



# Adjustments Budget 2010-11

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Thabazimbi Local Municipality

28 February 2011

*A compilation of the 2010-2011 adjustment budget and supporting schedules for the Thabazimbi Local Municipality presented in terms of the MFMA Budgeting and Reporting Regulations.*

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## **1 Part 1 – Adjustment Budget**

### **1.1 Mayor's report**

In the previous approved budget we had advised that the cash flow collection rate may be impacted on by the economic recession which the municipality and the rest of the country were experiencing. Operational spending has improved compared to past trends. This improvement has however placed our cash flows under pressure.

As part of managing costs, reductions have been made on those costs which are not necessary to incur immediately, or in the short term or can be deferred to the next financial year and increases made where it is necessary and warranted. Salaries and allowances or benefits to both officials and councillors were realigned to reflect savings arising from delayed appointments. Increases affected motor vehicle expenses and overtime and standby allowances.

The capital budget has been realigned to speed up service delivery in the current financial year to R52million from the previous approved budget. As a result no projects have been deferred though little or no activity has been recorded. Respective managers have committed to execute all outstanding projects during the second half of the year.

The Service Delivery and BUDGET Implementation Plan (SDBIP) has to be adjusted due to the realignment that has taken place on both the operational and capital budgets. This will affect service delivery targets and performance targets. The reviewed SDBIP will be approved as soon as it is complete.

The total budget of the municipality for the year is R236million.

In light of the above, i recommend Council to approve the following adjustments:

-  Increase of total municipal revenue by R3.147million
-  Adjustment Employee benefits and Councillors' remuneration to reflect a saving of R1.697million
-  Additional repairs and maintenance of R8.7million, and
-  Additional capital projects to the tune of RR3.674 million.

## 1.2 Budget related resolutions

The Municipal Finance Management Act (MFMA) of 2003 requires that the municipality table and adopt the budget and budget resolutions. The format of the budget and supporting documentation is prescribed by the Municipal Budget and Reporting Regulations.

The following resolutions are placed before council for tabling and approval:

THAT

1. The adjustments budget for the financial year 2010-2011 be approved as contained in the Tables B1 –B10 listed below:
  - a. Table B1 Adjustments Budget Summary (Page 6)
  - b. Table B2 Adjustments Budgeted Financial Performance (Revenue and Expenditure by Standard Classification) (Page 8)
  - c. Table B3 Adjustments Budgeted Financial Performance ( Revenue and Expenditure by municipal vote) (Page 9)
  - d. Table B4 Adjustments Budgeted Financial Performance (Revenue and Expenditure) (Page 10)
  - e. Table B5 Adjustments Budgeted Capital Expenditure by Vote, Standard Classification and Funding (Page 11)
  - f. Table B6 Adjustments Budgeted Statement of Financial Position (Page 12)
  - g. Table B7 Adjustments Budgeted Statement of Cash flows (Page 13)
  - h. Table B8 Adjustments Budgeted Cash backed reserves/ Accumulated surplus reconciliation (Page 14)
  - i. Table B9 Adjustments Budgeted Asset Management (Page 15)
  - j. Table B10 Adjustments Budgeted Basic Service Delivery measurement (Page 17)
2. The SDBIP will be adjusted to reflect the adjustments made in the budget allocation and submitted for subsequent approval by the Mayor.

## **1.3 Executive summary**

### **Introduction**

This MTREF 2010-2011 adjustments budget is prepared on a multi-year basis, in line with the MFMA Budget and Reporting Regulations.

### **Budget Process**

The Process Plan scheduling key deadlines was approved by council in September 2010 in compliance with the Municipal Finance Management Act. This document outlined the process of compilation of the Adjustments Budget for 2010-2011. Meetings were held with all the clusters to explain the process and deadlines required to produce their respective Process Plans.

### **Income**

There are no major changes to anticipated revenue except for the additional unconditional allocation of R3m from National Government as stipulated in Government Gazette No. 33879 of 15 December 2010, published in terms of the Division of Revenue Act (Act 1 2010) as amended by the Division of Revenue Amendment Act (Act 15 of 2010).

Table B1 (Page 6) outlines the constituents of the revenue sources of the municipality. The total revised operating revenue therefore becomes R182million.

### **Operational Expenditure**

Overall expenditure has gone up 4%. This is primarily constituted by a 14% upward adjustment in repairs and maintenance. This expenditure item had ordinarily been understated during the original budget preparation.

Employee costs have gone down 2.3% while councillors' remuneration has been adjusted 9.6% downwards due to a correction of a computation error in the original budget. The 2.3% downwards adjustment arises from a saving due to the delays in appointment in certain budgeted positions.

### **Capital expenditure**

Capital expenditure is adjusted upwards to a budget of R53million. This increase was achieved through realignment and reallocations to further enhance service delivery to the community. The adjustments are directed towards the electrification of settlements as well provision of water and sanitation.

This will all be funded from internally generated funds.

### **Funding of the adjustments budget**

The capital adjustments budget excludes additional external income sources. Using that criteria revenue sources such as the usual Municipal Infrastructural Grant and the Integrated National Electrification Program Grant, which have not been adjusted during DoRA amendment, have not changed.

As a result the whole R3.6million additional capital expenditure will be funded solely from internally generated funds.

