

Item

2013/14 MTREF Adjustment

(5/4/1-2013/2014)

(Financial Services)

1. Introduction

The purpose of the report is to inform Council of corrections on Schedule A.

2. Discussion

2.1 Schedule A was used for tables in the 2013/14 MTREF report.

2.2 There are certain corrections that were made on table 22, Budgeted Capital Expenditure and table 24, Budgeted Cash flow Statement to be in line with audit outcome financial statements for the years 2009/12, 2010/11 and 2011/12.

2.3 Table 22 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

FS204 Metsimaholo - Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	Re f	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<u>Capital expenditure - Vote</u>											
<u>Multi-year expenditure to be appropriated</u>	2										
Vote 1 - Council/Mayor, Speaker and Councillors		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Organisational Development & Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Social Services		-	-	-	-	-	-	-	7 456	15 000	-
Vote 5 - Infrastructure Services		-	-	-	72 148	-	-	-	64 542	50 074	61 950
Vote 6 - Financial Services		-	-	-	100	-	-	-	-	-	-
Vote 7 - Local Economic Development		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	72 248	-	-	-	71 997	65 074	61 950
<u>Single-year expenditure to be appropriated</u>	2										
Vote 1 - Council/Mayor, Speaker and Councillors		-	-	-	106	106	87	-	-	-	-
Vote 2 - Municipal Manager		36 799	(1 654)	661	12 550	900	735	-	1 864	1 427	6 742
Vote 3 - Organisational Development & Corporate Services		236	410	-	2 110	1 402	1 144	-	1 200	1 900	1 300
Vote 4 - Social Services		4 817	2 632	1 200	7 138	3 370	2 751	-	9 543	19 352	20 524
Vote 5 - Infrastructure Services		33 887	41 800	48 840	42 555	89 529	73 085	-	78 214	44 264	23 805
Vote 6 - Financial Services		98	754	335	446	330	269	-	17	-	-

Vote 7 - Local Economic Development		13	435	35 300	750	-	-	-	752	30 500	1 000
Capital single-year expenditure sub-total		75 850	44 377	86 336	65 654	95 637	78 070	-	91 589	97 443	53 372
Total Capital Expenditure - Vote		75 850	44 377	86 336	137 902	95 637	78 070	-	163 587	162 518	115 322
Capital Expenditure - Standard											
<i>Governance and administration</i>		37 133	(490)	996	19 352	18 065	14 746	-	3 081	3 330	8 042
Executive and council		32 466	(1 654)	661	106	-	-	-	1 864	1 427	6 742
Budget and treasury office		98	754	335	16 678	18 065	14 746	-	17	3	-
Corporate services		4 569	410	-	2 568	-	-	-	1 200	1 900	1 300
<i>Community and public safety</i>		4 830	2 886	36 500	13 367	-	-	-	14 487	37 346	18 824
Community and social services		4 763	2 248	1 102	13 197	-	-	-	1 659	8 618	4 592
Sport and recreation		54	140	96	-	-	-	-	9 696	15 679	12 576
Public safety		-	244	2	170	-	-	-	2 382	1 050	657
Housing		13	254	35 300	-	-	-	-	750	12 000	1 000
Health		-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	21 013	9 827	15 320	14 751	12 041	-	21 543	25 991	18 950
Planning and development		-	181	-	1 500	-	-	-	2	18 500	-
Road transport		-	20 832	9 827	13 820	14 751	12 041	-	21 541	7 491	18 950
Environmental protection		-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		23 191	20 895	36 928	86 412	61 821	50 466	0	119 580	92 832	68 505
Electricity		6 683	9 073	13 541	18 200	12 997	10 609	-	51 018	59 000	58 190
Water		7 556	5 028	14 539	27 495	19 824	16 183	-	21 577	7 537	2 400
Waste water management		8 952	6 794	8 848	38 942	27 725	22 633	0	43 727	17 295	5 215
Waste management		-	-	-	1 775	1 275	1 041	-	3 258	9 000	2 700
<i>Other</i>		10 696	73	2 084	3 451	1 000	816	-	4 898	3 019	1 000
Total Capital Expenditure - Standard	3	75 850	44 377	86 336	137 902	95 637	78 070	0	163 587	162 518	115 322
Funded by:											
National Government		25 997	41 082	37 594	59 768	62 486	62 484	-	93 697	70 057	81 355
Provincial Government		13	-	-	-	-	-	-	-	18 300	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	26 010	41 082	37 594	59 768	62 486	62 484	-	93 697	88 357	81 355
Public contributions & donations	5	-	912	-	-	-	-	-	-	-	-
Borrowing	6	32 466	-	-	43 000	11 200	9 000	-	27 500	10 500	5 000
Internally generated funds		17 374	2 383	48 742	35 134	21 951	6 585	-	42 390	63 661	28 967
Total Capital Funding	7	75 850	44 377	86 336	137 902	95 637	78 070	-	163 587	162 518	115 322

2.4 The reasons for the corrections are as follows:

➤ 2009/10 financial year audit outcome

The assets regarding the financial lease of R32 466 161.

