

MATJHABENG

LOCAL MUNICIPALITY

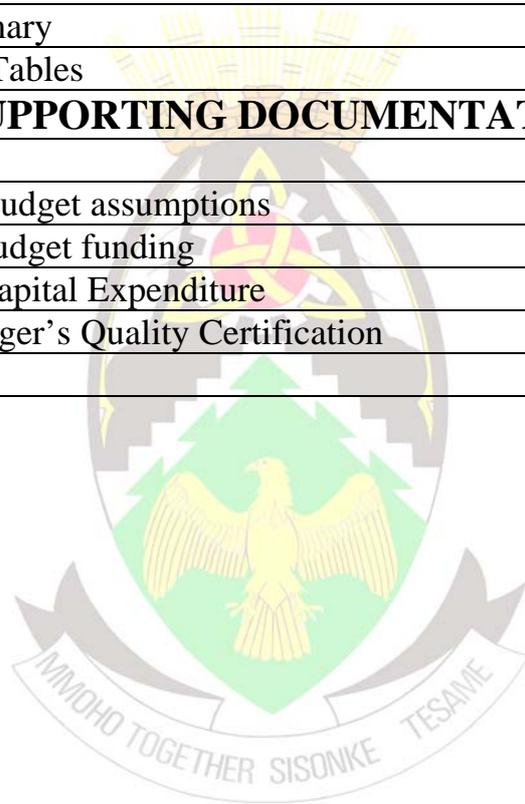


ADJUSTMENT

BUDGET 2011/2012

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PART I

1. MAYOR'S REPORT

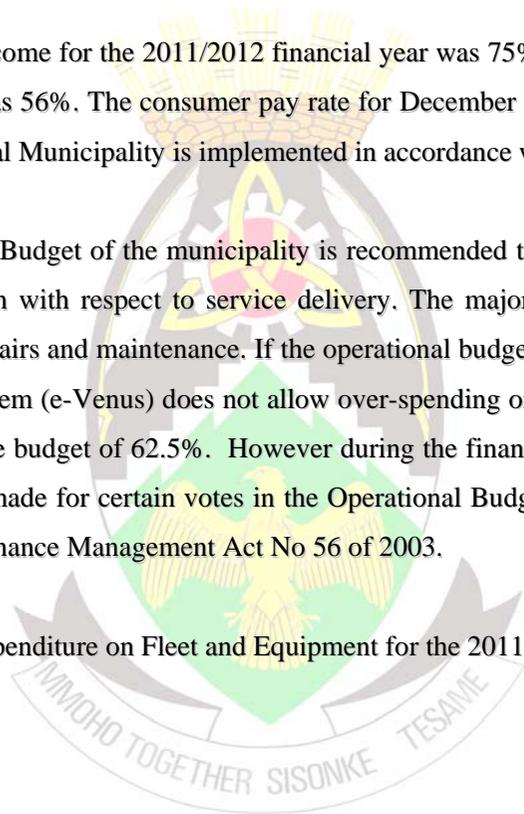
The purpose of the report is to ensure compliance with Section 28 of the Municipal Finance Management Act, No. 56 of 2003 as well as the requirements as promulgated in the Government Gazette 32141 dated 17 April.

Section 28 of the Municipal Finance Management Act and in terms of Section 21 of the Government Notice 32141 dated 17 April 2009, regarding the “ Local Government: Municipal Finance Management Act 2003 Municipal Budget and Reporting Regulations necessitates that specific financial particulars be reported on and in the format described, hence this report to meet legislative compliance.

The budgeted income for the 2011/2012 financial year was 75% and the actual income collected as at the end of the first six (6) months of the financial year was 56%. The consumer pay rate for December 2010 was at 56% with a variance of 19% against the budget. The budget of the Matjhabeng Local Municipality is implemented in accordance with the Service Delivery and Budget Implementation plan.

The Operational Budget of the municipality is recommended to remain unadjusted for this financial year due to the strain that will be placed on administration with respect to service delivery. The majority of the budget is fixed and adjustments can only be made on the general expenses and repairs and maintenance. If the operational budget is adjusted, the department will not be able to access additional funds because the financial system (e-Venus) does not allow over-spending on votes. The municipality also currently has a consumer pay rate of 64% which is in line with the budget of 62.5%. However during the financial year under review transfers of funds between votes occurred and provision will have to be made for certain votes in the Operational Budget to ensure sufficient. These transfers will be in line with Section 28(2)(d) of the Municipal Finance Management Act No 56 of 2003.

There was no expenditure on Fleet and Equipment for the 2011/12 financial year.



RESOLUTION

The Municipal Finance Management Act No 56 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 Municipal Budget and Reporting Regulations.

Council resolved on 31 January 2012 that the adjustment budget be approved. Herewith below please find item A17/2010 and council resolution.