## 1.4 Adjustment budget tables

### Table B1 Adjustments Budget Summary

Description	Budget Year 2010/11					Budget Year +1 2011/12	Budget Year +2 2012/13
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>R thousands</b>							
<b><u>Financial Performance</u></b>							
Property rates	27 261	-	-	-	27 261	29 033	31 298
Service charges	90 169	-	-	-	90 169	96 030	103 521
Investment revenue	5 604	-	-	-	5 604	5 968	6 434
Transfers recognised - operational	48 850	3 147	-	3 147	51 997	54 763	59 985
Other own revenue	7 179	-	-	-	7 179	16 300	13 083
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>179 063</b>	<b>3 147</b>	<b>-</b>	<b>3 147</b>	<b>182 210</b>	<b>202 094</b>	<b>214 321</b>
Employee costs	58 681	-	(1 228)	(1 228)	57 453	67 683	72 963
Remuneration of councillors	4 872	-	(469)	(469)	4 403	5 188	5 593
Depreciation & asset impairment	16 256	-	-	-	16 256	17 081	18 413
Finance charges	1 095	-	-	-	1 095	908	724
Materials and bulk purchases	31 773	-	-	-	31 773	33 838	36 478
Other expenditure	62 694	-	8 714	8 714	71 408	68 024	75 469
<b>Total Expenditure</b>	<b>175 371</b>	<b>-</b>	<b>7 017</b>	<b>7 017</b>	<b>182 388</b>	<b>192 722</b>	<b>209 640</b>
<b>Surplus/(Deficit)</b>	<b>3 692</b>	<b>3 147</b>	<b>(7 017)</b>	<b>(3 870)</b>	<b>(178)</b>	<b>9 372</b>	<b>4 681</b>
Transfers recognised - capital	-	-	33 892	33 892	33 892	44 749	45 252
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>3 692</b>	<b>3 147</b>	<b>26 875</b>	<b>30 022</b>	<b>33 714</b>	<b>54 121</b>	<b>49 933</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>3 692</b>	<b>3 147</b>	<b>26 875</b>	<b>30 022</b>	<b>33 714</b>	<b>54 121</b>	<b>49 933</b>
<b><u>Capital expenditure &amp; funds sources</u></b>							
Capital expenditure	49 039	-	3 674	3 674	52 713	52 422	56 039
Transfers recognised - capital	33 892	-	-	-	33 892	44 749	45 252
Public contributions & donations	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-
Internally generated funds	15 147	-	3 674	3 674	18 821	7 673	10 787
<b>Total sources of capital funds</b>	<b>49 039</b>	<b>-</b>	<b>3 674</b>	<b>3 674</b>	<b>52 713</b>	<b>52 422</b>	<b>56 039</b>

<b><u>Financial position</u></b>							
Total current assets	81 256	–	(1 526)	(1 526)	79 730	83 738	86 384
Total noncurrent assets	62 890	–	3 674	3 674	66 564	68 594	74 493
Total current liabilities	17 387	–	6 018	6 018	23 405	16 747	16 713
Total non current liabilities	6 765	–	–	–	6 765	6 224	5 726
Community wealth/Equity	<b>119 994</b>	–	<b>(3 870)</b>	<b>(3 870)</b>	<b>116 124</b>	<b>9 175</b>	<b>16 551</b>
<b><u>Cash flows</u></b>							
Net cash from (used) operating	68 948	3 147	(6 791)	(3 644)	65 304	62 589	64 268
Net cash from (used) investing	(61 039)	–	(3 674)	(3 674)	(64 713)	(65 308)	(69 264)
Net cash from (used) financing	(1 541)	–	–	–	(1 541)	(1 655)	(1 699)
Cash/cash equivalents at the year end	<b>7 318</b>	<b>3 147</b>	<b>(10 465)</b>	<b>(7 318)</b>	–	<b>2 944</b>	<b>(3 751)</b>
Cash backing/surplus reconciliation							
Cash and investments available	17 361	–	(1 526)	(1 526)	15 835	18 164	19 019
Application of cash and investments	6 053	–	11 477	11 477	17 530	11 179	10 823
Balance - surplus (shortfall)	<b>11 308</b>	–	<b>(13 003)</b>	<b>(13 003)</b>	<b>(1 695)</b>	<b>6 985</b>	<b>8 196</b>
<b><u>Asset Management</u></b>							
Asset register summary (WDV)	73 928	–	–	–	73 928	98 865	126 669
Depreciation & asset impairment	16 256	–	–	–	16 256	17 081	18 413
Repairs and Maintenance	6 533	–	7 102	7 102	13 635	13 473	14 439
<b><u>Free services</u></b>							
Cost of Free Basic Services provided	9	–	–	–	9	9	10

**Table B2 Adjustments Budgeted Financial Performance (Revenue and Expenditure by Standard Classification)**

Standard Description	Budget Year 2010/11					Budget Year +1 2011/12	Budget Year +2 2012/13
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>R thousands</b>							
<b>Revenue - Standard</b>							
<b>Governance and administration</b>	<b>80 080</b>	<b>3 147</b>	<b>-</b>	<b>3 147</b>	<b>83 227</b>	<b>91 933</b>	<b>95 676</b>
Executive and council	71 469	3 147	-	3 147	74 616	82 763	85 790
Budget and treasury office	6 484	-	-	-	6 484	6 905	7 444
Corporate services	2 127	-	-	-	2 127	2 265	2 442
<b>Community and public safety</b>	<b>4 353</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 353</b>	<b>9 378</b>	<b>10 003</b>
Community and social services	393	-	-	-	393	5 161	5 456
Public safety	3 960	-	-	-	3 960	4 217	4 547
<b>Economic and environmental services</b>	<b>838</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>838</b>	<b>893</b>	<b>962</b>
Planning and development	778	-	-	-	778	828	893
Environmental protection	60	-	-	-	60	65	69
<b>Trading services</b>	<b>93 731</b>	<b>-</b>	<b>5 000</b>	<b>5 000</b>	<b>98 731</b>	<b>99 825</b>	<b>107 610</b>
Electricity	34 828	-	5 000	5 000	39 828	37 092	39 985
Water	30 903	-	-	-	30 903	32 911	35 478
Waste water management	13 646	-	-	-	13 646	14 534	15 667
Waste management	14 354	-	-	-	14 354	15 288	16 480
<b>Other</b>	<b>61</b>	<b>-</b>	<b>28 892</b>	<b>28 892</b>	<b>28 953</b>	<b>65</b>	<b>70</b>
<b>Total Revenue - Standard</b>	<b>179 063</b>	<b>3 147</b>	<b>33 892</b>	<b>37 039</b>	<b>216 102</b>	<b>202 094</b>	<b>214 321</b>
<b>Expenditure - Standard</b>							
<b>Governance and administration</b>	<b>75 477</b>	<b>-</b>	<b>(1 346)</b>	<b>(1 346)</b>	<b>74 131</b>	<b>80 362</b>	<b>86 686</b>
Executive and council	37 313	-	(1 926)	(1 926)	35 387	39 726	42 856
Budget and treasury office	21 838	-	(664)	(664)	21 174	23 259	25 074
Corporate services	16 326	-	1 244	1 244	17 570	17 377	18 756
<b>Community and public safety</b>	<b>17 004</b>	<b>-</b>	<b>(488)</b>	<b>(488)</b>	<b>16 516</b>	<b>18 180</b>	<b>20 969</b>
Community and social services	4 936	-	(551)	(551)	4 385	5 353	7 080
Sport and recreation	4 526	-	151	151	4 677	4 820	5 196
Public safety	7 542	-	(89)	(89)	7 453	8 007	8 693
<b>Economic and environmental services</b>	<b>41 581</b>	<b>-</b>	<b>1 888</b>	<b>1 888</b>	<b>43 469</b>	<b>50 303</b>	<b>54 405</b>
Planning and development	4 544	-	(113)	(113)	4 431	4 839	5 216
Road transport	36 429	-	2 092	2 092	38 521	44 816	48 490
Environmental protection	608	-	(92)	(92)	516	648	699
<b>Trading services</b>	<b>37 700</b>	<b>-</b>	<b>6 944</b>	<b>6 944</b>	<b>44 644</b>	<b>40 033</b>	<b>43 435</b>
Electricity	13 080	-	573	573	13 653	13 843	15 133
Water	16 037	-	3 073	3 073	19 110	17 061	18 437
Waste water management	3 697	-	1 036	1 036	4 733	3 936	4 243
Waste management	4 886	-	2 262	2 262	7 148	5 193	5 622
<b>Other</b>	<b>3 609</b>	<b>-</b>	<b>20</b>	<b>20</b>	<b>3 629</b>	<b>3 844</b>	<b>4 144</b>
<b>Total Expenditure - Standard</b>	<b>175 371</b>	<b>-</b>	<b>7 017</b>	<b>7 017</b>	<b>182 388</b>	<b>192 722</b>	<b>209 639</b>
<b>Surplus/ (Deficit) for the year</b>	<b>3 692</b>	<b>3 147</b>	<b>26 875</b>	<b>30 022</b>	<b>33 714</b>	<b>9 372</b>	<b>4 682</b>

