b>	<b>(2,569)</b>	<b>(3,435)</b>	<b>(12,396)</b>	<b>14,287</b>	<b>6,029</b>	<b>5,551</b>	



**Table 30 MBRR Table SB15 – Adjustment Budgeted monthly cash flows**

Monthly cash flows	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	
<b>R thousands</b>																
<b>Cash Receipts By Source</b>																
Property rates	1,464	1,422	1,419	1,491	1,474	1,482	1,375	1,375	1,375	1,375	1,375	1,375	17,000	17,747	18,811	
Property rates - penalties & collection charges													-	-	-	
Service charges - electricity revenue	5,456	5,038	4,889	4,996	4,503	4,420	5,714	5,714	5,714	5,714	5,714	5,714	63,586	76,303	91,563	
Service charges - water revenue	2,308	2,056	1,808	1,732	1,977	3,349	1,778	1,778	1,778	1,778	1,778	1,778	23,900	26,330	29,013	
Service charges - sanitation revenue	607	607	614	611	610	609	574	574	574	574	574	574	7,100	7,389	7,738	
Service charges - refuse	402	400	397	404	404	403	389	389	389	389	389	389	4,740	5,032	5,348	
Service charges - other													-	-	-	
Rental of facilities and equipment	5	3	2	3	2	2	21	21	21	21	21	26	150	162	176	
Interest earned - external investments	-	166	120	372	430	(52)	161	161	161	161	161	161	2,000	2,030	1,850	
Interest earned - outstanding debtors	377	(0)	416	431	435	458	231	231	231	231	231	231	3,500	4,200	4,400	
Dividends received													-	-	-	
Fines	0	0	0	0	57	14	13	13	13	13	13	13	152	163	173	
Licences and permits													-	-	-	
Agency services	906	697	420	465	(295)	(23)	138	138	138	138	138	138	3,000	3,180	3,384	
Transfer receipts - operational	-	140	19,220	1,005	244	17,851	380	480	15,187	480	480	683	56,150	59,426	63,302	
Other revenue	325	49	(118)	167	288	152	308	185	230	231	171	233	2,220	2,587	2,753	
<b>Cash Receipts by Source</b>	<b>11,850</b>	<b>10,578</b>	<b>29,188</b>	<b>11,676</b>	<b>10,130</b>	<b>28,664</b>	<b>11,081</b>	<b>11,059</b>	<b>25,810</b>	<b>11,104</b>	<b>11,044</b>	<b>11,314</b>	<b>183,498</b>	<b>204,548</b>	<b>228,512</b>	
<b>Other Cash Flows by Source</b>																
Transfers receipts - capital			2,443	2,976	175	5,441	3,091	3,242	7,759	5,870	5,212	3,349	39,558	39,781	41,903	
Contributions & Contributed assets													-	-	-	
Proceeds on disposal of PPE													-	-	-	
Short term loans													-	-	-	
Borrowing long term/refinancing													-	10,000	7,000	
Increase in consumer deposits													-	-	-	
Decrease (increase) in non-current debtors													-	-	-	
Decrease (increase) other non-current receivables													-	-	-	
Decrease (increase) in non-current investments													-	-	-	