A8/2011

MUNICIPAL BUDGET ADJUSTMENT: 2011/12 (ACFO) (6/1/1-2011/12)

PURPOSE

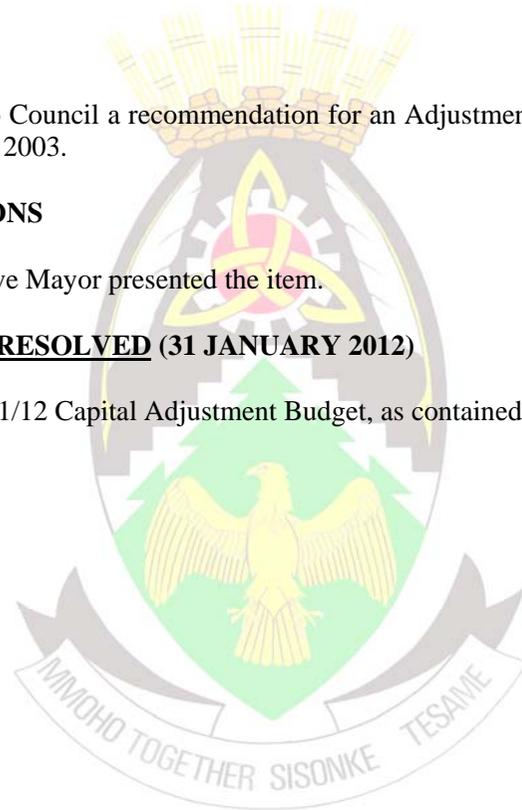
To submit to Council a recommendation for an Adjustment Capital Budget in terms of Section 28 of the Municipal Finance Management Act no.56 of 2003.

DISCUSSIONS

The Executive Mayor presented the item.

COUNCIL RESOLVED (31 JANUARY 2012)

That the 2011/12 Capital Adjustment Budget, as contained in the Annexures, **BE APPROVED.**



2. EXECUTIVE SUMMARY

OPERATIONAL BUDGET SUMMARY – 2011/12

Matjhabeng Annual Budget includes the Operational Budget that provides for the annual expenditure and revenue estimates for 2011/12 as well as the Capital Budget that provides for the on-going investment in infrastructure necessary to provide the services to the community.

The 2011/12 Operating Budget of **R 1,491,936,649 (billed amount)** has been divided into revenue and expenditure sections. The revenue section consists of property rates, electricity, water, sanitation; refuse removal, grants and subsidies, interest and investment income and other revenue such as rental of halls and hostels. The expenditure section includes items such as personnel costs, general expenses, repairs and maintenance, capital charges, contribution to reserves and contributions to capital. The 2011/2012 budget will be based on a collection rate of 62.5% as per the requirements of the Municipal Finance Management Act. The proposed income will be at **R1, 136,036,318** for the 2011/12 financial year. The collection rate was informed by past collection trends. The pay rate of 62.5% has been informed by the following factors:-

- The average pay rate for the past three years was 66% as at 30 June 2008, 56% as at 30 June 2009 and 61% as at 30 June 2010. The year to date revenue collections was at 56% as at 28 February 2011.
- In line with the impact of the recession still anticipated to be felt until December 2011, a conservative estimate of 62.5% was deemed appropriate.
- In light of the abovementioned facts the consumer revenue was therefore decreased as the estimates of previous years (85-90% revenue collection) never materialised.

The breakdown below indicates the billed income as well as the proposed income, the municipality also made provision for bad debts of R355 899 331 for the 2011/2012 financial year.

The majority of the vehicles in the Matjhabeng Municipality fleet are obsolete or redundant, these circumstances impede on the service delivery of the municipality. Matjhabeng Municipality addressed the aforementioned by identifying vehicles that need to be replaced or repaired. Funds will be sourced from the Equitable Share to fund the procurement of the vehicles. The capital budget will be adjusted accordingly based on the aforementioned. With regards to the Operational Budget no

adjustment will be needed since the current actual collection rate is in line with the budget. The only adjustment needed is to shift funds between votes as per Section 28 of the Municipal Finance Management Act No 56 of 2003.

3. ADJUSTMENT BUDGET TABLES

Table B1: Adjustment Budget Summary

Description	Budget Year 2011/12									Budget Year +1 2011/12	Budget Year +2 2012/13
	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
	A	1 A1	2 B	3 C	4 D	5 E	6 F	7 G	8 H		t
R thousands											
Financial Performance											
Property rates	136 325	-	-	-	-	-	-	-	136 325	-	-
Service charges	855 264	-	-	-	-	-	-	-	855 264	-	-
Investment revenue	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	392 899	-	-	-	-	-	-	-	392 899	-	-
Other own revenue	15 345	-	-	-	-	-	-	-	15 345	-	-
Total Revenue (excluding capital transfers and contributions)	1 399 833	-	-	-	-	-	-	-	1 399 833	-	-
Employee costs	414 909	-	-	-	-	-	-	-	414 909	-	-
Remuneration of councillors	15 727	-	-	-	-	-	-	-	15 727	-	-
Depreciation & asset impairment	4 500	-	-	-	-	-	-	-	4 500	-	-
Finance charges	4 500	-	-	-	-	-	-	-	4 500	-	-
Materials and bulk purchases	558 002	-	-	-	-	-	-	-	558 002	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	355 899	-	-	-	-	-	-	-	355 899	-	-