**Table B3 Adjustments Budgeted Financial Performance (Revenue and Expenditure by municipal vote)**

Vote Description	Budget Year 2010/11					Budget Year +1 2011/12	Budget Year +2 2012/13
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>R thousands</b>							
<b>Revenue by Vote</b>							
Vote 1 - 100 Political Office Bearers	71 469	3 147	-	3 147	74 616	82 763	85 790
Vote 2 - 200 Municipal Manager	-	-	-	-	-	-	-
Vote 3 - 300 Budget & Treasury	6 484	-	-	-	6 484	6 905	7 444
Vote 4 - 400 Corporate Services	2 127	-	-	-	2 127	2 265	2 442
Vote 5 - 500 Planning and Economic Development	838	-	-	-	838	893	962
Vote 6 - 600 Community Services	18 706	-	-	-	18 706	24 666	26 483
Vote 7 - 700 Technical Services	79 439	-	33 892	33 892	113 331	84 602	91 200
<b>Total Revenue by Vote</b>	<b>179 063</b>	<b>3 147</b>	<b>33 892</b>	<b>37 039</b>	<b>216 102</b>	<b>202 094</b>	<b>214 321</b>
<b>Expenditure by Vote</b>							
Vote 1 - 100 Political Office Bearers	33 366	-	(1 010)	(1 010)	32 356	35 534	38 306
Vote 2 - 200 Municipal Manager	3 947	-	(916)	(916)	3 031	4 192	4 550
Vote 3 - 300 Budget & Treasury	21 838	-	(664)	(664)	21 174	23 259	25 074
Vote 4 - 400 Corporate Services	16 326	-	1 244	1 244	17 570	17 377	18 756
Vote 5 - 500 Planning and Economic Development	5 152	-	(205)	(205)	4 947	5 487	5 915
Vote 6 - 600 Community Services	21 890	-	1 774	1 774	23 664	23 373	26 591
Vote 7 - 700 Technical Services	72 852	-	6 794	6 794	79 646	83 500	90 447
<b>Total Expenditure by Vote</b>	<b>175 371</b>	<b>-</b>	<b>7 017</b>	<b>7 017</b>	<b>182 388</b>	<b>192 722</b>	<b>209 639</b>
<b>Surplus/ (Deficit) for the year</b>	<b>3 692</b>	<b>3 147</b>	<b>26 875</b>	<b>30 022</b>	<b>33 714</b>	<b>9 372</b>	<b>4 682</b>

**Table B4 Adjustments Budgeted Financial Performance (Revenue and Expenditure)**

Description	Budget Year 2010/11					Budget Year +1 2011/12	Budget Year +2 2012/13
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>R thousands</b>							
<b><u>Revenue By Source</u></b>							
Property rates	24 031	-	-	-	24 031	25 593	27 590
Property rates - penalties & collection charges	3 230	-	-	-	3 230	3 440	3 708
Service charges - electricity revenue	31 633	-	-	-	31 633	33 689	36 317
Service charges - water revenue	30 566	-	-	-	30 566	32 553	35 092
Service charges - sanitation revenue	13 646	-	-	-	13 646	14 533	15 667
Service charges - refuse revenue	14 324	-	-	-	14 324	15 255	16 445
Rental of facilities and equipment	1 787	-	-	-	1 787	1 903	2 051
Interest earned - external investments	804	-	-	-	804	856	923
Interest earned - outstanding debtors	4 800	-	-	-	4 800	5 112	5 511
Fines	234	-	-	-	234	249	268
Licences and permits	2 571	-	-	-	2 571	2 738	2 952
Agency services	300	-	-	-	300	320	344
Transfers recognised - operating	48 850	3 147	-	3 147	51 997	54 763	59 985
Other revenue	2 087	-	-	-	2 087	10 877	7 238
Gains on disposal of PPE	200	-	-	-	200	213	230
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>179 063</b>	<b>3 147</b>	<b>-</b>	<b>3 147</b>	<b>182 210</b>	<b>202 094</b>	<b>214 321</b>
<b><u>Expenditure By Type</u></b>							
Employee related costs	58 681	-	(1 228)	(1 228)	57 453	67 683	72 963
Remuneration of councillors	872	-	(469)	(469)	4 403	5 188	5 593
Depreciation & asset impairment	16 256	-	-	-	16 256	17 081	18 413
Finance charges	1 095	-	-	-	1 095	908	724
Bulk purchases	31 773	-	-	-	31 773	33 838	36 478
Contracted services	2 500	-	-	-	2 500	2 663	2 870
Other expenditure	60 194	-	8 714	8 714	68 908	65 361	72 599
<b>Total Expenditure</b>	<b>175 371</b>	<b>-</b>	<b>7 017</b>	<b>7 017</b>	<b>182 388</b>	<b>192 722</b>	<b>209 640</b>
<b>Surplus/(Deficit)</b>	<b>3 692</b>	<b>3 147</b>	<b>(7 017)</b>	<b>(3 870)</b>	<b>(178)</b>	<b>9 372</b>	<b>4 681</b>
Transfers recognised - capital	-	-	33 892	33 892	33 892	44 749	45 252
<b>Surplus/(Deficit) before taxation</b>	<b>3 692</b>	<b>3 147</b>	<b>26 875</b>	<b>30 022</b>	<b>33 714</b>	<b>54 121</b>	<b>49 933</b>
<b>Surplus/ (Deficit) for the year</b>	<b>3 692</b>	<b>3 147</b>	<b>26 875</b>	<b>30 022</b>	<b>33 714</b>	<b>54 121</b>	<b>49 933</b>

