



ADJUSTMENT BUDGET OF  
**MAKHUDUTHAMAGA LOCAL  
MUNICIPALITY**

JANUARY 2013

**2012/2013**

**NB. Copies of this document can be viewed/obtained:**

- **At the reception of our municipal buildings**
- **All public libraries of the municipality**
- **At [www.makhuduthamaga.gov.za](http://www.makhuduthamaga.gov.za)**

## Abbreviations and Acronyms

BPC	Budget Planning Committee	MIG	Municipal Infrastructure Grant
CFO	Chief Financial Officer	MPRA	Municipal Properties Rates Act
MM	Municipal Manager	MSA	Municipal Systems Act
CPI	Consumer Price Index	MTEF	Medium-term Expenditure Framework
CRRF	Capital Replacement Reserve Fund	MTREF	Medium-term Revenue and Expenditure Framework
DoRA	Division of Revenue Act	NGO	Non-Governmental organisations
EE	Employment Equity	NKPIs	National Key Performance Indicators
FBS	Free basic services	OHS	Occupational Health and Safety
GAMAP	Generally Accepted Municipal Accounting Practice	OP	Operational Plan
GRAP	General Recognised Accounting Practice	PMS	Performance Management System
HR	Human Resources	PPE	Property Plant and Equipment
IDP	Integrated Development Plan	PPP	Public Private Partnership
IT	Information Technology	RG	Restructuring Grant
km	kilometre	SALGA	South African Local Government Association
GFS	Government Financial Statistics	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator	DOE	Department of Energy
LED	Local Economic Development		
MEC	Member of the Executive Committee		
MFMA	Municipal Financial Management Act Programme		
MBRR	Municipal Budget and Reporting		

Regulations



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## 1.1 Mayor's report.

Date: 27 February 2012

Venue: Municipal Chamber

Madam Speaker

The Executive Committee

Our Traditional Leaders

The Acting Municipal Manager

Honourable Councillors

Senior Managers

Ladies and Gentlemen

### **Honourable Speaker**

We are meeting here today in this august house after the president of this country Jacob Zuma has delivered the state of the nation address and few days after our Premier Cassel Mathale has delivered the state of the province address. As the Local Municipality we are forced in terms of the legislation, Municipal Finance Management Act No 56 of 2003, section 28 subsection (1), (2)a-g(4)-(7) to table the adjustment budget to council for ratification and approval in order for us to deliver our core mandate to the citizens of Makhuduthamaga

The primary aim of the Municipal Finance Management Act No 56 of 2003 is to make Municipal Finance Sustainable so that municipalities can deliver the best services possible to its residents.

For this to be possible, section 72 of MFMA provides that the Municipality should assess its performance during the first half of the financial year taking into account the following:

- \* The monthly statements referred to in section 71 for the first half of the financial year
- \* The municipality service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budgets implementation plan.
- \* The past year's annual report and progress on resolving problems identified in the annual report.

The Act further says, in presenting the section 72 report there must be indication as to whether an adjustment budget is necessary or not.



Let us remind this august house that during council sitting on the 31/01/2013, such indication or recommendation was tabled.

### **Honourable Speaker**

Our budgeted revenue has been adjusted from **R259.7 million to R244 million** for 2012/2013 which comprises of R48 millions from own revenue sources and R195.9 million from government grants.

Our Municipal Infrastructure Grant rollover in 2011/2012 financial year of R4 million was approved by National Treasury and this amount will be adjusted from our original budget of R41.4 million to R45.4 million. Revenue from interest on investment was reduced by R1.8 million as a result of the half yearly performance; other revenue is also adjusted down by R17.9 million.

### **Budget Expenditure**

Our budgeted expenditure for 2012/2013 has been adjusted from **R259.3 million to R243.9 million** which comprises of operational expenditure of R146.3 million and capital expenditure of R97.6 million

#### **(Adjustment on operational Expenditure)**

Employee related costs have been reduced by R7.7 million as a result of positions that were still vacant as at 31 January 2013.

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 municipality's adjusted budget for 2012/2013 and an additional amount of R545, thousands was allocated to the councillor allowances budget.

Free Basic Electricity services offered by the municipality to its deserving community members were adjusted to R3.070 million.

Depreciation and impairment of assets will be adjusted to R9.590 million as a result of the unbundling of assets and to ensure compliance with GRAP 17 and 26.

Ward committee capacity building will adjusted to R1.650 million to ensure that their operations are functioning.

#### **Adjustment on capital expenditure.**

Our capital expenditure has been adjusted from R105.3 Million to R97.6 Million due to material decrease in revenue as a result of VAT recovery.

#### **VAT recovery**

We have budgeted to receive R24 million from SARS as VAT recovery. We must adjust this budget downwards as the refunds from SARS have to be taken to the VAT control account to clear the debt raised against SARS.



We have budgeted to spend R90 million on infrastructure projects (Electricity, roads and bridges) and as at 31 December 2012 contractors have not yet started on site.

There was then a need to implement some of the projects in two financial years, as it was impractical to complete the projects by 30 June 2013.

There are projects for 2011/2012 to the value of R4.3 million which were not completed by June 2012, recognised as commitments in the Annual Financial Statements for 30 June 2012. These projects were not included in the 2012/2013 budget and as they were funded by equitable share, their budgets could not be rolled over to the 2012/2013 budget year. We therefore needed to include them in the adjustment budget for 2012/2013 to avoid unauthorized expenditure.

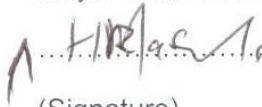
Our budget has been adjusted down on certain capital projects to cover for the 2011/2012, in which case, the projects will then be allocated additional budget in the financial year 2013/2014 to complete them.

The following capital projects are affected by adjustment:

- \* Maololo Acces bridge
- \* Access road to Seopela tribal office phase 2
- \* Access road to Mogashoa Manamane and Dithlakaneng tribal offices
- \* Access road to Maila Mapitsane tribal office
- \* Access road to Tisane tribal office
- \* Access road to Ga-Mampane tribal office
- \* Rehabilitation and Expansion of R579

THANK YOU!!!!!!!!!!