Compliance with GRAP adjustments of R10 696 000 was made on the asset register.

➤ 2010/11 financial year audit outcome

Compliance with GRAP adjustments of R73 225 was made on the asset register(intangible assets)

Asset(electricity) of R91 000 was not on the asset register

➤ 2011/12 financial year audit outcome

- Asset(electricity) of R91 000 of previous financial year corrected on the asset register

2.5 A copy of the original table 22 is attached as Annexure A on page

2.6 **Table 24 Consolidated Budgeted**

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		310 446	407 927	456 898	509 428	518 224	467 181		559 617	608 991	633 167
Government - operating	1	101 883	83 228	93 062	107 206	104 489	104 489		107 887	115 458	123 220
Government - capital	1	-	-	-	59 768	62 480	62 480		93 697	88 357	81 355
Interest		18 316	4 445	2 357	16 702	1 900	9 936		18 128	19 163	21 481
Dividends		-	52	59	-						
Payments											
Suppliers and employees		(377 800)	(408 472)	(484 837)	(572 053)	(575 217)	(545 351)		(621 483)	(671 847)	(710 454)
Finance charges		(2 631)	(312)	(815)	(21 076)	(4 318)	(4 318)		(8 142)	(6 877)	(5 901)
Transfers and Grants	1	-	-	-	(31 515)	(31 295)	(31 295)		(47 267)	(52 344)	(55 484)
NET CASH FROM/(USED) OPERATING ACTIVITIES		50 214	86 868	66 724	68 460	76 263	63 122	-	102 436	100 901	87 383
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	9 000	9 000	9 000		5 000	5 200	5 300
Decrease (Increase) in non-current debtors		-	-	7 725	-						
Decrease (increase) other non-current receivables		(12 723)	1 635	-	-						
Decrease (increase) in non-current investments		-	-	-	7 500	7 500	7 500				
Payments											
Capital assets		(61 055)	(44 377)	(86 337)	(114 409)	(83 686)	(78 071)		(136 304)	(108 406)	(90 730)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(73 777)	(42 743)	(78 612)	(97 909)	(67 186)	(61 571)	-	(131 304)	(103 206)	(85 430)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-						
Borrowing long term/refinancing		(1 336)	(1 230)	-	32 000	11 200	9 000		27 500	10 500	5 000
Increase (decrease) in consumer deposits		-	-	-	1 000		1 000		1 000	300	2 700
Payments											
Repayment of borrowing		24 791	(16 374)	(15 631)	(11 688)	(19 000)	(300)		(16 541)	(7 726)	(3 478)
NET CASH FROM/(USED) FINANCING ACTIVITIES		23 455	(17 603)	(15 631)	21 312	(7 800)	9 700	-	11 959	3 074	4 222
NET INCREASE/ (DECREASE) IN CASH HELD		(108)	26 522	(27 519)	(8 137)	1 277	11 251	-	(16 908)	770	6 175
Cash/cash equivalents at the year begin:	2	8 781	8 672	35 194	30 248	7 676	7 676	7 676	18 927	2 019	2 789
Cash/cash equivalents at the year end:	2	8 672	35 194	7 676	22 111	8 953	18 927	7 676	2 019	2 789	8 964

2.7 The reasons for the corrections are as follows:

➤ **2009/10 financial year audit outcome**

Format of cash flow in Table 24 differs from Cash Flow Statement in Annual Financial Statements

Cash/cash equivalent at beginning of year was incorrect as (R27 550 000) instead of R8 780 986

The total cash flow was corrected.

The Cash/cash equivalent at end of year was correct shown as R8 780 986

➤ **2010/11 financial year audit outcome**

Format of cash flow in Table 24 differs from Cash Flow Statement in Annual Financial Statements

Proceeds on disposal of PPE were in corrected as it did reflect figure of Capital assets.

The Cash/cash equivalent at end of year was correct shown as R35 194 673

➤ **2011/12 financial year audit outcome**

Format of cash flow in Table 24 differs from Cash Flow Statement in Annual Financial Statements

Receipts and payments in net cash from operating activates are brought in line with Flow Statement in Annual Financial Statements

The Cash/cash equivalent at end of year was correct shown as R7 675 888

2.8 A copy of the original table 24 is attached as Annexure B on page

2.9 A copy of the CASH FLOW STATEMENTS are attached as Annexure C on page to.....

RECOMMENDED

1. That Council takes cognisance of the corrections
2. That National treasury be informed of the Council resolution

**FOR
ATTENTION**

MM CFO
MM CFO