**Table B5 Adjustments Budgeted Capital Expenditure by Vote, Standard Classification and Funding**

Description	Budget Year 2010/11				Budget Year +1 2011/12	Budget Year +2 2012/13
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	F	G	H		
<b>Capital expenditure - Vote</b>						
<b>Multi-year expenditure to be adjusted</b>						
Vote 1 - 100 Political Office Bearers	-	-	-	-	-	-
Vote 2 - 200 Municipal Manager	3 150	-	-	3 150	3 367	3 600
Vote 3 - 300 Budget & Treasury	150	-	-	150	160	171
Vote 4 - 400 Corporate Services	2 500	145	145	2 645	2 673	2 857
Vote 6 - 600 Community Services	9 250	-	-	9 250	9 889	10 571
Vote 7 - 700 Technical Services	33 989	3 529	3 529	37 518	36 333	38 840
<b>Capital multi-year expenditure sub-total</b>	<b>49 039</b>	<b>3 674</b>	<b>3 674</b>	<b>52 713</b>	<b>52 422</b>	<b>56 039</b>
<b>Capital Expenditure - Standard</b>						
<b>Governance and administration</b>	<b>5 800</b>	<b>145</b>	<b>145</b>	<b>5 945</b>	<b>6 200</b>	<b>6 628</b>
Executive and council	3 150	-	-	3 150	3 367	3 600
Budget and treasury office	150	-	-	150	160	171
Corporate services	2 500	145	145	2 645	2 673	2 857
<b>Community and public safety</b>	<b>6 750</b>	<b>-</b>	<b>-</b>	<b>6 750</b>	<b>7 216</b>	<b>7 714</b>
Community and social services	2 555	-	-	2 555	6 788	7 257
Sport and recreation	4 195	-	-	4 195	428	457
<b>Economic and environmental services</b>	<b>21 815</b>	<b>-</b>	<b>-</b>	<b>21 815</b>	<b>23 320</b>	<b>24 929</b>
Road transport	21 815	-	-	21 815	23 320	24 929
<b>Trading services</b>	<b>14 674</b>	<b>3 529</b>	<b>3 529</b>	<b>18 203</b>	<b>15 686</b>	<b>16 768</b>
Electricity	7 419	487	487	7 906	7 930	8 477
Water	4 755	3 042	3 042	7 797	5 083	5 434
Waste management	2 500	-	-	2 500	2 673	2 857
<b>Total Capital Expenditure - Standard</b>	<b>49 039</b>	<b>3 674</b>	<b>3 674</b>	<b>52 713</b>	<b>52 422</b>	<b>56 039</b>
<b>Funded by:</b>						
National Government	28 892	-	-	28 892	34 749	42 252
Other transfers and grants	5 000	-	-	5 000	10 000	3 000
<b>Total Capital transfers recognised</b>	<b>33 892</b>	<b>-</b>	<b>-</b>	<b>33 892</b>	<b>44 749</b>	<b>45 252</b>
<b>Internally generated funds</b>	<b>15 147</b>	<b>3 674</b>	<b>3 674</b>	<b>18 821</b>	<b>7 673</b>	<b>10 787</b>
<b>Total Capital Funding</b>	<b>49 039</b>	<b>3 674</b>	<b>3 674</b>	<b>52 713</b>	<b>52 422</b>	<b>56 039</b>

**Table B6 Adjustments Budgeted Statement of Financial Position**

Description	Budget Year 2010/11				Budget Year +1 2011/12	Budget Year +2 2012/13
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>R thousands</b>						
<b>ASSETS</b>						
<b>Current assets</b>						
Cash	1 526	(1 526)	(1 526)	–	1 625	1 730
Call investment deposits	10 835	–	–	10 835	11 539	12 289
Consumer debtors	62 330	–	–	62 330	66 382	70 697
Other debtors	2 710	–	–	2 710	2 886	3 074
Current portion of long-term receivables	–	–	–	–	–	–
Inventory	3 855	–	–	3 855	4 105	4 373
<b>Total current assets</b>	<b>81 256</b>	<b>(1 526)</b>	<b>(1 526)</b>	<b>79 730</b>	<b>86 537</b>	<b>92 163</b>
<b>Non current assets</b>						
Long-term receivables	–	–	–	–	–	–
Investments	5 000	–	–	5 000	5 000	5 000
Investment property	15 905	–	–	15 905	15 905	15 905
Investment in Associate	–	–	–	–	–	–
Property, plant and equipment	41 985	3 674	3 674	45 659	47 689	53 588
<b>Total non current assets</b>	<b>62 890</b>	<b>3 674</b>	<b>3 674</b>	<b>66 564</b>	<b>68 594</b>	<b>74 493</b>
<b>TOTAL ASSETS</b>	<b>144 146</b>	<b>2 148</b>	<b>2 148</b>	<b>146 294</b>	<b>155 131</b>	<b>166 656</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Borrowing	1 435	–	–	1 435	1 320	1 254
Consumer deposits	2 284	–	–	2 284	2 433	2 591
Trade and other payables	7 760	6 018	6 018	13 778	6 703	6 167
Provisions	5 908	–	–	5 908	6 291	6 701
<b>Total current liabilities</b>	<b>17 387</b>	<b>6 018</b>	<b>6 018</b>	<b>23 405</b>	<b>16 747</b>	<b>16 713</b>
<b>Non current liabilities</b>						
Borrowing	6 765	–	–	6 765	6 224	5 726
Provisions	–	–	–	–	–	–
<b>Total non current liabilities</b>	<b>6 765</b>	<b>–</b>	<b>–</b>	<b>6 765</b>	<b>6 224</b>	<b>5 726</b>
<b>TOTAL LIABILITIES</b>	<b>24 152</b>	<b>6 018</b>	<b>6 018</b>	<b>30 170</b>	<b>22 971</b>	<b>22 439</b>
<b>NET ASSETS</b>	<b>119 994</b>	<b>(3 870)</b>	<b>(3 870)</b>	<b>116 124</b>	<b>132 160</b>	<b>144 217</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)	113 613	(3 870)	(3 870)	109 743	122 985	127 666
Reserves	6 381	–	–	6 381	9 175	16 551
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>119 994</b>	<b>(3 870)</b>	<b>(3 870)</b>	<b>116 124</b>	<b>132 160</b>	<b>144 217</b>