<b>Total Cash Receipts by Source</b>	<b>11,850</b>	<b>10,578</b>	<b>31,631</b>	<b>14,652</b>	<b>10,305</b>	<b>34,105</b>	<b>14,172</b>	<b>14,300</b>	<b>33,569</b>	<b>16,975</b>	<b>16,257</b>	<b>14,662</b>	<b>223,055</b>	<b>254,330</b>	<b>277,414</b>	
<b>Cash Payments by Type</b>																
Employee related costs	4,075	4,457	4,250	4,662	4,560	4,699	5,543	5,588	5,526	5,600	5,569	6,549	61,078	66,147	72,668	
Remuneration of councillors	413	389	399	376	423	400	462	462	462	462	462	462	5,172	5,430	5,756	
Collection costs	-	-	-	-	-	-	-	-	-	-	-	-	4,000	4,000	5,000	
Interest paid	-	-	-	-	-	-	5,790	5,882	5,882	5,882	5,882	6,431	35,750	37,861	40,110	
Bulk purchases - Electricity	-	-	144	-	-	-	85	85	85	85	85	85	1,735	2,306	826	
Bulk purchases - Water & Sewer	465	8,266	8,301	9,471	422	3,806	4,138	4,138	4,138	4,138	4,138	4,138	55,560	66,500	85,677	
Other materials	372	1,039	1,891	1,378	716	566	378	379	516	389	389	389	8,401	9,753	11,006	
Contracted services	729	496	961	1,075	455	450	240	240	240	240	240	233	5,601	6,302	6,545	
Grants and subsidies paid - other municipalities													-	-	-	
Grants and subsidies paid - other													-	-	-	
General expenses	1,087	2,215	3,802	3,922	1,884	1,571	2,543	1,748	3,335	2,738	2,935	3,120	30,900	40,480	36,755	
<b>Cash Payments by Type</b>	<b>7,140</b>	<b>16,863</b>	<b>19,747</b>	<b>20,885</b>	<b>8,461</b>	<b>11,492</b>	<b>19,179</b>	<b>18,523</b>	<b>20,185</b>	<b>19,543</b>	<b>19,692</b>	<b>27,058</b>	<b>208,768</b>	<b>238,301</b>	<b>264,863</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets		2,443	2,982	155	4,811	3,420	1,469	5,637	6,572	6,592	3,721	3,772	41,572	49,781	48,903	
Repayment of borrowing													-	-	-	
Other Cash Flow s/Payments													-	-	-	
<b>Total Cash Payments by Type</b>	<b>7,140</b>	<b>19,306</b>	<b>22,730</b>	<b>21,040</b>	<b>13,272</b>	<b>14,911</b>	<b>20,648</b>	<b>24,160</b>	<b>26,757</b>	<b>26,135</b>	<b>23,413</b>	<b>30,830</b>	<b>250,341</b>	<b>288,082</b>	<b>313,766</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>4,710</b>	<b>(8,228)</b>	<b>8,902</b>	<b>(6,388)</b>	<b>(2,967)</b>	<b>19,194</b>	<b>(6,476)</b>	<b>(9,859)</b>	<b>6,812</b>	<b>(9,161)</b>	<b>(7,156)</b>	<b>(16,167)</b>	<b>(27,285)</b>	<b>(33,752)</b>	<b>(36,352)</b>	
Cash/cash equivalents at the month/year beginning:	26,710	31,419	22,691	31,593	25,205	22,238	41,432	34,956	25,096	31,908	22,748	15,591	26,710	(576)	(34,328)	
Cash/cash equivalents at the month/year end:	31,419	22,691	31,593	25,205	22,238	41,432	34,956	25,096	31,908	22,748	15,591	(576)	(576)	(34,328)	(70,679)	