*Matjhabeng Local Municipality
Adjustment Budget 2011/20112*

		-									
Total Expenditure	1 353 538	-	-	-	-	-	-	-	1 353 538	-	-
Surplus/(Deficit)	46 295	-	-	-	-	-	-	-	46 295	-	-
Transfers recognised - capital	177 182	-	-	-	-	-	-	-	177 182	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	223 477	-	-	-	-	-	-	-	223 477	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	223 477	-	-	-	-	-	-	-	223 477	-	-
Capital expenditure & funds sources											
Capital expenditure	204 637	-	-	-	-	-	-	-	204 637	557 221	-
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	-	-	-	-	-	-	-	-	-	-
Financial position											
Total current assets	(421 455)	-	-	-	-	-	-	-	(421 455)	-	-
Total non current assets	782 854	-	-	-	-	-	-	-	782 854	-	-
Total current liabilities	520 556	-	-	-	-	-	-	-	520 556	-	-
Total non current liabilities	55 723	-	-	-	-	-	-	-	55 723	-	-
Community wealth/Equity	29 528	-	-	-	-	-	-	-	29 528	-	-
Cash flows											
Net cash from (used) operating	2 799 859	-	-	-	-	-	-	-	2 799 859	-	-
Net cash from (used) investing	27 455	-	-	-	-	-	-	-	27 455	-	-

*Matjhabeng Local Municipality
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Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	2 852 360	-	-	-	-	-	-	-	-	2 852 360	-	-
<u>Cash backing/surplus reconciliation</u>												
Cash and investments available	51 517	-	-	-	-	-	-	-	-	51 517	-	-
Application of cash and investments	965 322	-	-	-	-	-	(529 169)	(529 169)		436 153	-	-
Balance - surplus (shortfall)	(913 805)	-	-	-	-	-	529 169	529 169		(384 636)	-	-
<u>Asset Management</u>												
Asset register summary (WDV)	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	4 500	-	-	-	-	-	-	-	-	4 500	-	-
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	104 431	-	-	-	-	-	-	-	-	104 431	-	-
<u>Free services</u>												
Cost of Free Basic Services provided	1 099	-	-	-	-	-	-	-	-	1 099	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-	-	-
<u>Households below minimum service level</u>												
Water:	-	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	17	-	-	-	-	-	-	-	-	17	-	-
Energy:	-	-	-	-	-	-	-	-	-	-	-	-
Refuse:	14	-	-	-	-	-	-	-	-	14	-	-

Table B2 Adjustments Budget Financial Performance (standard classification) -

Standard Description	Ref	Budget Year 2011/12									Budget Year +1 2011/12	Budget Year +2 2012/13
		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

Matjhabeng Local Municipality
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R thousands	1, 4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Revenue - Standard												
<i>Governance and administration</i>		617 762	-	-	-	-	-	-	-	617 762	-	-
Executive and council		431 437	-	-	-	-	-	-	-	431 437	-	-
Budget and treasury office		186 325	-	-	-	-	-	-	-	186 325	-	-
Corporate services		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		68 187	-	-	-	-	-	-	-	68 187	-	-
Community and social services		55 355	-	-	-	-	-	-	-	55 355	-	-
Sport and recreation		70	-	-	-	-	-	-	-	70	-	-
Public safety		1 762	-	-	-	-	-	-	-	1 762	-	-
Housing		11 000	-	-	-	-	-	-	-	11 000	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		3	-	-	-	-	-	-	-	3	-	-
Planning and development		3	-	-	-	-	-	-	-	3	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		799 984	-	-	-	-	-	-	-	799 984	-	-
Electricity		518 737	-	-	-	-	-	-	-	518 737	-	-
Water		183 017	-	-	-	-	-	-	-	183 017	-	-
Waste water management		98 230	-	-	-	-	-	-	-	98 230	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		6 000	-	-	-	-	-	-	-	6 000	-	-
Total Revenue - Standard	2	1 491 936	-	-	-	-	-	-	-	1 491 936	-	-
Expenditure - Standard												