**Table B7 Adjustments Budgeted Statement of Cash flows**

Description	Budget Year 2010/11					Budget Year +1 2011/12	Budget Year +2 2012/13
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>R thousands</b>							
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>							
<b>Receipts</b>							
Ratepayers and other	27 261	-	-	-	27 261	29 274	30 045
Government - operating	47 438	3 147	-	3 147	50 585	50 940	52 282
Government - capital	33 892	-	-	-	33 892	36 394	37 353
Interest	804	-	-	-	804	863	886
<b>Payments</b>							
Suppliers and employees	(39 352)	-	(6 791)	(6 791)	(46 143)	(53 706)	(55 091)
Finance charges	(1 095)	-	-	-	(1 095)	(1 176)	(1 207)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>68 948</b>	<b>3 147</b>	<b>(6 791)</b>	<b>(3 644)</b>	<b>65 304</b>	<b>62 589</b>	<b>64 268</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<b>Receipts</b>							
Decrease (increase) in non-current investments	(12 000)	-	-	-	(12 000)	(12 886)	(13 225)
<b>Payments</b>							
Capital assets	(49 039)	-	(3 674)	(3 674)	(52 713)	(52 422)	(56 039)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(61 039)</b>	<b>-</b>	<b>(3 674)</b>	<b>(3 674)</b>	<b>(64 713)</b>	<b>(65 308)</b>	<b>(69 264)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
<b>Receipts</b>							
Increase (decrease) in consumer deposits	27	-	-	-	27	29	30
<b>Payments</b>							
Repayment of borrowing	(1 568)	-	-	-	(1 568)	(1 684)	(1 729)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(1 541)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 541)</b>	<b>(1 655)</b>	<b>(1 699)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>6 368</b>	<b>3 147</b>	<b>(10 465)</b>	<b>(7 318)</b>	<b>(950)</b>	<b>(4 374)</b>	<b>(6 695)</b>
Cash/cash equivalents at the year begin:	950	-	-	-	950	7 318	2 944
Cash/cash equivalents at the year end:	7 318	3 147	(10 465)	-	-	2 944	(3 751)

**Table B8 Adjustments Budgeted Cash backed reserves/ Accumulated surplus reconciliation**

Description	Budget Year 2010/11					Budget Year +1 2011/12	Budget Year +2 2012/13
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>R thousands</b>							
<b><u>Cash and investments available</u></b>							
Cash/cash equivalents at the year end	7 318	3 147	(10 465)	(7 318)	–	2 944	(3 751)
Other current investments > 90 days	5 043	(3 147)	8 939	5 792	10 835	10 220	17 770
Non current assets - Investments	5 000	–	–	–	5 000	5 000	5 000
<b>Cash and investments available:</b>	<b>17 361</b>	<b>–</b>	<b>(1 526)</b>	<b>(1 526)</b>	<b>15 835</b>	<b>18 164</b>	<b>19 019</b>
<b><u>Applications of cash and investments</u></b>							
Unspent conditional transfers	–	–	–	–	–	–	–
Other working capital requirements	(8 527)	–	19 676	19 676	11 149	3 904	3 185
Long term investments committed	8 199	–	(8 199)	(8 199)	–	–	–
Reserves to be backed by cash/investments	6 381	–	–	–	6 381	7 275	7 638
<b>Total Applications of cash and investments:</b>	<b>6 053</b>	<b>–</b>	<b>11 477</b>	<b>11 477</b>	<b>17 530</b>	<b>11 179</b>	<b>10 823</b>
<b>Surplus(shortfall)</b>	<b>11 308</b>	<b>–</b>	<b>(13 003)</b>	<b>(13 003)</b>	<b>(1 695)</b>	<b>6 985</b>	<b>8 196</b>

**Table B9 Adjustments Budgeted Asset Management**

Description	Budget Year 2010/11				Budget Year +1 2011/12	Budget Year +2 2012/13
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>R thousands</b>						
<b>CAPITAL EXPENDITURE</b>						
<b><u>Total New Assets to be adjusted</u></b>	<b>49 039</b>	<b>3 187</b>	<b>3 187</b>	<b>52 226</b>	<b>52 422</b>	<b>56 039</b>
<i>Infrastructure - Road transport</i>	21 815	-	-	21 815	23 320	24 929
<i>Infrastructure - Electricity</i>	7 419	-	-	7 419	7 930	8 478
<i>Infrastructure - Water</i>	4 755	3 042	3 042	7 797	5 083	5 434
Infrastructure	33 989	3 042	3 042	37 031	36 333	38 841
Community	6 100	-	-	6 100	9 888	10 571
Other assets	8 950	145	145	9 095	6 201	6 627
<b><u>Total Capital Expenditure to be adjusted</u></b>						
<i>Infrastructure - Road transport</i>	21 815	-	-	21 815	23 320	24 929
<i>Infrastructure - Electricity</i>	7 419	-	-	7 419	7 930	8 478
<i>Infrastructure - Water</i>	4 755	3 042	3 042	7 797	5 083	5 434
Infrastructure	33 989	3 042	3 042	37 031	36 333	38 841
Community	6 100	-	-	6 100	9 888	10 571
Other assets	8 950	145	145	9 095	6 201	6 627
<b>TOTAL CAPITAL EXPENDITURE to be adjusted</b>	<b>49 039</b>	<b>3 187</b>	<b>3 187</b>	<b>52 226</b>	<b>52 422</b>	<b>56 039</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>						
<i>Infrastructure - Road transport</i>	129 072	-	-	129 072	152 392	177 322
<i>Infrastructure - Electricity</i>	31 622	3 042	3 042	34 664	39 553	48 030
<i>Infrastructure - Water</i>	21 489	487	487	21 976	24 285	27 273
<i>Infrastructure - Sanitation</i>	17 582	-	-	17 582	19 869	22 315
<i>Infrastructure - Other</i>	(197 331)	-	-	(197 331)	(224 816)	(253 053)
Infrastructure	2 434	3 529	3 529	5 963	11 283	21 887
Community	25 007	-	-	25 007	34 895	45 466
Investment properties	15 905	-	-	15 905	15 905	15 905
Other assets	30 582	42	42	30 624	36 782	43 411
Intangibles	-	103	103	103	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>73 928</b>	<b>3 674</b>	<b>3 674</b>	<b>77 602</b>	<b>98 865</b>	<b>126 669</b>
<b>EXPENDITURE OTHER ITEMS</b>						
<u>Depreciation &amp; asset impairment</u>	16 256	-	-	16 256	17 081	18 413
<u>Repairs and Maintenance by asset class</u>	<b>6 533</b>	<b>7 102</b>	<b>7 102</b>	<b>13 635</b>	<b>13 473</b>	<b>14 439</b>
<i>Infrastructure - Road transport</i>	-	1 838	1 838	1 838	1 981	2 110
<i>Infrastructure - Electricity</i>	-	500	500	500	539	574
<i>Infrastructure - Water</i>	-	2 843	2 843	2 843	3 065	3 264
<i>Infrastructure - Sanitation</i>	-	900	900	900	970	1 033
Infrastructure	-	6 081	6 081	6 081	6 555	6 981
Community	653	-	-	653	692	746
Other assets	5 880	1 021	1 021	6 901	6 226	6 712
<b>TOTAL EXPENDITURE OTHER ITEMS to be adjusted</b>	<b>22 789</b>	<b>7 102</b>	<b>7 102</b>	<b>29 891</b>	<b>30 554</b>	<b>32 852</b>