**Table 31 MBRR Table SB 16 – Adjustment Budgeted monthly capital expenditure (municipal vote)**

Description - Municipal Vote	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	
<b>R thousands</b>																
<b>Multi-year expenditure appropriation</b>																
Vote 1 - Executive & Council													-	-	-	-
Vote 2 - Financial Services													-	-	-	-
Vote 3 - Corporate Services													-	-	-	-
Vote 4 - Social Services	-	-	-	-	86	-	-	486	1 033	486	486	272	2 850	-	-	-
Vote 5 - Technical Services	-	2 443	2 976	155	4 172	3 420	1 469	3 260	3 784	2 748	1 615	2 256	28 297	28 127	33 903	
Vote 6 - Planning													-	-	-	-
Vote 7 - Example 7													-	-	-	-
Vote 8 - Example 8													-	-	-	-
Vote 9 - Example 9													-	-	-	-
Vote 10 - Example 10													-	-	-	-
Vote 11 - Example 11													-	-	-	-
Vote 12 - Example 12													-	-	-	-
Vote 13 - Example 13													-	-	-	-
Vote 14 - Example 14													-	-	-	-
Vote 15 - Example 15													-	-	-	-
<b>Capital Multi-year expenditure sub-total</b>	-	2 443	2 976	155	4 258	3 420	1 469	3 747	4 817	3 234	2 101	2 528	31 147	28 127	33 903	
<b>Single-year expenditure appropriation</b>																
Vote 1 - Executive & Council													-	-	-	-
Vote 2 - Financial Services													10	10	-	-
Vote 3 - Corporate Services													-	-	-	-
Vote 4 - Social Services	-	-	-	-	-	-	-	500	700	700	600	500	3 000	-	1 500	
Vote 5 - Technical Services	-	-	7	-	552	-	-	1 390	1 055	2 658	1 020	733	7 415	21 654	13 500	
Vote 6 - Planning													-	-	-	-
Vote 7 - Example 7													-	-	-	-
Vote 8 - Example 8													-	-	-	-
Vote 9 - Example 9													-	-	-	-
Vote 10 - Example 10													-	-	-	-
Vote 11 - Example 11													-	-	-	-
Vote 12 - Example 12													-	-	-	-
Vote 13 - Example 13													-	-	-	-
Vote 14 - Example 14													-	-	-	-
Vote 15 - Example 15													-	-	-	-
<b>Capital single-year expenditure sub-total</b>	-	-	7	-	552	-	-	1 890	1 755	3 358	1 620	1 243	10 425	21 654	15 000	
<b>Total Capital Expenditure</b>	-	2 443	2 982	155	4 811	3 420	1 469	5 637	6 572	6 592	3 721	3 772	41 572	49 781	48 903	

**Table 32 MBRR Table SB17–Adjustment Budget – Monthly capital expenditure (standard classification)**

Description	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>R thousands</b>															
<b>Capital Expenditure - Standard</b>															
<i>Governance and administration</i>	-	-	-	-	-	-	-	-	-	-	-	10	10	-	-
Executive and council												-	-	-	-
Budget and treasury office	-	-	-	-	-	-	-	-	-	-	-	10	10	-	-
Corporate services												-	-	-	-
<i>Community and public safety</i>	-	-	-	-	86	-	-	986	1 733	1 186	1 086	772	5 850	-	1 500
Community and social services	-	-	-	-	86	-	-	486	1 033	486	486	272	2 850	-	-
Sport and recreation	-	-	-	-	-	-	-	500	700	700	600	(2 500)	-	-	-
Public safety												3 000	3 000	-	1 500
Housing												-	-	-	-
Health												-	-	-	-
<i>Economic and environmental services</i>	-	-	7	-	1 945	569	1 469	1 757	1 376	1 860	1 020	1 456	11 459	17 994	-
Planning and development	-	-	7	-	35	-	-	-	-	-	-	16	57	-	-
Road transport	-	-	-	-	1 911	569	1 469	1 757	1 376	1 860	1 020	1 440	11 402	17 994	-
Environmental protection												-	-	-	-
<i>Trading services</i>	-	2 443	2 976	155	2 779	2 851	-	2 893	3 463	3 546	1 615	1 533	24 253	31 787	47 403
Electricity	-	-	-	-	518	-	-	-	15	798	-	78	1 408	13 660	7 000
Water	-	1 885	2 554	7	-	2 481	-	2 107	1 048	1 048	159	48	11 336	-	8 507
Waste water management	-	558	422	148	2 262	370	-	786	2 400	1 700	1 456	1 407	11 509	18 127	31 896
Waste management												-	-	-	-
<i>Other</i>												-	-	-	-
<b>Total Capital Expenditure - Standard</b>	-	2 443	2 982	155	4 811	3 420	1 469	5 637	6 572	6 592	3 721	3 772	41 572	49 781	48 903