Mayor Cllr, Matlala M.A

  
.....  
(Signature)

1.2 Council resolutions.



**LOCAL MUNICIPALITY**

**COUNCIL RESOLUTIONS**

Ref: 3/2/1/3

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**RESOLUTION No. 29**

**AGENDA ITEM:**

**RESOLUTION ON THE TABLING AND ADOPTION OF ADJUSTMENT BUDGET 2012/2013**

**NOTING THAT:**

1. In terms of the Local Government Municipal Finance Management Act 56 of 2003 section 28, A Municipality may revise an approved annual budget through an adjustments budget.
2. In terms Local Government Municipal Budget and Reporting Regulations, Regulation 23, an adjustment budget referred to in section 28 (2) (b), (d) and (f) of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council , but not later than 28 February of the current year.
- 2.1 The annual budget for the financial year 2012/2013 and the multi year and single year capital appropriations has been adjusted from the total amount of **R259, 715, 309.27** budgeted revenue to **R243, 959, 058.09** budgeted revenue and adjusted from **R259, 328,682.42** budgeted expenditure to **R243, 910, 819.50** budgeted expenditure. Capital appropriation has been adjusted from **R105, 313, 545.87** to **R97, 612, 768.25** and operational expenditure adjusted from **R154,015,136.55** to **R146, 298, 015.25** as set out in the following tables:
  - 2.1.1 Budget summary as contained in table B1
  - 2.1.2 Budgeted financial performance (revenue and expenditure by standards classification) as contained in table B2.
  - 2.1.3 Budgeted financial performance (revenue and expenditure by municipal vote) as contained in table B3



- 2.1.5 Multi –year and single year capital appropriations by municipal votes and standards classification and associated funding by source as contained in table B5
- 2.2 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:
  - 2.2.1 Budget financial position as contained in table B6
  - 2.2.2 Budget Cash flows as contained in table B7
  - 2.2.3 Cash backed reserves and accumulated surplus reconciliation as contained in table B8
  - 2.2.4 Asset management as contained in table B9
  - 2.2.5 Basic service delivery measurement as contained in table B10
- 3. The Council of Makhuduthamaga Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approved and adopted rates tariffs and taxes with effect from 1 July 2012 and no adjustment has been made on the rates tariffs:
- 4. In Compliance with the above mentioned Legislations, Makhuduthamaga Municipal Council at its Special Council Meeting of 27 February 2013, held at Municipal Chamber.

**RESOLVED THAT:**

- The tariffs for property rates remain two cents in a rand.
- No amendments are necessary to budget related policies.
- The adjustment budget for 2012/2013 be adopted as tabled.
- The adjustments on service delivery targets and performance indicators in the Service Delivery and Budget Implementation Plan be adopted as tabled.

**Mover: Cllr Mampane M.A**

**Seconder: Cllr Mankge N.H**

**Speaker: Cllr. Makaleng M.M**

**Municipal Manager: Mr. ME Moropa**

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

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

**Date:** 28/02/2013

**Date:** 28/02/2013



### 1.3 Executive Summary.

Makhuduthamaga Municipality has prepared its Adjustment budget for 2012/2013 in accordance with section 28 of the Municipal Finance Management Act and Chapter 2, part 4 of the Municipal Budget and Reporting Regulations as published under GN 393 in GG 32141 dated 17 April 2009. Where appropriate, forecasts for both revenue and expenditure for outer years 2013/2014 and 2014/2015 has been adjusted accordingly to incorporate changes brought forward by the mid-year budget and performance assessment to ensure a well funded budget for the MTREF.

The municipality's financial management strategies and service delivery priorities were reviewed as part of the mid-year budget and performance assessment in terms of section 72 of the Municipal Finance Management Act. Where appropriate, funds were transferred from low- to high-priority programmes and funds not utilised as planned during the compilation of the annual budget were also re-allocated to other programmes to ensure services delivery and accurately satisfactory spending at the end of the financial year.

The following findings were established during the mid-year budget and performance assessment review in January 2013 and the council of Makhuduthamaga Local Municipality found it necessary to adjust the annual budget for 2012/2013 as approved in May 2012:

- **ADJUSTMENT ON REVENUE**

- ✚ **Municipal Infrastructure Grant**

- ✓ The municipality had a rollover in 2011/2012 financial year of R4 million for the Municipal Infrastructure Grant which was approved by National Treasury, therefore there is a need to adjust this grant upwards.

- ✚ **Interest on investment**

- ✓ The municipality has budgeted to receive R 5.2 million from interest on investment and only managed to receive R 1.8 million during the first half of the financial year.
    - ✓ It is then recommended that the revenue from this source be adjusted downwards considering the fact the municipality may not be able to invest funds as they will be needed for implementation of projects within the remaining five months.

- ✚ **Other income**

- ✓ The municipality budgeted to receive R24 million from SARS as VAT recovery. We must adjust this budget downwards as the refunds from SARS have to be taken to the VAT control account to clear the debt raised against SARS.

- **ADJUSTMENT ON TOTAL BUDGETED EXPENDITURE**

- ✓ The municipality has originally budgeted a total expenditure of **R259 million** and this budget is adjusted downwards to accommodate the revenue adjustment.

### I. Adjustment on Operational Expense

- ✓ Salaries for employees are adjusted downwards with the budget for vacant posts which were not filled as at 31 December 2012.
- ✓ Councillors' allowances are adjusted upward to cover the increases as per the upper limits of councillors received during December 2012.
- ✓ Budget for Depreciation of Assets is adjusted upwards.
- ✓ Protective clothing for traffic officers was not budgeted, this amount had to be included in the adjustment budget since the municipality appointed traffic officers in January 2013.
- ✓ Other operational expenditure budgets must be reduced to move funds to capital expenditure for other assets to be able to acquire waste management equipment.

### II. Adjustment on Capital Expenditure

- ✓ The municipality has budgeted to spend R90 million on infrastructure projects (Electricity, roads and bridges) and as at 31 December 2012 contractors have not yet started on site.
- ✓ There was then a need to implement some of the projects in two financial years, as it was impractical to complete the projects by 30 June 2013.
- ✓ There are projects for 2011/12 to the value of R4.3 million which were not completed by June 2012, recognised as commitments in the Annual Financial Statements for 30 June 2012. These projects were not included in the 2012/2013 budget and as they were funded by equitable share, their budgets could not be rolled over to the 2012/2013 budget year. We therefore needed to include them in the adjustment budget for 2012/2013 to avoid unauthorized expenditure.