<b>% of capital exp on renewal of assets</b>	0.0%			0.0%	0.0%	0.0%
<b>Renewal of existing assets as % of deprecn</b>	0.0%			0.0%	0.0%	0.0%
<b>R&amp;M as a % of PPE</b>	8.8%			17.6%	13.6%	11.4%
<b>Renewal and R&amp;M as a % of PPE</b>	8.8%			17.6%	13.6%	11.4%

**Table B10 Adjustments Budgeted Basic Service Delivery measurement**

Description	Budget Year 2010/11				Budget Year +1 2011/12	Budget Year +2 2012/13
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b><u>Households receiving Free Basic Service</u></b>						
Water (6 kilolitres per household per month)	5	0	-	5	5	5
Sanitation (free minimum level service)	5	0	-	5	5	5
Electricity/other energy (50kwh per household per month)	5	0	-	5	5	5
Refuse (removed at least once a week)	5	0	-	5	5	5
<b><u>Cost of Free Basic Services provided (R'000)</u></b>						
Water (6 kilolitres per household per month)	1 093	0	-	1	1 164	1 255
Sanitation (free sanitation service)	3 300	0	-	3	3 515	3 789
Electricity/other energy (50kwh per household per month)	1 485	0	-	1	1 582	1 705
Refuse (removed once a week)	2 970	0	-	3	3 163	3 410
<b>Total cost of FBS provided (minimum social package)</b>	8 848	-	-	9	9 424	10 159
<b><u>Highest level of free service provided</u></b>						
Property rates (R'000 value threshold)	[100% billing (R30000 rateable) or <75% billing (R100000 rateable)]		-	-	[<100% billing (R30000 rateable) or <75% billing (R100000 rateable)]	[<100% billing (R30000 rateable) or <75% billing (R100000 rateable)]
Water (kilolitres per household per month)	6	0	-	-	6	6
Sanitation (kilolitres per household per month)	<50% billing	0	-	-	<50% billing	<50% billing
Sanitation (Rand per household per month)	2 500	0	-	-	2 500	2 500
Electricity (kw per household per month)	50	0	-	-	50	50
Refuse (average litres per week)	<50% billing	0	-	-	<50% billing	<50% billing

## **2 Supporting documentation**

### **2.1 Adjustment budget assumptions**

- a. The approved tariffs increases did not change in the adjustments budget.
- b. Cash collection for the six month period up to December 2010 was compared to the cash used to pay for services rendered up to the same period. This comparison showed cash flows are under pressure from collections and spending sides. Cash outflows exceeded cash flows for the six month period.
- c. Budgeted allocations were also compared to actual for the same period. No variances were experienced hence no adjustments were possible and necessary as reflected with the variance analysis.
- d. Where there is overwhelming evidence or justification that an allocation for income or expenditure must be provided for, this was accommodated in the adjustments budget. This refers specifically to the additional R3million allocated for equitable shares.

2.2 Table SB6 Adjustments Budget - funding measurement

Description R thousands	MFMA section	2007/8	2008/9	2009/10	MTREF				
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Budget Year +1 2011/12	Budget Year +2 2012/13
<b>Funding measures</b>	-								
Cash/cash equivalents at the year end - R'000	18(1)b	13 201	34 046	(10 729)	7 318	-	-	2 944	(3 751)
Cash + investments at the yr end less applications - R'000	18(1)b	4 920	15 309	(7 876)	11 308	-	(1 695)	6 985	8 196
Cash year end/monthly employee/supplier payments	18(1)b	2	5	9 000	8 000	-	-	8 520	9 185
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	746	10 339	(2 146)	3 692	-	-	9 372	4 681
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	4.40%	6.3%	27.0%	7.0%	0.0%	7.0%	7.0%	8.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	0.0%	29.7%	7.0%	13.8%	0.0%	13.8%	13.7%	13.7%
Capital payments % of capital expenditure	18(1)c;19	98.5%	52.6%	5.0%	1.3%	0.0%	1.3%	1.1%	1.1%
Grants % of Govt. legislated/gazetted allocations	18(1)a	100.0%	100.0%	92.0%	100.0%	0.0%	100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	2.8%	73.0%	55.0%	451.2%	0.0%	0.0%	6.5%	6.5%
Long term receivables % change - incr(decr)	18(1)a	-100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	0.0%	68.9%	-95.0%	8.8%	0.0%	17.6%	13.6%	11.4%