**Table 33 MBRR Table SB18a – Adjustment Budget - Capital expenditure on new assets by asset class**

Description	Budget Year 2011/12									Budget Year +1 2012/13	Budget Year +2 2013/14
	Original Budget	Prior Adjusted 7	Accum. Funds 8	Multi-year capital 9	Unfore. Unavoid. 10	Nat. or Prov. Govt 11	Other Adjusts. 12	Total Adjusts. 13	Adjusted Budget 14	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>											
<b>Infrastructure</b>	5,884	-	-	-	-	-	6,911	6,911	12,795	49,781	47,403
Infrastructure - Road transport	5,289	-	-	-	-	-	6,114	6,114	11,402	17,994	-
<i>Roads, Pavements &amp; Bridges</i>	5,289	-	-	-	-	-	6,114	6,114	11,402	12,500	-
<i>Storm water</i>	-	-	-	-	-	-	-	-	-	5,494	-
Infrastructure - Electricity	595	-	-	-	-	-	798	798	1,393	13,660	7,000
<i>Generation</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Transmission &amp; Reticulation</i>	595	-	-	-	-	-	798	798	1,393	10,000	7,000
<i>Street Lighting</i>	-	-	-	-	-	-	-	-	-	3,660	-
Infrastructure - Water	-	-	-	-	-	-	-	-	-	-	8,507
<i>Dams &amp; Reservoirs</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Water purification</i>	-	-	-	-	-	-	-	-	-	-	8,507
<i>Reticulation</i>	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-	18,127	31,896
<i>Reticulation</i>	-	-	-	-	-	-	-	-	-	18,127	18,396
<i>Sewerage purification</i>	-	-	-	-	-	-	-	-	-	-	13,500
Infrastructure - Other	-	-	-	-	-	-	-	-	-	-	-
<i>Refuse</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Transportation</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Gas</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-
<b>Community</b>	2,680	-	-	-	-	-	170	170	2,850	-	1,500
Parks & gardens	-	-	-	-	-	-	-	-	-	-	1,500
Sports Fields & stadia	-	-	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-	-	-
Community halls	2,680	-	-	-	-	-	170	170	2,850	-	-
Libraries	-	-	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	67	-	-	-	-	-	15	15	82	-	-
General vehicles	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-	-	-	-	-
Computers - hardware/equipment	20	-	-	-	-	-	-	-	20	-	-
Furniture and other office equipment	47	-	-	-	-	-	-	-	47	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-	-	-	-	-
Other Buildings	-	-	-	-	-	-	15	15	15	-	-
Other Land	-	-	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Agricultural assets</b>	-	-	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>	-	-	-	-	-	-	-	-	-	-	-
<b>Biological assets</b>	-	-	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>	-	-	-	-	-	-	-	-	-	-	-
<b>Intangibles</b>	-	-	-	-	-	-	-	-	-	-	-
Computers - software & programming	-	-	-	-	-	-	-	-	-	-	-
Other (list sub-class)	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets to be adjus</b>	<b>8,631</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,096</b>	<b>7,096</b>	<b>15,727</b>	<b>49,781</b>	<b>48,903</b>

**Table 34 MBRR Table SB18b – Adjustment Budget - Capital expenditure on the renewal of existing assets by asset class**

Description	Budget Year 2011/12									Budget Year +1 2012/13	Budget Year +2 2013/14
	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		
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>											
<b>Infrastructure</b>	24,684	-	-	-	-	-	(1,839)	(1,839)	22,845	-	-
Infrastructure - Road transport	-	-	-	-	-	-	-	-	-	-	-
<i>Roads, Pavements &amp; Bridges</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Storm water</i>	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-	-	-	-	-	-
<i>Generation</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Transmission &amp; Reticulation</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Street Lighting</i>	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water	7,274	-	-	-	-	-	4,062	4,062	11,336	-	-
<i>Dams &amp; Reservoirs</i>	7,274	-	-	-	-	-	4,062	4,062	11,336	-	-
<i>Water purification</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	17,410	-	-	-	-	-	(5,901)	(5,901)	11,509	-	-
<i>Reticulation</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Sewerage purification</i>	17,410	-	-	-	-	-	(5,901)	(5,901)	11,509	-	-
Infrastructure - Other	-	-	-	-	-	-	-	-	-	-	-
<i>Refuse</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Transportation</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Gas</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-
<b>Community</b>	-	-	-	-	-	-	3,000	3,000	3,000	-	-
Parks & gardens	-	-	-	-	-	-	-	-	-	-	-
Sports Fields & stadia	-	-	-	-	-	-	3,000	3,000	3,000	-	-
Swimming pools	-	-	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	-	-	-	-	-	-	-	-	-	-	-
General vehicles	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-	-	-	-	-
Computers - hardware/equipment	-	-	-	-	-	-	-	-	-	-	-
Furniture and other office equipment	-	-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-	-	-	-	-
Other Buildings	-	-	-	-	-	-	-	-	-	-	-
Other Land	-	-	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Agricultural assets</b>	-	-	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>	-	-	-	-	-	-	-	-	-	-	-
<b>Biological assets</b>	-	-	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>	-	-	-	-	-	-	-	-	-	-	-
<b>Intangibles</b>	-	-	-	-	-	-	-	-	-	-	-
Computers - software & programming	-	-	-	-	-	-	-	-	-	-	-
Other (list sub-class)	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on renewal of existing assets to be adjusted</b>	<b>24,684</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,161</b>	<b>1,161</b>	<b>25,845</b>	<b>-</b>	<b>-</b>