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<i>Governance and administration</i>		192 288	-	-	-	-	-	-	-	192 288	-	-
Executive and council		103 737	-	-	-	-	-	-	-	103 737	-	-
Budget and treasury office		70 984	-	-	-	-	-	-	-	70 984	-	-
Corporate services		17 567	-	-	-	-	-	-	-	17 567	-	-
<i>Community and public safety</i>		294 674	-	-	-	-	-	-	-	294 674	-	-
Community and social services		164 437	-	-	-	-	-	-	-	164 437	-	-
Sport and recreation		39 788	-	-	-	-	-	-	-	39 788	-	-
Public safety		72 633	-	-	-	-	-	-	-	72 633	-	-
Housing		17 816	-	-	-	-	-	-	-	17 816	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		117 410	-	-	-	-	-	-	-	117 410	-	-
Planning and development		28 740	-	-	-	-	-	-	-	28 740	-	-
Road transport		88 670	-	-	-	-	-	-	-	88 670	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		866 521	-	-	-	-	-	-	-	866 521	-	-
Electricity		375 537	-	-	-	-	-	-	-	375 537	-	-
Water		366 297	-	-	-	-	-	-	-	366 297	-	-
Waste water management		124 687	-	-	-	-	-	-	-	124 687	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		21 043	-	-	-	-	-	-	-	21 043	-	-
Total Expenditure - Standard	3	1 491 936	-	1 491 936	-	-						
Surplus/ (Deficit) for the year			-	-	-							



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FS184 Matjhabeng - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) -

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2011/12									Budget Year +1 2011/12	Budget Year +2 2012/13
		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
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
Revenue by Vote	1											
Vote1 - Council General		408 097	-	-	-	-	-	-	-	408 097	-	-
Vote2 - Office of the Executive Mayor		-	-	-	-	-	-	-	-	-	-	-
Vote3 - Office of the Speaker		-	-	-	-	-	-	-	-	-	-	-
Vote4 - Office of the Municipal Manager		23 340	-	-	-	-	-	-	-	23 340	-	-
Vote5 - Corporate Services		75	-	-	-	-	-	-	-	75	-	-
Vote6 - Finance		192 328	-	-	-	-	-	-	-	192 328	-	-
Vote7 - Human Resources		-	-	-	-	-	-	-	-	-	-	-
Vote8 - Community Services		55 350	-	-	-	-	-	-	-	55 350	-	-
Vote9 - Public Safety and Transport		1 762	-	-	-	-	-	-	-	1 762	-	-
Vote10 - Economic Development		-	-	-	-	-	-	-	-	-	-	-
Vote11 - Engineering Services		-	-	-	-	-	-	-	-	-	-	-
Vote12 - Water / Sewerage		281 247	-	-	-	-	-	-	-	281 247	-	-
Vote13 - Electricity		518 737	-	-	-	-	-	-	-	518 737	-	-
Vote14 - Housing Services		11 000	-	-	-	-	-	-	-	11 000	-	-
Vote15 - Office of the Chief Whip		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 491 936	-	-	-	-	-	-	-	1 491 936	-	-
Expenditure by Vote	1											
Vote1 - Council General		42 203	-	-	-	-	-	-	-	42 203	-	-
Vote2 - Office of the Executive Mayor		13 362	-	-	-	-	-	-	-	13 362	-	-

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Vote3 - Office of the Speaker		13 618	-	-	-	-	-	-	-	-	13 618	-	-
Vote4 - Office of the Municipal Manager		34 553	-	-	-	-	-	-	-	-	34 553	-	-
Vote5 - Corporate Services		38 527	-	-	-	-	-	-	-	-	38 527	-	-
Vote6 - Finance		93 008	-	-	-	-	-	-	-	-	93 008	-	-
Vote7 - Human Resources		4 900	-	-	-	-	-	-	-	-	4 900	-	-
Vote8 - Community Services		184 107	-	-	-	-	-	-	-	-	184 107	-	-
Vote9 - Public Safety and Transport		66 892	-	-	-	-	-	-	-	-	66 892	-	-
Vote10 - Economic Development		27 759	-	-	-	-	-	-	-	-	27 759	-	-
Vote11 - Engineering Services		103 756	-	-	-	-	-	-	-	-	103 756	-	-
Vote12 - Water / Sewerage		475 900	-	-	-	-	-	-	-	-	475 900	-	-
Vote13 - Electricity		441 054	-	-	-	-	-	-	-	-	441 054	-	-
Vote14 - Housing Services		17 816	-	-	-	-	-	-	-	-	17 816	-	-
Vote15 - Office of the Chief Whip		-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 557 454	-	1 557 454	-	-							
Surplus/ (Deficit) for the year	2	(65 518)	-	(65 518)	-	-							

FS184 Matjhabeng - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

Description	Ref	Budget Year 2011/12									Budget Year +1 2011/12	Budget Year +2 2012/13
		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		
<u>Capital expenditure - Vote</u>												
<u>Multi-year expenditure to be adjusted</u>	2											
Vote1 - Council General		-	-	-	-	-	-	-	-	-	-	-
Vote2 - Office of the Executive Mayor		-	-	-	-	-	-	-	-	-	-	-
Vote3 - Office of the Speaker		-	-	-	-	-	-	-	-	-	-	-
Vote4 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-	-
Vote5 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-
Vote6 - Finance		-	-	-	-	-	-	-	-	-	-	-