In view of the aforementioned, the following table is a consolidated overview of the adjusted 2012/13 Medium-term Revenue and Expenditure Framework as compared to the original budget 2012/2013 and the past budget year 2011/2012:

**Table 1 Consolidated Overview of the Adjusted 2012/13 MTREF**

Description	Adjustment Budget 2011/2012	Original Budget 2012/2013	Adjusted Budget 2012/2013	Adjusted Budget Year +1 2013/2014	Adjusted Budget year + 2 2014/2015
Total Revenue	235,410,769.46	259,715,309.27	243,959,058.09	281,335,397.79	306,675,933.70
Total Operating Expenditure	154,686,901.96	154,015,136.55	146,298,051.25	161,287,678.61	172,598,903.93
Operating Surplus/ (Deficit for the year)	80,723,867.50	105,700,172.70	97,661,006.84	120,047,719.18	134,077,029.77
Capital Expenditure	80,664,019.61	105,313,545.87	97,612,768.25	117,015,644.60	126,764,397.85

Total revenue has been adjusted from R259, 7 million to R244 million. This reflects a reduction of R15, 7 million or 8% as compared to the original budget. For the two outer years, total revenue will remain increasing by 15 and 9 per cent respectively, equating to a total revenue growth of R62.7 million over the MTREF when compared to the 2011/12 financial year. The total revenue includes the grants allocations from the national treasury.

Total operating expenditure for the 2012/13 financial year has been adjusted from R154 million to R146.3 million and translates into an operating budgeted surplus of R98.7 million as indicated in table B4. When compared to the 2011/12 Adjustments Budget, operational expenditure has dropped by 5 per cent in the 2012/13 adjusted budget and grown by 10 and 7 per cent for each of the respective outer years of the MTREF. The operating surplus for the two outer years steadily increases to R120 million and then R134 million respectively. These surpluses will be used to fund capital expenditure and to further ensure cash backing of reserves and funds.

The capital budget of R105.3 million for 2012/13 has been adjusted to R97.6 million and increased by 21 per cent as compared to the 2011/12 Adjustment Budget. There has been an increase in budget for waste management equipment. The details of these increases are outlined under item 2.7 (Adjustment on Capital expenditure) on page 37

The capital expenditure increases to R 117 million in the 2012/13 financial year and then R126 million in 2014/2015. Of the total capital budget an amount of R 45.4 million is funded by MIG for roads and bridges and Sports ground improvements. Electricity projects are funded by DOE grant to the total amount of R4 million and we have a project for access road to Nkosi tribal office which will be funded by EPWP grant to the amount of R966 thousands. The rest of the capital projects and acquisitions of new assets will be funded by equitable share.

#### ❖ **Operating Revenue Framework**

For Makhuduthamaga local municipality to continue improving the quality of services provided to its communities it needs to generate the required sustainable revenue to meet its funding requirements. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and high level of unemployment in our municipality. The expenditure required to address these challenges will always exceed available funding; hence difficult choices have to be made in relation to balancing expenditures against realistically anticipated revenues. The fact is, we cannot increase the property rates tariffs in the near future as we still have very low level of revenue collection for the property rates which make 40 per cent of the total own revenue. The municipality has resolved to reduce the property rates tariffs from 3 cents in a rand to 2 cents in a rand during the original budget approval in May 2012 and no adjustment has been made to the rate.

In an attempt to ensure a strong revenue base, the municipality has also reviewed its revenue enhancement strategy to improve revenue collection in the 2012/2013 financial year and the two outer years.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);

- Increase ability to extend new services and recover costs; (e.g. Waste collection project)
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the adjusted 2012/13 MTREF (classified by main revenue source)

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

Description	Ref	Budget Year 2012/13									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
<b>Revenue By Source</b>												
Property rates	2	27,270	-	-	-	-	-	-	-	27,270	29,997	32,996
Property rates - penalties & collection charges												
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - other												
Rental of facilities and equipment		100	-	-	-	-	-	-	-	100	110	121
Interest earned - external investments		5,235	-	-	-	-	-	(1,800)	(1,800)	3,435	5,759	6,334
Interest earned - outstanding debtors		5,251	-	-	-	-	-	-	-	5,251	5,776	6,353
Dividends received		-	-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-	-
Licences and permits		4,400	-	-	-	-	-	-	-	4,400	4,840	5,324
Agency services		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operating		146,479	-	-	-	-	-	-	-	146,479	156,218	169,631
Other revenue	2	25,545	-	-	-	-	-	(17,986)	(17,986)	7,559	28,126	29,679
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>214,279</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,787)</b>	<b>(19,787)</b>	<b>194,493</b>	<b>230,825</b>	<b>250,439</b>
Transfers recognised - capital		45,436	-	-	-	-	-	4,030	4,030	49,466	50,510	56,237
<b>Total revenue</b>		<b>259,715</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15,756)</b>	<b>(15,756)</b>	<b>243,959</b>	<b>281,335</b>	<b>306,676</b>

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.

The total revenue for the municipality excluding capital transfers after adjustments amount to R194.493 million for 2012/2013, R230, 825 million for 2013/2014 and R250, 439 million for 2014/2015. As indicated in the table above, revenue from interest on investment was reduced by R1.8 million as a result of the half yearly performance; other revenue is also adjusted down by R17.9 million.

The total capital revenue for the after adjustments amount to R49.466 million for 2012/2013, R50.510 million for 2013/2014 and R56.237 million for 2014/2015. MIG grant was increased by R4 million as a results of the 2011/2012 rollover.

Revenue from government grants forms a significant percentage of the total operating revenue for the municipality for all of the 2012/2013 MTREF. This clearly indicate that our municipality is dependent on government grants which contribute 75% of the total operating revenue in 2011/2012 budget year and 68% across the whole 2012/2013 MTREF outer years..

### ❖ Operating Expenditure Framework

As indicated in the original budget, the municipality’s expenditure framework for the 2012/2013 budget and MTREF is informed by the following:

- The infrastructure projects plan in the IDP to address the backlog and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to backlog eradication plan;
- Operational gains/ surpluses will be directed to funding the capital budget.
- Funding was allocated to only projects which have projects implementation plans to guard against under spending.