**Table 35 MBRR Table SB 18c –Adjustment Budget - Repair and maintenance expenditure by asset class**

Description	Budget Year 2011/12									Budget Year	Budget Year
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2012/13 Adjusted Budget	+2 2013/14 Adjusted Budget
R thousands	A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>											
<b>Infrastructure</b>	5,733	-	-	-	-	-	220	220	5,953	6,751	7,734
Infrastructure - Road transport	1,500	-	-	-	-	-	240	240	1,740	2,000	2,500
Roads, Pavements & Bridges	1,500	-	-	-	-	-	240	240	1,740	2,000	2,500
Storm water	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	1,234	-	-	-	-	-	(20)	(20)	1,214	1,357	1,641
Generation	-	-	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	1,166	-	-	-	-	-	-	-	1,166	1,283	1,552
Street Lighting	68	-	-	-	-	-	(20)	(20)	48	75	89
Infrastructure - Water	2,500	-	-	-	-	-	-	-	2,500	2,850	3,000
Dams & Reservoirs	200	-	-	-	-	-	-	-	200	250	300
Water purification	-	-	-	-	-	-	-	-	-	-	-
Reticulation	2,300	-	-	-	-	-	-	-	2,300	2,600	2,700
Infrastructure - Sanitation	499	-	-	-	-	-	-	-	499	544	593
Reticulation	-	-	-	-	-	-	-	-	-	-	-
Sewerage purification	499	-	-	-	-	-	-	-	499	544	593
Infrastructure - Other	-	-	-	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Community</b>	283	-	-	-	-	-	(10)	(10)	273	298	320
Parks & gardens	-	-	-	-	-	-	-	-	-	-	-
Sports Fields & stadia	236	-	-	-	-	-	-	-	236	251	267
Swimming pools	-	-	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-	-	-
Other	47	-	-	-	-	-	(10)	(10)	37	47	53
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	2,291	-	-	-	-	-	(115)	(115)	2,176	2,704	2,952
General vehicles	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-
Plant & equipment	729	-	-	-	-	-	(4)	(4)	725	846	932
Computers - hardware/equipment	-	-	-	-	-	-	-	-	-	-	-
Furniture and other office equipment	260	-	-	-	-	-	(108)	(108)	152	367	335
Abattoirs	-	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	387	-	-	-	-	-	(20)	(20)	367	537	639
Other Buildings	-	-	-	-	-	-	-	-	-	-	-
Other Land	615	-	-	-	-	-	112	112	727	654	696
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-	-	-
Other	300	-	-	-	-	-	(95)	(95)	205	300	350
<b>Agricultural assets</b>	-	-	-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-	-	-
<b>Biological assets</b>	-	-	-	-	-	-	-	-	-	-	-
List sub-class	-	-	-	-	-	-	-	-	-	-	-
<b>Intangibles</b>	-	-	-	-	-	-	-	-	-	-	-
Computers - software & programming	-	-	-	-	-	-	-	-	-	-	-
Other (list sub-class)	-	-	-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure to be adjusted</b>	<b>8,306</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95</b>	<b>95</b>	<b>8,401</b>	<b>9,753</b>	<b>11,006</b>