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

Description	Budget Year 2010/11					Budget Year +1 2011/12	Budget Year +2 2012/13
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands							
<b>RECEIPTS:</b>							
-							
<u>Operating Transfers and Grants</u>							
<b>National Government:</b>	47 398	3 147	-	3 147	50 545	53 216	58 338
Equitable share	45 148	3 147	-	3 147	48 295	50 926	56 038
Finance Management	1 500	-	-	-	1 500	1 500	1 500
Municipal Systems Improvement	750	-	-	-	750	790	800
<b>Provincial Government:</b>	500	-	-	-	500	533	567
LG SETA	500	-	-	-	500	533	567
<b>District Municipality:</b>	952	-	-	-	-	1 014	1 080
<i>Fire Subsidy</i>	952	-	-	-	952	1 014	1 080
<b>Other grant providers:</b>	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	<b>48 850</b>	<b>3 147</b>	<b>-</b>	<b>3 147</b>	<b>51 045</b>	<b>54 763</b>	<b>59 985</b>
<u>Capital Transfers and Grants</u>							
<b>National Government:</b>	28 892	-	-	-	28 892	34 749	42 252
Municipal Infrastructure (MIG)	28 892	-	-	-	28 892	34 749	42 252
<b>Provincial Government:</b>	-	-	-	-	-	-	-
<b>District Municipality:</b>	-	-	-	-	-	-	-
<b>Other grant providers:</b>	5 000	-	-	-	5 000	10 000	3 000
<i>Department of Mines &amp; Energy</i>	5 000	-	-	-	5 000	10 000	3 000
<b>Total Capital Transfers and Grants</b>	<b>33 892</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33 892</b>	<b>44 749</b>	<b>45 252</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>82 742</b>	<b>3 147</b>	<b>-</b>	<b>3 147</b>	<b>85 889</b>	<b>99 512</b>	<b>105 237</b>

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

Description	Budget Year 2010/11					Budget Year +1 2011/12	Budget Year +2 2012/13
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	C	D	E	F		
<b>EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:</b>							
<b><u>Operating expenditure of Transfers and Grants</u></b>							
<b>National Government:</b>	47 398	3 147	-	3 147	50 545	53 216	58 338
Equitable share	45 148	3 147	-	3 147	48 295	50 926	56 038
Finance Management	1 500	-	-	-	1 500	1 500	1 500
Municipal Systems Improvement	750	-	-	-	750	790	800
<b>Provincial Government:</b>	500	-	-	-	500	533	567
LG SETA	500	-	-	-	500	533	567
<b>District Municipality:</b>	952	-	-	-	952	1 014	1 080
<i>Fire Subsidy</i>	952	-	-	-	952	1 014	1 080
<b>Other grant providers:</b>	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>	48 850	3 147	-	3 147	51 497	54 763	59 985
<b><u>Capital expenditure of Transfers and Grants</u></b>							
<b>National Government:</b>	28 892	-	-	-	28 892	34 749	42 252
Municipal Infrastructure (MIG)	28 892	-	-	-	28 892	34 749	42 252
<b>Provincial Government:</b>	-	-	-	-	-	-	-
<b>District Municipality:</b>	-	-	-	-	-	-	-
<b>Other grant providers:</b>	5 000	-	-	-	5 000	10 000	3 000
<i>Department of Mines &amp; Energy</i>	5 000	-	-	-	5 000	10 000	3 000
<b>Total capital expenditure of Transfers and Grants</b>	33 892	-	-	-	28 892	44 749	45 252
<b>Total capital expenditure of Transfers and Grants</b>	82 742	3 147	-	3 147	85 889	99 512	105 237

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

Description	Budget Year 2010/11					Budget Year +1 2011/12	Budget Year +2 2012/13
	Original Budget	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>R thousands</b>							
<b>Operating transfers and grants:</b>							
<b>National Government:</b>							
Balance unspent at beginning of the year	-	-	-	-	-	-	-
Current year receipts	47 398	3 147	-	3 147	50 545	53 216	58 338
<b>Conditions met - transferred to revenue</b>	<b>47 398</b>	<b>3 147</b>	<b>-</b>	<b>3 147</b>	<b>50 545</b>	<b>53 216</b>	<b>58 338</b>
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-
<b>Provincial Government:</b>							
Balance unspent at beginning of the year	-	-	-	-	-	-	-
Current year receipts	500	-	-	-	500	533	567
<b>Conditions met - transferred to revenue</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>533</b>	<b>567</b>
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-
<b>District Municipality:</b>							
Balance unspent at beginning of the year	-	-	-	-	-	-	-
Current year receipts	952	-	-	-	952	1 014	1 080
<b>Conditions met - transferred to revenue</b>	<b>952</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>952</b>	<b>1 014</b>	<b>1 080</b>
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-
<b>Total operating transfers and grants revenue</b>	<b>48 850</b>	<b>3 147</b>	<b>-</b>	<b>3 147</b>	<b>51 997</b>	<b>54 763</b>	<b>59 985</b>
<b>Total operating transfers and grants - CTBM</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	-	-	-	-	-	-	-
Current year receipts	28 892	-	-	-	28 892	34 749	42 252
<b>Conditions met - transferred to revenue</b>	<b>28 892</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28 892</b>	<b>34 749</b>	<b>42 252</b>
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-
<b>Other grant providers:</b>							
Balance unspent at beginning of the year	-	-	-	-	-	-	-
Current year receipts	5 000	-	-	-	5 000	10 000	3 000
<b>Conditions met - transferred to revenue</b>	<b>5 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 000</b>	<b>10 000</b>	<b>3 000</b>
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-
<b>Total capital transfers and grants revenue</b>	<b>33 892</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33 892</b>	<b>44 749</b>	<b>45 252</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>	<b>82 742</b>	<b>3 147</b>	<b>-</b>	<b>3 147</b>	<b>85 889</b>	<b>99 512</b>	<b>105 237</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 2.6 Adjustment to councillor allowances and employee benefits

The budgeted amount for employee benefits has been adjusted downwards. Savings have realised from the delays in the filling of vacancies, which will need to be reprioritised.