The following table is a high level summary of the adjusted 2012/2013 budget and MTREF (classified per main type of operating expenditure):

**Table 3 Summary of operating expenditure by standard classification item**

Expenditure By Type	Budget Year 2012/13									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	2013/14
Employee related costs	45,038	-	-	-	-	-	(7,650)	(7,650)	37,388	47,560	50,129
Remuneration of councillors	15,045	-	-	-	-	-	546	546	15,591	15,888	16,746
Debt impairment	9,038	-	-	-	-	-	-	-	9,038	9,544	10,059
Depreciation & asset impairment	5,500	-	-	-	-	-	4,091	4,091	9,591	5,808	6,122
Finance charges	116	-	-	-	-	-	(116)	(116)	-	122	129
Bulk purchases	-	-	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-	-	-
Contracted services	28,720	-	-	-	-	-	(869)	(869)	27,852	30,204	33,190
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	50,557	-	-	-	-	-	(3,719)	(3,719)	46,838	52,162	56,224
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>154,015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,717)</b>	<b>(7,717)</b>	<b>146,298</b>	<b>161,288</b>	<b>172,599</b>

The budget for Employee related costs has been reduced by R7.7 million as a result of the following positions that were still vacant as at 31 January 2013:

Department	Post name
Mayor’s Office	<ol style="list-style-type: none"> <li>1. Mayoral Chauffer</li> <li>2. Mayor’s Secretary</li> </ol>
Corporate Services	<ol style="list-style-type: none"> <li>1. Director</li> <li>2. OHS Officer</li> </ol>
Budget & Treasury	<ol style="list-style-type: none"> <li>1. 2 X supervisor cashiers</li> <li>2. Book keeper expenditure</li> <li>3. Manager Assets</li> <li>4. 4 X Finance Interns (appointed on 01 January 2013)</li> </ol>
Community Services	<ol style="list-style-type: none"> <li>1. Director</li> <li>2. Admin Clerk</li> <li>3. Sports, recreation, arts and culture officer.</li> <li>4. Environmental Health inspector.</li> <li>5. Librarian</li> <li>6. 5 x Library assistants</li> <li>7. 10 x Traffic Officers</li> <li>8. Examiner</li> <li>9. Land Fill Operator</li> <li>10. Waste collection Driver</li> </ol>
Infrastructure Development	<ol style="list-style-type: none"> <li>1. Director</li> </ol>

Salaries for the Project Management Unit staff members to the amount of R1 million was moved from the total salaries budget to MIG grant under MIG overheads. Salaries under LED Services unit have been moved to the planning and development department hence they are sitting at a zero budget after adjustment. Salaries for Finance interns were also moved from the total salaries budget to the FMG grant as per the our grant spending plan submitted to National Treasury.

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 municipality's adjusted budget for 2012/2013 and an additional amount of R545, thousands was allocated to the councillor allowances budget.

The provision of debt impairment for 2012/2013 was determined based on an annual collection rate of 36.67 per cent or R10 million and the Debt Write-off Policy of the municipality. For the 2013/14 financial year this amount equates to R9, 543 million and escalates to R10, 059 by 2014/15. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues. No adjustments have been done on this line item.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy and GRAP 17. The original budget appropriations in this regard total R5, 500 million for the 2012/2013 financial year and equates to 3.57 per cent of the total operating expenditure. This amount has been adjusted to R9.6 million as a result of changes in assets values during the unbundling of assets.

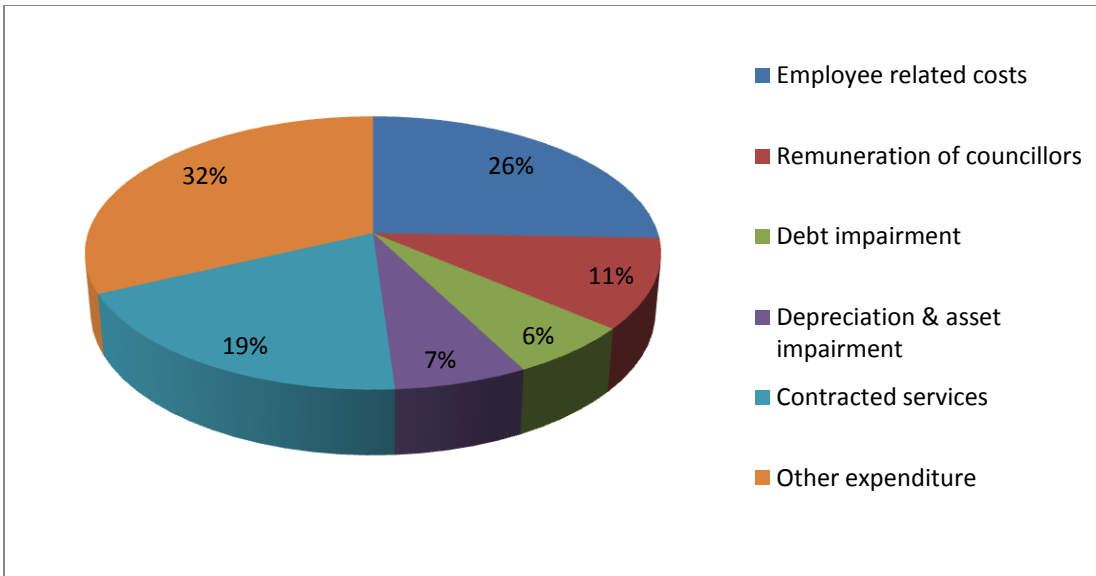
Finance charges consist primarily of the bank service charges for the primary account transactions. Finance charges to the amount of 0.08 per cent (R115 thousands) of the original operating expenditure has been adjusted to zero as the bank charges has been categorised under other expenditure. The municipality is not planning to use borrowing funds to fund its projects in the near future due to revenue generation incapacity and collection challenges.

Contracted services comprises of security services, cleaning services, repairs and maintenance for infrastructure assets and operating leases for office equipments and machinery. For the current year budget, contracted services has been increased with R681 thousands for Security Services and the budgets for 2013/2014 and 2014/2015 remain unadjusted.

The budget for other expenditure has been adjusted down by R3.7 million and some of the funds has been transferred to capital expenditure to increase the budget for Waste management assets and equipments for the municipality to be able to render the waste collection service to the communities.

The following bar chart gives a breakdown of the main expenditure categories for the 2011/12 financial year Adjustment Budget.

Main Operational Expenditure categories for 2012/2013 financial year



### Adjustments on repairs and maintenance

Considering national treasury circular number 54, 55, 58 and 59 our municipality has put repairs and maintenance as one of the priorities to preserving and maintaining the municipality’s current infrastructure, to ensure that the existing assets are good working conditions and to lengthen the assets life span. The 2012/13 budget and MTREF provide for a growth in the area of asset maintenance, as informed by the repairs and maintenance plan of the municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. In our municipality’s case, all repairs and maintenance services for our infrastructure assets will be done through contracted services as indicated in table SA1 of the B schedule. No adjustments were made on repairs and maintenance.