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Vote7 - Human Resources		-	-	-	-	-	-	-	-	-	-	-	-
Vote8 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-
Vote9 - Public Safety and Transport		-	-	-	-	-	-	-	-	-	-	-	-
Vote10 - Economic Development		-	-	-	-	-	-	-	-	-	-	-	-
Vote11 - Engineering Services		-	-	-	-	-	-	-	-	-	-	-	-
Vote12 - Water / Sewerage		-	-	-	-	-	-	-	-	-	-	-	-
Vote13 - Electricity		-	-	-	-	-	-	-	-	-	-	-	-
Vote14 - Housing Services		-	-	-	-	-	-	-	-	-	-	-	-
Vote15 - Office of the Chief Whip		-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be adjusted	2												
Vote1 - Council General		7 498	-	-	-	-	-	-	-	7 498	333 869	-	-
Vote2 - Office of the Executive Mayor		-	-	-	-	-	-	-	-	-	-	-	-
Vote3 - Office of the Speaker		-	-	-	-	-	-	-	-	-	-	-	-
Vote4 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	2 560	-	-
Vote5 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-
Vote6 - Finance		2 055	-	-	-	-	-	-	-	2 055	3 349	-	-
Vote7 - Human Resources		-	-	-	-	-	-	-	-	-	362	-	-
Vote8 - Community Services		19 890	-	-	-	-	-	-	-	19 890	14 191	-	-
Vote9 - Public Safety and Transport		7 498	-	-	-	-	-	-	-	7 498	-	-	-
Vote10 - Economic Development		10 175	-	-	-	-	-	-	-	10 175	2 822	-	-
Vote11 - Engineering Services		82 216	-	-	-	-	-	-	-	82 216	167 850	-	-
Vote12 - Water / Sewerage		61 956	-	-	-	-	-	-	-	61 956	27 508	-	-
Vote13 - Electricity		13 350	-	-	-	-	-	-	-	13 350	4 711	-	-
Vote14 - Housing Services		-	-	-	-	-	-	-	-	-	-	-	-

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Vote15 - Office of the Chief Whip	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	204 637	-	204 637	557 221	-							
Total Capital Expenditure - Vote	204 637	-	204 637	557 221	-							
Capital Expenditure - Standard												
<i>Governance and administration</i>	9 553	-	-	-	-	-	-	-	-	9 553	339 777	-
Executive and council	7 498									7 498	333 869	
Budget and treasury office	2 055									2 055	5 908	
Corporate services										-		
<i>Community and public safety</i>	27 388	-	-	-	-	-	-	-	-	27 388	14 553	-
Community and social services	5 103									5 103	191	
Sport and recreation	14 787									14 787	14 000	
Public safety	7 498									7 498	362	
Housing										-		
Health										-		
<i>Economic and environmental services</i>	41 645	-	-	-	-	-	-	-	-	41 645	170 672	-
Planning and development	10 175									10 175	2 822	
Road transport	31 470									31 470	167 850	
Environmental protection										-		
<i>Trading services</i>	120 051	-	-	-	-	-	-	-	-	120 051	32 219	-
Electricity	13 350									13 350	4 711	
Water	61 956									61 956	6 000	
Waste water management	44 745									44 745	11 200	
Waste management										-	10 308	
<i>Other</i>	6 000									6 000		

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Total Capital Expenditure - Standard	3	204 637	-	-	-	-	-	-	-	204 637	557 221	-
Funded by:												
National Government		204 637							-	204 637	515 772	
Provincial Government									-	-		
District Municipality									-	-		
Other transfers and grants									-	-		
Total Capital transfers recognised	4	204 637	-	-	-	-	-	-	-	204 637	515 772	-
Public contributions & donations									-	-		
Borrowing									-	-		
Internally generated funds									-	-	41 450	
Total Capital Funding		204 637	-	-	-	-	-	-	-	204 637	557 222	-

FS184 Matjhabeng - Table B6 Adjustments Budget Financial Position -

Description	Ref	Budget Year 2011/12									Budget Year +1 2011/12	Budget Year +2 2012/13
		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
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
ASSETS												
Current assets												
Cash		35 429							-	35 429		
Call investment deposits	1	16 088	-	-	-	-	-	-	-	16 088	-	-
Consumer debtors	1	(495 342)	-	-	-	-	-	-	-	(495 342)	-	-
Other debtors		13 469							-	13 469		
Current portion of long-term receivables									-	-		
Inventory		8 901							-	8 901		
Total current assets		(421 455)	-	-	-	-	-	-	-	(421 455)	-	-