**Table 36 MBRR Table SB19 – List of Capital Programmes and Projects affected by Adjustment Budget**

Municipal Vote/Capital project	Program/Project description	Project number	IDP Goal Code 3.	Asset Class 4.	Asset Sub-Class 4.	Medium Term Revenue and Expenditure Framework					
						Budget Year 2011/12		Budget Year +1 2012/13		Budget Year +2 2013/14	
						Original Budget	Adjusted Budget	Original Budget	Adjusted Budget	Original Budget	Adjusted Budget
Parent municipality: <i>List all capital programs/projects grouped by Municipal Vote</i>											
231 - Municipal Buildings	Mabatlane market stalls	LED09	Q	Land and building	Building	860	1,000				
	Modimolle market stalls	LED08	Q	Land and building	Building	1,820	1,850				
240 - Parks and Recreation	Development of Mabaleng Park	PAK17	Q	Community	Parks & gardens					400	400
	Development of Mabatlane Park	PAK18	Q	Community	Parks & gardens					550	550
	Development of Phagament Park	PAK19	Q	Community	Parks & gardens					550	550
	Development of Sports Parks		Q	Community	Parks & gardens		3,000				
256 - Budget and Treasury	Safe at Mabaleng office	FIN01	K	Other	Office equipment	10	10				
262 - Public Works	Joe Slovo Bridge	ROA21	G	Infrastructure - Road transport	Bridges	2,909	4,531				
	Leseding Taxi Rank	ROA03	G	Community asset	Building	1,580	121				
	Meininger Street	ROA04	G	Infrastructure - Road transport	Roads	800	800				
	Limpopo Street upgrading of Low Level	ROA20	G	Infrastructure - Road transport	Bridges		5,000	5,000			
	Barney Molokoane Upgrade of Low		G	Infrastructure - Road transport	Bridges				5,000		
	Paving of Street in Mabatlane Town	ROA19	G	Infrastructure - Road transport	Paving			7,500	7,500		
	Modimolle Stormwater Management	ROA22	G	Infrastructure - Road transport	Storm water			5,494	5,494		
	Reseal of road			Infrastructure - Road transport	Roads		950				
267 - PROJECT MANAGEMENT UNIT	Computers	PMU02	G	Other	Computer equipment	20	20				
	Furniture	PMU01	G	Other	Furniture	37	37				
270 - Sewer	Mabatlane Sewer Reticulation	WAT05	G	Infrastructure - Sanitation	Sewer reticulation	5,100	4,826				
	Modimolle Waste Water Treatment	WAT08	G	Infrastructure - Sanitation	Sewer reticulation	12,310	627	18,127	18,127	18,396	18,396
	Mabaleng Waste Water Treatment	WAT09	G	Infrastructure - Sanitation	Sewerage purification		3,000			1,000	1,000
	Mabatlane Waste Water Treatment	WAT10	G	Infrastructure - Sanitation	Sewerage purification		3,056			12,500	12,500
276 - Electrotechnical	Phagameng Ext 9 Streetlight	ELE11	G	Infrastructure - Electricity	Street Lighting	298	298	900	900		
	Phagameng Ext 11 Streetlight	ELE07	G	Infrastructure - Electricity	Street Lighting	298	298	600	600		
	Phagameng Ext. 7 Streetlight	ELE08	G	Infrastructure - Electricity	Street Lighting			900	900		
	Phagameng Ext. 10 Streetlight	ELE10	G	Infrastructure - Electricity	Street Lighting			900	900		
	Mabatlane Street lighting Ext 4	ELE09	G	Infrastructure - Electricity	Street Lighting			300	300		
	Modimolle Street lighting	ELE12	G	Infrastructure - Electricity	Street Lighting			60	60		
	Upgrade of Internal Reticulation -	ELE02	G	Infrastructure - Electricity	Transmission & Reticulation			10,000	10,000	7,000	7,000
	Vaalwater Highmast Lights			Infrastructure - Electricity	Street Lighting		399				
	Alma Highmast Lights			Infrastructure - Electricity	Street Lighting		399				
	Airconditioner						15				
280 - Water	Donkerpoort Water Works Upgrade	WAT11	G	Infrastructure - Water	Water purification	7,274	11,097				
	Donkerpoort Water Works Upgrade	WAT12	G	Infrastructure - Water	Water purification					8,507	8,507
	Water provision for Extension 11		G	Infrastructure - Water	Water distribution		240				