### Adjustments on Free Basic Services: Electricity tokens

The municipality gives free basic electricity tokens to poor households within the municipal jurisdictions to assist them as they cannot afford the electricity costs. Our municipality does not have a licence to sell electricity and therefore buys the tokens from Eskom for the affected households who registered with the municipality. To receive these free services the households are required to register in terms of the municipality’s Indigent Policy. The target is to register 100 000 or more indigent households during the 2012/13 financial year, a process which is reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 16 MBRR Table B10 (Basic Service Delivery Measurement)

The cost of the free basic electricity of the registered indigent households is financed through the local government equitable share received in terms of the annual Division of Revenue Act. The budget for Free Basic Electricity was increased by R70 thousands for 2012/2013 and remains unadjusted for the two outer years.



## Capital expenditure

The following table provides a breakdown of adjustments on budgeted capital expenditure by vote:

**Table 4 Adjusted Capital budget per vote.**

Description	Ref	Budget Year 2012/13									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 2013/14	+2 2014/15
			5	6	7	8	9	10	11	12		
R thousands		A	A1	B	C	D	E	F	G	H		
<b>Single-year expenditure to be adjusted</b>	2											
Vote 1 - Coucil		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Economic Development and Planning		1,650	-	-	-	-	-	-	-	1,650	-	-
Vote 4 - Infrastructure Development		90,400	-	-	-	-	-	(11,009)	(11,009)	79,390	104,283	120,255
Vote 5 - Community Services		6,915	-	-	-	-	-	-	-	6,915	7,085	557
Vote 6 - Corporate Services		3,500	-	-	-	-	-	-	-	3,500	2,640	2,783
Vote 7 - Budget and Treasury		2,849	-	-	-	-	-	3,308	3,308	6,157	3,008	3,171
-		-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Vote</b>		<b>105,314</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,701)</b>	<b>(7,701)</b>	<b>97,613</b>	<b>117,016</b>	<b>126,764</b>

For 2012/2013 an amount of R105, 314 million was originally appropriated for the capital expenditure to be funded by MIG, DOE grant, EPWP grant and equitable share. For 2013/2014 and 2014/2015 the budget has been appropriated at R 117,016 million and R125, 754 million respectively. The capital budget for 2012/2013 has been reduced by R6.7 million for projects which have been made multiyear as it is estimated that they could only be completed by December 2013. The budget for these projects (see page 37) has been split in to two budget years 2012/2013 and 2013/14. The detailed adjustments on the capital projects are outlined under 2.7(Adjustments on Capital Budget) on page 37

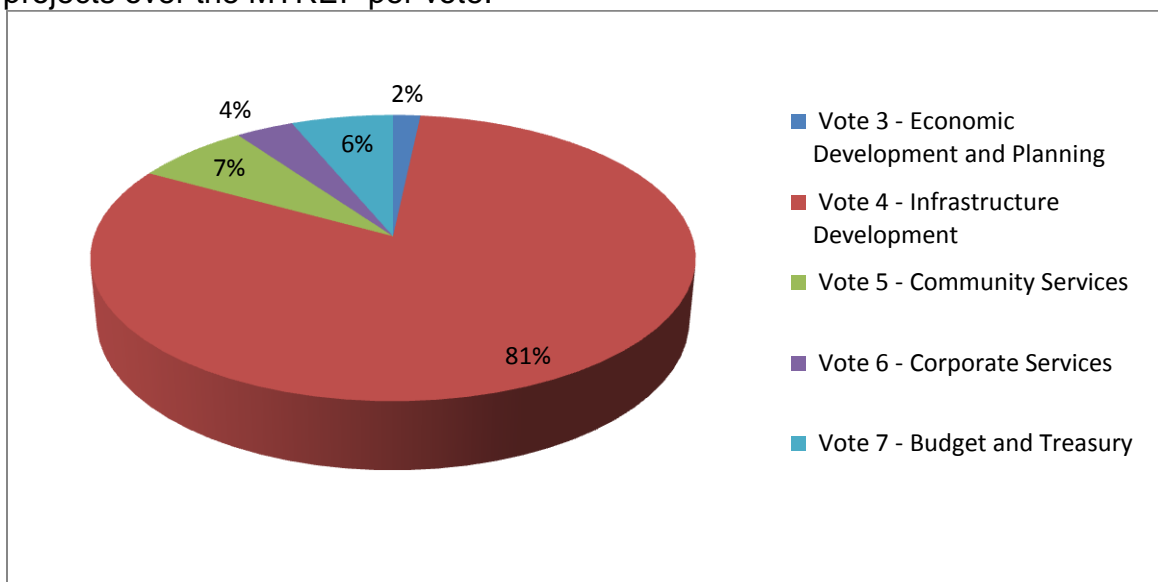
Infrastructure and development vote is appropriated the highest allocation of R 79 million in 2012/2013 which equates to 83 per cent of the total capital budget, followed by community services at 7% per cent of the total capital budget . The remaining 10 per cent is allocated to economic development and planning at 2 per cent, corporate services at 4 per cent and budget and treasury vote at 6 per cent.

Renewal of existing assets was allocating R5 million during the original budget for 2012/2013 which is 4.75 percent of the total capital budget and is adjusted to R3 million. The total estimated costs of the project remain at R5 million and therefore the reduced R2 million has been shifted to 2013/2014 budget year as it was estimated that the project may not be completed by 30 June 1013. For 2013/14 and 2014/15 the expenditure for renewal of existing assets insignificantly increases to R7.1 million and R5.6 million respectively. Further detail relating to asset classes and proposed capital expenditure is contained in Table 15 MBRR Table B9 (Asset Management). In addition to the MBRR Table B9, MBRR Tables SB18a, 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. Adjustments made on capital expenditure per Asset category can be summarised as follows:

- Construction of roads, bridges and storm water – Adjusted to R79 million
- Electricity projects – No adjustment done
- Other Assets – Adjusted to R11.3 million
- Community Assets – No adjustment

The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF per vote.



#### 1.4 ANNUAL BUDGET TABLES (A1 to A10)

The following are the ten main A schedule tables for the annual budget of Makhuduthamaga municipality for the 2012/2013 MTREF.