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Non current assets												
Long-term receivables										-	-	
Investments										-	-	
Investment property										-	-	
Investment in Associate										-	-	
Property, plant and equipment	1	782 559	-	-	-	-	-	-	-	-	782 559	-
Agricultural										-	-	
Biological										-	-	
Intangible										-	-	
Other non-current assets		295								-	295	
Total non current assets		782 854	-	782 854	-							
TOTAL ASSETS		361 399	-	361 399	-							
LIABILITIES												
Current liabilities												
Bank overdraft										-	-	
Borrowing		37 727	-	-	-	-	-	-	-	-	37 727	-
Consumer deposits		29 983								-	29 983	
Trade and other payables		449 218	-	-	-	-	-	-	-	-	449 218	-
Provisions		3 628								-	3 628	
Total current liabilities		520 556	-	520 556	-							
Non current liabilities												
Borrowing	1	52 897	-	-	-	-	-	-	-	-	52 897	-
Provisions	1	2 826	-	-	-	-	-	-	-	-	2 826	-
Total non current liabilities		55 723	-	55 723	-							
TOTAL LIABILITIES		576 279	-	576 279	-							
NET ASSETS	2	(214 880)	-	(214 880)	-							
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		29 528	-	-	-	-	-	-	-	-	29 528	-
Reserves		-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		29 528	-	29 528	-							

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FS184 Matjhabeng - Table B7 Adjustments Budget Cash Flows -

Description	Ref	Budget Year 2011/12									Budget Year +1 2011/12	Budget Year +2 2012/13
		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
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Ratepayers and other		1 075 697							-	1 075 697		
Government - operating	1	392 899							-	392 899		
Government - capital	1	177 182							-	177 182		
Interest		50 000							-	50 000		
Dividends									-	-		
Payments												
Suppliers and employees		1 104 081							-	1 104 081		
Finance charges									-	-		
Transfers and Grants	1								-	-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		2 799 859	-	-	-	-	-	-	-	2 799 859	-	-
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE									-	-		
Decrease (Increase) in non-current debtors									-	-		
Decrease (increase) other non-current receivables									-	-		
Decrease (increase) in non-current investments									-	-		
Payments												
Capital assets		27 455								27 455		

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NET CASH FROM/(USED) INVESTING ACTIVITIES		27 455	-	-	-	-	-	-	-	27 455	-	-
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans									-	-		
Borrowing long term/refinancing									-	-		
Increase (decrease) in consumer deposits									-	-		
Payments												
Repayment of borrowing									-	-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		2 827 314	-	-	-	-	-	-	-	2 827 314	-	-
Cash/cash equivalents at the year begin:	2	25 046							-	25 046		
Cash/cash equivalents at the year end:	2	2 852 360	-	-	-	-	-	-	-	2 852 360	-	-

FS184 Matjhabeng - Table B8 Cash backed reserves/accumulated surplus reconciliation -

Description	Ref	Budget Year 2011/12									Budget Year +1	Budget Year +2
		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		
<u>Cash and investments available</u>												
Cash/cash equivalents at the year end	1	2 852 360	-	-	-	-	-	-	-	2 852 360	-	-
Other current investments > 90 days		(2 800 843)								(2 800 843)		

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Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		51 517	-	-	-	-	-	-	-	51 517	-	-
Applications of cash and investments												
Unspent conditional transfers		55 561	-	-	-	-	-	-	-	55 561	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	909 761	-	-	-	-	-	(529 169)	(529 169)	380 592	-	-
Other provisions		-	-	-	-	-	-	-	-	-	-	-
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		-	-	-	-	-	-	-	-	-	-	-
Total Applications of cash and investments:		965 322	-	-	-	-	-	(529 169)	(529 169)	436 153	-	-
Surplus(shortfall)		(913 805)	-	-	-	-	-	529 169	529 169	(384 636)	-	-

FS184 Matjhabeng - Table B9 Asset Management -

Description	Ref	Budget Year 2011/12										Budget Year +1 2011/12	Budget Year +2 2012/13
		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	
		7	8	9	10	11	12	13	14				
R thousands	A	A1	B	C	D	E	F	G	H				
CAPITAL EXPENDITURE													
Total New Assets to be adjusted	1	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-	-

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		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets to be adjusted	2	-	-	-	-	-	-	-	-	-	-	-
<i>Infrastructure - Road transport</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Infrastructure - Electricity</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Infrastructure - Water</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Infrastructure - Sanitation</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Infrastructure - Other</i>		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure to be adjusted	4	-	-	-	-	-	-	-	-	-	-	-

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<i>Infrastructure - Road transport</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Infrastructure - Electricity</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Infrastructure - Water</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Infrastructure - Sanitation</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Infrastructure - Other</i>		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE <i>to be adjusted</i>	2	-	-	-	-	-	-	-	-	-	-	-
ASSET REGISTER SUMMARY - PPE (WDV)	5											
<i>Infrastructure - Road transport</i>										-	-	-
<i>Infrastructure - Electricity</i>										-	-	-
<i>Infrastructure - Water</i>										-	-	-
<i>Infrastructure - Sanitation</i>										-	-	-
<i>Infrastructure - Other</i>										-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Community										-	-	-
Heritage assets										-	-	-
Investment properties										-	-	-
Other assets										-	-	-