## **Part 3 – SUPPORTING DOCUMENTS**

### **1. OVERVIEW OF THE ADJUSTMENT BUDGET PROCESS**

In undertaking its adjustment budget process, Modimolle Local Municipality was guided by the following key legislation and documents:

- Municipal Finance Management Act;
- Municipal Systems Act;
- The National Spatial Development Framework; and
- The Limpopo Provincial Government and Development Strategy.
- National Treasury Circular 54.

The municipality is always conscious of the fact the IDP, Budget and other consultative processes have to be undertaken with credibility and honesty in order to ensure good governance and accountability.

### **2. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS**

The measurable performance indicators and objectives for revenue and expenditure (both capital and operating) are contained in the Service Delivery and Budget Implementation Plan (SDBIP) of the municipality and the Section 57 (Municipal Systems Act) managers. The SDBIP has been designed such that it gives effect to the implementation of the budget, with quarterly performance targets. The SDBIP will be submitted to the Mayor after the adjustment budget has been approved. The timeframes as contained in Section 53(1) (c) of the MFMA will be complied with.

### **3. DRINKING WATER QUALITY AND WASTE WATER MANAGEMENT**

#### **4.1 Water Service Authority and Water Service Provider**

Modimolle local Municipality is the Water Service Authority in conjunction with Magalies Water as the Water Service Provider. Modimolle Municipality manages the water and waste water schemes. Magalies water only provides bulk water services to Modimolle.

#### **4.2 Blue and Green Drop Rating**

The Blue Drop rating for Donkerpoort scheme is standing at 95.01% and 34% for Alma and Vaalwater. Another assessment is scheduled for 1<sup>st</sup> March 2012. Areas that need more attention are the classification of our process controller skills and qualifications, water quality analysis and ageing infrastructure.

The Green Drop rating is currently at 43.3% for Modimolle and 20.3% for Alma and Vaalwater. Another assessment is scheduled for 1<sup>st</sup> March 2012. Areas that need attention includes the following process controller skills and qualifications, ageing infrastructure and shortage of skilled artisans (fitter and turner)



#### 4.3 Water Safety Plan

The water safety plan is being reviewed annually and items that need attention are being included in the budget.

#### 4.4 Challenges with regards to management of drinking water and waste water Ageing infrastructure

Skills and qualifications of our process.  
Water quality analysis instruments.  
Budget constraints.

### 4. OVERVIEW OF BUDGET RELATED POLICIES

The municipality has come to the realisation that for the budget to be credible and balanced, it must be supported by policies that guide the revenue and expenditure estimates. Modimolle Local Municipality aims to deliver services that are affordable to its communities. To ensure this, the budget related policies have been reviewed, and other policies are in the process of review, to take the socio-economic realities of the communities into account. This reality, however, is balanced with the realisation that the municipality must be financially sustainable.

### 5. OVERVIEW OF BUDGET ASSUMPTIONS

In MFMA Circular 54, the National Treasury has cautioned municipalities to prepare budgets within the context of the economic crises that are felt everywhere in the globe. Some of the economic crises that will impact on the budget are slow growth in the local economy of the municipality, shrinking employment and declining income levels. These factors, in turn, will impact on the demand for and affordability of municipal services. The budget has to be responsive to the needs of the community but also structured in such a manner that it facilitates local economic development and job creation. Three factors are very important in this regard, namely;

- The municipality must collect all revenue due from those households and members of the community who can afford to pay for the municipal services they receive but refuse, or ignore, to do so;
- The municipality must exercise financial discipline avoid unnecessary, nice-to-have expenditure; and
- The municipality must effectively utilise its assets, making the assets to sweat as reflected by the ratio of operating income to assets, particularly the income generating assets. This has been balanced with increased budget on repairs and maintenance to ensure that the infrastructure assets are maintained at higher levels.