### 1.4.1 Table 5 MBRR B1 – Annual Budget Summary

LIM473 Makhuduthamaga - Table B1 Adjustments Budget Summary - 27 February 2013

Description	Budget Year 2012/13									Budget Year +1 2013/14	Budget Year +2 2014/15
	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	1 A1	2 B	3 C	4 D	5 E	6 F	7 G	8 H		
<b>Financial Performance</b>											
Property rates	27,270	-	-	-	-	-	-	-	27,270	29,997	32,996
Service charges	-	-	-	-	-	-	-	-	-	-	-
Investment revenue	5,235	-	-	-	-	-	(1,800)	(1,800)	3,435	5,759	6,334
Transfers recognised - operational	146,479	-	-	-	-	-	-	-	146,479	156,218	169,631
Other own revenue	35,296	-	-	-	-	-	(17,986)	(17,986)	17,310	38,852	41,477
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>214,279</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,787)</b>	<b>(19,787)</b>	<b>194,493</b>	<b>230,825</b>	<b>250,439</b>
Employee costs	45,038	-	-	-	-	-	(7,800)	(7,800)	37,238	47,560	50,129
Remuneration of councillors	15,045	-	-	-	-	-	546	546	15,591	15,888	16,746
Depreciation & asset impairment	5,500	-	-	-	-	-	4,091	4,091	9,591	5,808	6,122
Finance charges	116	-	-	-	-	-	(116)	(116)	-	122	129
Materials and bulk purchases	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	88,315	-	-	-	-	-	(4,288)	(4,288)	84,028	91,909	99,474
<b>Total Expenditure</b>	<b>154,015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,567)</b>	<b>(7,567)</b>	<b>146,448</b>	<b>161,288</b>	<b>172,599</b>
<b>Surplus/(Deficit)</b>	<b>60,264</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,220)</b>	<b>(12,220)</b>	<b>48,045</b>	<b>69,538</b>	<b>77,840</b>
Transfers recognised - capital	45,436	-	-	-	-	-	4,030	4,030	49,466	50,510	56,237
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>105,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,189)</b>	<b>(8,189)</b>	<b>97,511</b>	<b>120,048</b>	<b>134,077</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>105,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,189)</b>	<b>(8,189)</b>	<b>97,511</b>	<b>120,048</b>	<b>134,077</b>
<b>Capital expenditure &amp; funds sources</b>											
<b>Capital expenditure</b>	105,314	-	-	-	-	-	(7,701)	(7,701)	97,613	117,016	126,764
Transfers recognised - capital	105,314	-	-	-	-	-	(7,701)	(7,701)	97,613	117,016	126,764
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funds</b>	<b>105,314</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,701)</b>	<b>(7,701)</b>	<b>97,613</b>	<b>117,016</b>	<b>126,764</b>
<b>Financial position</b>											
Total current assets	134,635	-	-	-	-	-	27,802	27,802	162,437	179,247	199,011
Total non current assets	428,387	-	-	-	-	-	(183,496)	(183,496)	244,890	361,906	488,670
Total current liabilities	29,000	-	-	-	-	-	-	-	29,000	31,900	35,090
Total non current liabilities	9,038	-	-	-	-	-	-	-	9,038	9,544	10,059
<b>Community wealth/Equity</b>	<b>524,984</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(155,695)</b>	<b>(155,695)</b>	<b>369,290</b>	<b>499,710</b>	<b>642,532</b>
<b>Cash flows</b>											
Net cash from (used) operating	97,717	-	-	-	-	-	(7,272)	(7,272)	90,446	110,127	122,408
Net cash from (used) investing	(104,964)	-	-	-	-	-	7,701	7,701	(97,263)	(117,016)	(126,764)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>60,023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>429</b>	<b>429</b>	<b>60,452</b>	<b>53,563</b>	<b>49,207</b>
<b>Cash backing/surplus reconciliation</b>											
Cash and investments available	60,023	-	-	-	-	-	429	429	60,452	53,134	48,778
Application of cash and investments	(22,976)	-	-	-	-	-	(10,872)	(10,872)	(33,848)	(31,014)	(40,733)
<b>Balance - surplus (shortfall)</b>	<b>82,999</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,301</b>	<b>11,301</b>	<b>94,300</b>	<b>84,147</b>	<b>89,511</b>
<b>Asset Management</b>											
Asset register summary (WDV)	280,136	-	-	-	-	-	-	-	280,136	392,052	513,206
Depreciation & asset impairment	5,500	-	-	-	-	-	4,091	4,091	9,591	5,808	6,122
Renewal of Existing Assets	5,000	-	-	-	-	-	-	-	5,000	5,100	5,610
Repairs and Maintenance	17,577	-	-	-	-	-	(750)	(750)	16,827	18,436	20,787
<b>Free services</b>											
Cost of Free Basic Services provided	3,000	-	-	-	-	-	-	-	3,000	3,168	3,339
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-	-
<b>Households below minimum service level</b>											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sew erage:	-	-	-	-	-	-	-	-	-	-	-
Energy :	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-

### 1.4.2 Table 6 MBRR B2 – Budgeted Financial Performance (Standard Classification)

LIM473 Makhuduthamaga - Table B2 Adjustments Budget Financial Performance (standard classification) - 27 February 2013

Standard Description	Ref	Budget Year 2012/13									Budget Year +1 2013/14	Budget Year +2 2014/15
		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	1, 4	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>		259,715	-	-	-	-	-	(15,756)	(15,756)	243,959	281,335	306,676
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		259,715	-	-	-	-	-	(15,756)	(15,756)	243,959	281,335	306,676
Corporate services		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	259,715	-	-	-	-	-	(15,756)	(15,756)	243,959	281,335	306,676
<b>Expenditure - Standard</b>												
<i>Governance and administration</i>		103,776	-	-	-	-	-	5,718	5,718	109,494	108,503	114,363
Executive and council		34,493	-	-	-	-	-	(603)	(603)	33,890	36,424	38,391
Budget and treasury office		51,142	-	-	-	-	-	7,782	7,782	58,924	53,978	56,894
Corporate services		18,141	-	-	-	-	-	(1,461)	(1,461)	16,680	18,101	19,078
<i>Community and public safety</i>		21,038	-	-	-	-	-	(8,776)	(8,776)	12,261	14,318	16,705
Community and social services		4,227	-	-	-	-	-	(1,211)	(1,211)	3,017	4,486	4,758
Sport and recreation		1,500	-	-	-	-	-	-	-	1,500	1,584	3,254
Public safety		7,711	-	-	-	-	-	(2,566)	(2,566)	5,145	8,142	8,582
Housing		7,600	-	-	-	-	-	(5,000)	(5,000)	2,600	106	111
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		117,273	-	-	-	-	-	(8,297)	(8,297)	108,976	137,200	147,388
Planning and development		12,021	-	-	-	-	-	(250)	(250)	11,771	10,213	10,764
Road transport		105,252	-	-	-	-	-	(8,047)	(8,047)	97,205	126,987	136,623
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		17,241	-	-	-	-	-	(4,062)	(4,062)	13,179	18,282	20,908
Electricity		9,338	-	-	-	-	-	121	121	9,459	9,936	12,111
Water		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		7,903	-	-	-	-	-	(4,183)	(4,183)	3,721	8,346	8,796
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3	259,329	-	-	-	-	-	(15,418)	(15,418)	243,911	278,303	299,363
<b>Surplus/ (Deficit) for the year</b>		387	-	-	-	-	-	(338)	(338)	48	3,032	7,313