**Supporting Table SB11 Adjustments Budget - councillor and staff benefits**

Summary of remuneration	Budget Year 2010/11				
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	% change
<b>R thousands</b>					
<b><u>Councillors (Political Office Bearers plus Other)</u></b>					
Salary	3 024	(387)	(387)	2 637	-12.8%
Other benefits or allowances	1 848	(81)	(81)	1 767	-4.4%
<b>Sub Total – Councillors</b>	<b>4 872</b>	<b>(469)</b>	<b>(469)</b>	<b>4 403</b>	<b>-9.6%</b>
<b><u>Senior Managers of the Municipality</u></b>					
Salary	4 093	–	–	4 093	0.0%
Pension Contributions	134	–	–	134	0.0%
Medical Aid Contributions	35	–	–	35	0.0%
Motor vehicle and cell phone	590	–	–	590	0.0%
Other benefits or allowances	83	–	–	83	0.0%
<b>Sub Total - Senior Managers of Municipality</b>	<b>4 935</b>	<b>–</b>	<b>–</b>	<b>4 935</b>	<b>0.0%</b>
<b><u>Other Municipal Staff</u></b>					
Basic Salaries and Wages	34 821	(485)	(485)	34 336	-1.4%
Pension Contributions	7 408	(111)	(111)	7 297	-1.5%
Medical Aid Contributions	2 907	(44)	(44)	2 863	-1.5%
Motor vehicle and cell phone	1 760	(329)	(329)	1 431	-18.7%
Cell phone allowance	1 440	–	–	1 440	
Housing allowance	177	(0)	(0)	177	-0.3%
Overtime	1 170	(259)	(259)	911	-22.1%
Other benefits or allowances	4 063	–	–	4 063	0.0%
<b>Sub Total - Other Municipal Staff</b>	<b>53 746</b>	<b>(1 228)</b>	<b>(1 228)</b>	<b>52 518</b>	<b>-2.3%</b>
<b>COUNCILLOR ALLOWANCES, EMPLOYEE REMUNERATION &amp; ENTITY REMUNERATION</b>	<b>63 553</b>	<b>(1 697)</b>	<b>(1 697)</b>	<b>61 856</b>	<b>-2.7%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>58 681</b>	<b>(1 228)</b>	<b>(1 228)</b>	<b>57 453</b>	<b>-2.1%</b>

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

Description	Budget Year 2010/11				Budget Year +1 2011/12	Budget Year +2 2012/13
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>R thousands</b>						
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>						
-						
<b>Infrastructure</b>	<b>33 989</b>	<b>3 042</b>	<b>3 042</b>	<b>37 031</b>	<b>36 333</b>	<b>38 841</b>
Infrastructure - Road transport	21 815	-	-	21 815	23 320	24 929
<i>Roads, Pavements &amp; Bridges</i>	21 815	-	-	21 815	23 320	24 929
Infrastructure – Electricity	7 419	-	-	7 419	7 930	8 478
<i>Street Lighting</i>	7 419	-	-	7 419	7 930	8 478
Infrastructure – Water	4 755	3 042	3 042	7 797	5 083	5 434
<i>Water purification</i>	4 755	3 042	3 042	7 797	5 083	5 434
Infrastructure – Sanitation	-	-	-	-	-	-
Infrastructure – Other	-	-	-	-	-	-
<b>Community</b>	<b>6 100</b>	<b>-</b>	<b>-</b>	<b>6 100</b>	<b>9 888</b>	<b>10 571</b>
Recreational facilities	4 195	-	-	4 195	-	-
Other	1 905	-	-	1 905	9 888	10 571
<b>Other assets</b>	<b>8 950</b>	<b>145</b>	<b>145</b>	<b>9 095</b>	<b>6 201</b>	<b>6 627</b>
General vehicles	300	-	-	300	-	-
Specialised vehicles	2 500	-	-	2 500	-	-
Furniture and other office equipment	3 000	145	145	3 145	6 201	6 627
Civic Land and Buildings	3 150	-	-	3 150	-	-
<b>Total Capital Expenditure on new assets to be adjusted</b>	<b>49 039</b>	<b>3 187</b>	<b>3 187</b>	<b>52 226</b>	<b>52 422</b>	<b>56 039</b>

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

Description	Budget Year 2010/11				Budget Year +1 2011/12	Budget Year +2 2012/13
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>R thousands</b>						
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>						
<b>Infrastructure</b>	-	6 081	6 081	6 081	6 555	6 981
Infrastructure - Road transport	-	1 838	1 838	1 838	1 981	2 110
<i>Storm water</i>	-	1 838	1 838	1 838	1 981	2 110
Infrastructure – Electricity	-	500	500	500	539	574
<i>Street Lighting</i>	-	500	500	500	539	574
Infrastructure – Water	-	2 843	2 843	2 843	3 065	3 264
<i>Water purification</i>	-	2 843	2 843	2 843	3 065	3 264
Infrastructure – Sanitation	-	900	900	900	970	1 033
<i>Sewerage purification</i>	-	900	900	900	970	1 033
			-	-		
<b>Community</b>	653	-	-	653	692	746
Sports Fields & stadia	653	-	-	653	692	746
<b>Other assets</b>	5 880	1 021	1 021	6 901	6 226	6 712
General vehicles	4 900	1 021	1 021	5 921	5 189	5 594
Specialised vehicles	196	-	-	196	208	224
Plant & equipment	131	-	-	131	138	149
Furniture and other office equipment	653	-	-	653	691	745
<b>Total Repairs and Maintenance Expenditure to be adjusted</b>	<b>6 533</b>	<b>7 102</b>	<b>7 102</b>	<b>13 635</b>	<b>13 473</b>	<b>14 439</b>

2.9 Supporting Table SB19 List of capital programmes and projects affected by Adjustments Budget

Municipal Vote/Capital project	Program/Project description	IDP Goal Code 3.	Asset Class 4.	Asset Sub-Class 4.	Medium Term Revenue and Expenditure Framework					
					Budget Year 2010/11		Budget Year +1 2011/12		Budget Year +2 2012/13	
					Original Budget	Adjusted Budget	Original Budget	Adjusted Budget	Original Budget	Adjusted Budget
R thousand										
<b>Parent municipality:</b>										
<i>704 Water distribution departments</i>	<b>Erecting a water reticulation plant</b>	<b>1</b>	<i>Property plant and equipment</i>	<i>Infrastructure-water</i>	-	<b>3 042</b>	-	-	-	-
<i>705 Electricity Distribution Department</i>	<b>Electrification of Raphuti Settlement</b>	<b>1</b>	<i>Property plant and equipment</i>	<i>Infrastructure-electricity</i>	<b>5 000</b>	<b>5 487</b>	<b>1 113</b>	-	-	-

### **3 Adjustment to Service Delivery and Budget Implementation Plan (SDBIP)**

The Accounting Officer will submit for approval by the Mayor revised SDBIP's based on the adjustments being approved.

### **4 Municipal Manager's quality certification**

The quality certification in the format required in the regulations will be signed by the Accounting Officer on the final Adjustments Budget approved by Council at the end of February 2011.