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Intangibles										-		
Agricultural Assets										-		
Biological assets										-		
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	-	-	-	-	-	-	-	-	-	-	-
EXPENDITURE OTHER ITEMS												
<u>Depreciation & asset impairment</u>		4 500	-	-	-	-	-	-	-	4 500	-	-
<u>Repairs and Maintenance by asset class</u>	3	104 431	-	-	-	-	-	-	-	104 431	-	-
<i>Infrastructure - Road transport</i>		37 645	-	-	-	-	-	-	-	37 645	-	-
<i>Infrastructure - Electricity</i>		28 956	-	-	-	-	-	-	-	28 956	-	-
<i>Infrastructure - Water</i>		31 273	-	-	-	-	-	-	-	31 273	-	-
<i>Infrastructure - Sanitation</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Infrastructure - Other</i>		6 557	-	-	-	-	-	-	-	6 557	-	-
Infrastructure		104 431	-	-	-	-	-	-	-	104 431	-	-
Community		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	3 532	-	-	-	-	-	-	-	3 532	-	-
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		108 931	-	-	-	-	-	-	-	108 931	-	-
<i>% of capital exp on renewal of assets</i>		0.0%	0.0%							0.0%	0.0%	0.0%
<i>Renewal of existing assets as % of deprecn</i>		0.0%	0.0%							0.0%	0.0%	0.0%
<i>R&M as a % of PPE</i>		0.0%	0.0%							0.0%	0.0%	0.0%
<i>Renewal and R&M as a % of PPE</i>		0.0%	0.0%							0.0%	0.0%	0.0%

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FS184 Matjhabeng - Table B10 Basic service delivery measurement -

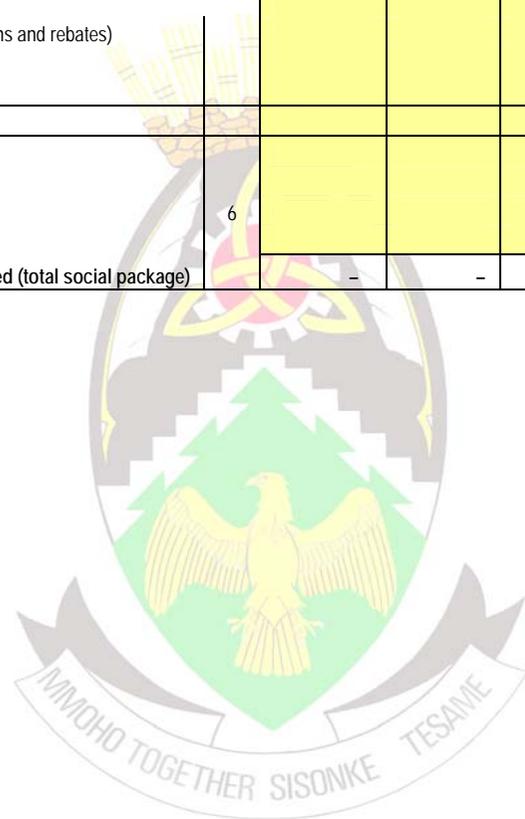
Description	Ref	Budget Year 2011/12									Budget Year +1 2011/12	Budget Year +2 2012/13
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
Household service targets (000)	1											
<u>Water:</u>												
Piped water inside dwelling		79								-	79	
Piped water inside yard (but not in dwelling)		40								-	40	
Using public tap (at least min.service level)	2	9								-	9	
Other water supply (at least min.service level)		3								-	3	
<i>Minimum Service Level and Above sub-total</i>		132	-	-	-	-	-	-	-	-	132	-
Using public tap (< min.service level)	3									-	-	
Other water supply (< min.service level)	3,4									-	-	
No water supply										-	-	
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	132	-	-	-	-	-	-	-	-	132	-
<u>Sanitation/sewerage:</u>												

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Flush toilet (connected to sewerage)		103								-	103 172		
Flush toilet (with septic tank)		2								-	1 718		
Chemical toilet		-								-	-		
Pit toilet (ventilated)		0								-	244		
Other toilet provisions (> min.service level)		9								-	8 922		
<i>Minimum Service Level and Above sub-total</i>		114 056		-	-	-	-	-	-	-	114 056		-
Bucket toilet		15								-	14 600		
Other toilet provisions (< min.service level)		-								-	-		
No toilet provisions		3								-	2 792		
<i>Below Minimum Service Level sub-total</i>		17 392		-	-	-	-	-	-	-	17 392		-
Total number of households	5	131 448		-	-	-	-	-	-	-	131 448		-
<u>Energy:</u>													
Electricity (at least min. service level)		101								-	101 000		
Electricity - prepaid (> min.service level)		9								-	9 000		
<i>Minimum Service Level and Above sub-total</i>		110 000		-	-	-	-	-	-	-	110 000		-
Electricity (< min.service level)										-	-		
Electricity - prepaid (< min. service level)										-	-		
Other energy sources										-	-		
<i>Below Minimum Service Level sub-total</i>		-		-	-	-	-	-	-	-	-		-
Total number of households	5	110 000		-	-	-	-	-	-	-	110 000		-
<u>Refuse:</u>													
Removed at least once a week (min.service)		117								-	117 000		
<i>Minimum Service Level and Above sub-total</i>		117 000		-	-	-	-	-	-	-	117 000		-
Removed less frequently than once a week		0								-	176		
Using communal refuse dump		2								-	1 528		
Using own refuse dump		10								-	10 313		
Other rubbish disposal		2								-	2 204		
No rubbish disposal		0								-	117		
<i>Below Minimum Service Level sub-total</i>		14 338		-	-	-	-	-	-	-	14 338		-
Total number of households	5	131 338		-	-	-	-	-	-	-	131 338		-
<u>Households receiving Free Basic Service</u>	15												
Water (6 kilolitres per household per month)		113								-	113 000		
Sanitation (free minimum level service)		-								-	-		
Electricity/other energy (50kwh per household per month)		26								-	26 000		
Refuse (removed at least once a week)		-								-	-		
<u>Cost of Free Basic Services provided (R'000)</u>	16												
Water (6 kilolitres per household per month)		989								-	989		