**1.4.3 Table 7 MBRR B3 – Budgeted Financial Performance (Municipal Vote)**

LIM473 Makhuduthamaga - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 27 February 2013

Vote Description  <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2012/13								Budget Year	Budget Year	
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
		3	4	5	6	7	8	9	10			
		A	A1	B	C	D	E	F	G	H		
<b>Revenue by Vote</b>	1											
Vote 1 - Coucil		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Economic Development and Planning		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure Development		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Budget and Treasury		259,715	-	-	-	-	-	(15,756)	(15,756)	243,959	281,335	306,676
0		-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	259,715	-	-	-	-	-	(15,756)	(15,756)	243,959	281,335	306,676
<b>Expenditure by Vote</b>	1											
Vote 1 - Coucil		31,153	-	-	-	-	-	(573)	(573)	30,580	32,898	34,675
Vote 2 - Office of the Municipal Manager		3,339	-	-	-	-	-	(30)	(30)	3,309	3,526	3,717
Vote 3 - Economic Development and Planning		12,021	-	-	-	-	-	(250)	(250)	11,771	10,213	10,764
Vote 4 - Infrastructure Development		122,190	-	-	-	-	-	(12,927)	(12,927)	109,263	137,029	148,846
Vote 5 - Community Services		21,341	-	-	-	-	-	(7,959)	(7,959)	13,382	22,558	25,390
Vote 6 - Corporate Services		18,141	-	-	-	-	-	(1,461)	(1,461)	16,680	18,101	19,078
Vote 7 - Budget and Treasury		51,142	-	-	-	-	-	7,782	7,782	58,924	53,978	56,894
0		-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	259,329	-	-	-	-	-	(15,418)	(15,418)	243,911	278,303	299,363
<b>Surplus/ (Deficit) for the year</b>	2	387	-	-	-	-	-	(338)	(338)	48	3,032	7,313

### 1.4.4 Table 8 MBRR B4 – Budgeted Financial Performance (Operational Revenue and Expenditure)

LIM473 Makhuduthamaga - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 27 February 2013

Description	Ref	Budget Year 2012/13									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 2013/14	+2 2014/15
R thousands	1	A	A1	B	C	D	E	F	G	H		
<b>Revenue By Source</b>												
Property rates	2	27,270	-	-	-	-	-	-	-	27,270	29,997	32,996
Property rates - penalties & collection charges												
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - other												
Rental of facilities and equipment		100	-	-	-	-	-	-	100	100	110	121
Interest earned - external investments		5,235	-	-	-	-	-	(1,800)	(1,800)	3,435	5,759	6,334
Interest earned - outstanding debtors		5,251	-	-	-	-	-	-	-	5,251	5,776	6,353
Dividends received		-	-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-	-
Licences and permits		4,400	-	-	-	-	-	-	-	4,400	4,840	5,324
Agency services		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operating		146,479	-	-	-	-	-	-	-	146,479	156,218	169,631
Other revenue	2	25,545	-	-	-	-	-	(17,986)	(17,986)	7,559	28,126	29,679
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>214,279</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,787)</b>	<b>(19,787)</b>	<b>194,493</b>	<b>230,825</b>	<b>250,439</b>
<b>Expenditure By Type</b>												
Employee related costs		45,038	-	-	-	-	-	(7,800)	(7,800)	37,238	47,560	50,129
Remuneration of councillors		15,045	-	-	-	-	-	546	546	15,591	15,888	16,746
Debt impairment		9,038	-	-	-	-	-	-	-	9,038	9,544	10,059
Depreciation & asset impairment		5,500	-	-	-	-	-	4,091	4,091	9,591	5,808	6,122
Finance charges		116	-	-	-	-	-	(116)	(116)	-	122	129
Bulk purchases		-	-	-	-	-	-	-	-	-	-	-
Other materials		-	-	-	-	-	-	-	-	-	-	-
Contracted services		28,720	-	-	-	-	-	(569)	(569)	28,152	30,204	33,190
Transfers and grants		-	-	-	-	-	-	-	-	-	-	-
Other expenditure		50,557	-	-	-	-	-	(3,869)	(3,869)	46,688	52,162	56,224
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>154,015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,717)</b>	<b>(7,717)</b>	<b>146,298</b>	<b>161,288</b>	<b>172,599</b>
<b>Surplus/(Deficit)</b>		<b>60,264</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,070)</b>	<b>(12,070)</b>	<b>48,195</b>	<b>69,538</b>	<b>77,840</b>
Transfers recognised - capital		45,436	-	-	-	-	-	4,030	4,030	49,466	50,510	56,237
Contributions		-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) before taxation</b>		<b>105,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,039)</b>	<b>(8,039)</b>	<b>97,661</b>	<b>120,048</b>	<b>134,077</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>105,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,039)</b>	<b>(8,039)</b>	<b>97,661</b>	<b>120,048</b>	<b>134,077</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>105,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,039)</b>	<b>(8,039)</b>	<b>97,661</b>	<b>120,048</b>	<b>134,077</b>
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>105,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,039)</b>	<b>(8,039)</b>	<b>97,661</b>	<b>120,048</b>	<b>134,077</b>

### 1.4.5 Table 9 MBRR B5 – Budgeted Capital Expenditure (By Vote & Standard Classification)

LIM473 Makhuduthamaga - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 27 February 2013