This budget has been prepared based on the following assumptions:

**Table 37 - Budget assumptions**

Financial year	2009/10 Actual	2010/11 Estimate	2011/12	2012/13	2013/14
Headline CPI inflation		5.7%	4.9%	5.5%	5.9%
Revenue collection rate			90%	92%	95%
Salaries (LGBA)	13%	8%	6.07%	6%	6%

## 6. OVERVIEW OF BUDGET FUNDING

Section 18(1) of the MFMA requires the budget of a municipality to be funded from-

- (i) Realistically anticipated revenues to be collected;
- (ii) Cash-backed accumulated funds from previous years' surpluses not committed for other purposes; and
- (iii) Borrowed funds, but only for the capital budget referred to in Section (17) (2) of the MFMA.

This budget has been prepared taking into cognizance the requirements of the abovementioned section. Revenue was estimated using a collection rate of 90% to billings. The capital budget is funded out of grants received from National Treasury and own income. The 2010 Division of Revenue Bill allocations to Modimolle Local Municipality are as follows for 2011/12 – 2013/14.

**Table 38 - Grant allocations over the MTREF**

Grant type (R'000)	2011/12	2012/13	2013/14
Equitable share	R50 075 000	R55 376 000	R58 990 000
Finance Management Grant	R1 250 000	R1 500 000	R1 500 000
Municipal Infrastructure Grant	R34 156 000	R41 531 000	R43 815 000
Municipal Systems Improvement Grant	R790 000	R800 000	R900 000
Extended Public Works Programme	R 536 000		
Waterberg District Municipality	R1000 000		

These grants are explained below:

- Equitable Share - The equitable share is an unconditional grant and is used for institutional capacity and to support the indigents;
- Local Government Financial Management Grant - This grant is a conditional grant and can only be used for capacity building and Internship Programme;
- Special Contribution towards Councilor Grant - This grant forms part of the equitable share allocations;
- Municipal Infrastructure Grant (MIG) - This is a conditional grant for municipal infrastructure; and
- Municipal System Improvement Grant (MSIG) - This is a conditional grant designed to improve systems within the municipality.
- Waterberg District Municipality – This is a conditional grant designed to improve the electricity infrastructure.

The municipality is receiving R3 000 000 from the Department of Sport and Recreation that did not form part of the 2010 Division of Revenue Act.

## **EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES**

Provision was made in the 2011/12 budget for the following statutory and reserve fund contributions:

- Leave Reserve : R 900 000
- Debt Impairment : R 4000 000

Contributions in total amount to R4 900 000 and this represents 2.3% of total operating expenditure. The working capital reserve makes provision for nonpayment of services.

## **7. ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY**

The municipality does not make any grants or allocations to either individuals or organs of state.

## **10. COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS**

The municipality made provision for an increase of 5% to councillors and 8% to employee's allowances and benefits. The new post of Divisional Manager: Performance Management is included in the adjustment budget for 2011/2012:

❖ *See supporting table SB11 for the detail.*

## **11. MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW**

Monthly targets for revenue, expenditure and cash flow are attached as per supporting table 27.

## **12. ADJUSTMENT BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS**

The adjusted service delivery and budget implementation plans will be tabled to the Mayor within 14 days of the approval of the adjustment budget.

## **13. CAPITAL EXPENDITURE DETAILS FOR 2011/12**

The supporting table SB19 shows the details of adjustment capital budget for the 2011/12 financial year. As the table shows, a combination of grant funding and own income will be used to fund the capital budget.

## **14. LEGISLATION COMPLIANCE DETAILS**

This adjustment budget has been prepared in accordance with the requirements of the Municipal Finance Management Act, the Municipal Budget and Reporting Regulations and the Municipal Systems Act.

## **15. BUDGET RELATED POLICIES**

The policies can be viewed on the Municipalities website, [www.modimolle.gov.za](http://www.modimolle.gov.za).

**16. QUALITY CERTIFICATION**

I, **Khupa Lekala,**

**Municipal Manager**

of **Modimolle Local Municipality,**

hereby certify that the adjustment budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and Regulations made under the Act, and that the adjustment budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Part 4 – ANNEXURES**

**Annexure A: Supporting Charts**