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Sanitation (free sanitation service)									-	-		
Electricity/other energy (50kwh per household per month)		110							-	110		
Refuse (removed once a week)									-	-		
Total cost of FBS provided (minimum social package)		1 099	-	-	-	-	-	-	-	1 099	-	-
Highest level of free service provided												
Property rates (R'000 value threshold)									-	-		
Water (kilolitres per household per month)									-	-		
Sanitation (kilolitres per household per month)									-	-		
Sanitation (Rand per household per month)									-	-		
Electricity (kw per household per month)									-	-		
Refuse (average litres per week)									-	-		
Revenue cost of free services provided (R'000)	17											
Property rates (R15 000 threshold rebate)									-	-		
Property rates (other exemptions, reductions and rebates)									-	-		
Water									-	-		
Sanitation									-	-		
Electricity/other energy									-	-		
Refuse									-	-		
Municipal Housing - rental rebates									-	-		
Housing - top structure subsidies									-	-		
Other	6								-	-		
Total revenue cost of free services provided (total social package)		-	-	-	-	-	-	-	-	-	-	-



PART II – SUPPORTING DOCUMENTATION

1. BUDGET PROCESS

The Budget Process Plan scheduling the key deadlines was approved by Council in August 2010 in compliance with the Municipal Finance Management Act No 56 of 2003. This document outlined the process of compilation of the Adjustment Budget for 2011/12.

The Budget Process is guided by the following phases:-

- ✓ Revision of the Integrated Development Plan
- ✓ Development of Budget Policies and Guidelines
- ✓ Preparation and submission of departmental budgets
- ✓ Preparation of the draft annual budget
- ✓ Revision of the budget by the Budget Advisory Committee
- ✓ Revision of the budget by the Mayoral Committee
- ✓ Community Consultations
- ✓ Budget approval and
- ✓ Budget implementation

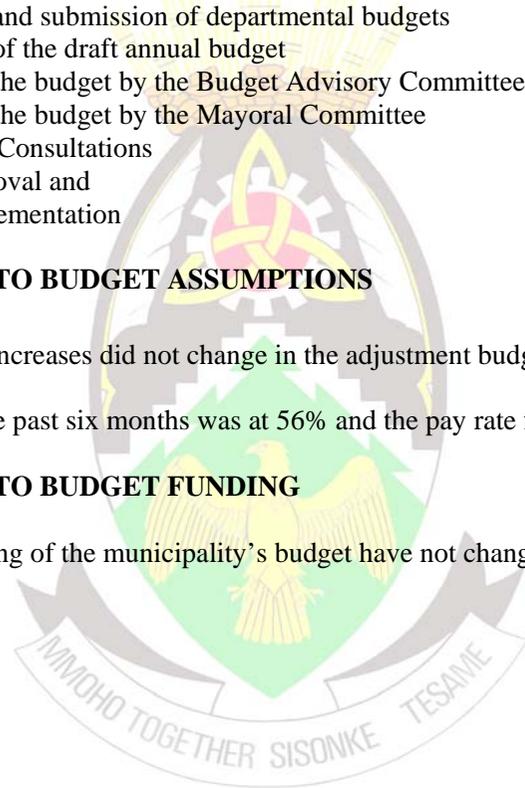
2. ADJUSTMENT TO BUDGET ASSUMPTIONS

The approved tariff increases did not change in the adjustment budget.

The collection for the past six months was at 56% and the pay rate for December was 56%, this is in line with the budgeted rate at 62.5%.

3. ADJUSTMENT TO BUDGET FUNDING

The sources of funding of the municipality's budget have not changed in the current financial year. The adjustment budget is funded from own revenue and grants.



4. ADJUSTMENT TO CAPITAL EXPENDITURE

The capital expenditure has increased due to the allocation from the Equitable Share for the procurement of Fleet.

5. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I,, the municipal manager of Matjhabeng Local Municipality hereby certify that the Adjustment Budget for the financial year 2011/12 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print Name:

Municipal Manager of

Signature