Description	Ref	Budget Year 2012/13									Budget Year +1 2013/14	Budget Year +2 2014/15
		Original Budget A	Prior Adjusted 5 A1	Accum. Funds 6 B	Multi-year capital 7 C	Unfore. Unavoid. 8 D	Nat. or Prov. Govt 9 E	Other Adjusts. 10 F	Total Adjusts. 11 G	Adjusted Budget 12 H	Adjusted Budget	Adjusted Budget
<b>R thousands</b>												
<b>Capital expenditure - Vote</b>												
<b>Multi-year expenditure to be adjusted</b>	2											
Vote 1 - Coucil		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Economic Development and Planning		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure Development		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	3	-	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be adjusted</b>	2											
Vote 1 - Coucil		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Economic Development and Planning		1,650	-	-	-	-	-	-	-	1,650	-	-
Vote 4 - Infrastructure Development		90,400	-	-	-	-	-	(11,009)	(11,009)	79,390	104,283	120,255
Vote 5 - Community Services		6,915	-	-	-	-	-	-	-	6,915	7,085	557
Vote 6 - Corporate Services		3,500	-	-	-	-	-	-	-	3,500	2,640	2,783
Vote 7 - Budget and Treasury		2,849	-	-	-	-	-	3,308	3,308	6,157	3,008	3,171
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		105,314	-	-	-	-	-	(7,701)	(7,701)	97,613	117,016	126,764
<b>Total Capital Expenditure - Vote</b>		105,314	-	-	-	-	-	(7,701)	(7,701)	97,613	117,016	126,764
<b>Capital Expenditure - Standard</b>												
<b>Governance and administration</b>		6,349	-	-	-	-	-	3,308	3,308	9,657	5,648	5,953
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		2,849	-	-	-	-	-	3,308	3,308	6,157	3,008	3,171
Corporate services		3,500	-	-	-	-	-	-	-	3,500	2,640	2,783
<b>Community and public safety</b>		14,415	-	-	-	-	-	(5,000)	(5,000)	9,415	7,085	557
Community and social services		200	-	-	-	-	-	-	-	200	-	-
Sport and recreation		6,215	-	-	-	-	-	-	-	6,215	6,557	-
Public safety		500	-	-	-	-	-	-	-	500	528	557
Housing		7,500	-	-	-	-	-	(5,000)	(5,000)	2,500	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		78,750	-	-	-	-	-	(6,009)	(6,009)	72,740	98,083	112,082
Planning and development		1,650	-	-	-	-	-	-	-	1,650	-	-
Road transport		77,100	-	-	-	-	-	(6,009)	(6,009)	71,090	98,083	112,082
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		5,800	-	-	-	-	-	-	-	5,800	6,200	8,173
Electricity		5,800	-	-	-	-	-	-	-	5,800	6,200	8,173
Water		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	3	105,314	-	-	-	-	-	(7,701)	(7,701)	97,613	117,016	126,764
<b>Funded by:</b>												
National Government		105,314	-	-	-	-	-	(7,701)	(7,701)	97,613	117,016	126,764
Provincial Government		-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital transfers recognised</b>	4	105,314	-	-	-	-	-	(7,701)	(7,701)	97,613	117,016	126,764
<b>Public contributions &amp; donations</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Funding</b>		105,314	-	-	-	-	-	(7,701)	(7,701)	97,613	117,016	126,764





### 1.4.6 Table 10 MBRR B6 – Budgeted Financial Position

LIM473 Makhuduthamaga - Table B6 Adjustments Budget Financial Position - 27 February 2013

Description	Ref	Budget Year 2012/13									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands												
		A	A1	B	C	D	E	F	G	H	+1 2013/14	+2 2014/15
<b>ASSETS</b>												
<b>Current assets</b>												
Cash		60,023	-	-	-	-	-	429	429	60,452	53,134	48,778
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	74,391	-	-	-	-	-	27,372	27,372	101,763	125,880	149,987
Other debtors		-	-	-	-	-	-	-	-	-	-	-
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-	-
Inventory		221	-	-	-	-	-	-	-	221	234	246
<b>Total current assets</b>		<b>134,635</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,802</b>	<b>27,802</b>	<b>162,437</b>	<b>179,247</b>	<b>199,011</b>
<b>Non current assets</b>												
Long-term receivables		-	-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-	-
Investment property		-	-	-	-	-	-	-	-	-	-	-
Investment in Associate		-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	1	428,387	-	-	-	-	-	(183,496)	(183,496)	244,890	361,906	488,670
Agricultural		-	-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-	-
Intangible		-	-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>428,387</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(183,496)</b>	<b>(183,496)</b>	<b>244,890</b>	<b>361,906</b>	<b>488,670</b>
<b>TOTAL ASSETS</b>		<b>563,022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(155,695)</b>	<b>(155,695)</b>	<b>407,327</b>	<b>541,154</b>	<b>687,681</b>
<b>LIABILITIES</b>												
<b>Current liabilities</b>												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Consumer deposits		-	-	-	-	-	-	-	-	-	-	-
Trade and other payables		29,000	-	-	-	-	-	-	-	29,000	31,900	35,090
Provisions		-	-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>		<b>29,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,000</b>	<b>31,900</b>	<b>35,090</b>
<b>Non current liabilities</b>												
Borrowing	1	-	-	-	-	-	-	-	-	-	-	-
Provisions	1	9,038	-	-	-	-	-	-	-	9,038	9,544	10,059
<b>Total non current liabilities</b>		<b>9,038</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,038</b>	<b>9,544</b>	<b>10,059</b>
<b>TOTAL LIABILITIES</b>		<b>38,038</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,038</b>	<b>41,444</b>	<b>45,149</b>
<b>NET ASSETS</b>	2	<b>524,984</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(155,695)</b>	<b>(155,695)</b>	<b>369,290</b>	<b>499,710</b>	<b>642,532</b>
<b>COMMUNITY WEALTH/EQUITY</b>												
Accumulated Surplus/(Deficit)		524,984	-	-	-	-	-	(155,695)	(155,695)	369,290	499,710	642,532
Reserves		-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>		<b>524,984</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(155,695)</b>	<b>(155,695)</b>	<b>369,290</b>	<b>499,710</b>	<b>642,532</b>



**1.4.7 Table 11 MBRR B7 – Budgeted Cash Flows**

LIM473 Makhuduthamaga - Table B7 Adjustments Budget Cash Flows - 27 February 2013

Description	Ref	Budget Year 2012/13								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	Adjusted Budget	
R thousands		A	A1	B	C	D	E	F	G	H		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>												
<b>Receipts</b>												
Ratepayers and other		40,045	-	-	-	-	-	(15,756)	(15,756)	24,289	43,576	46,624
Government - operating	1	146,479	-	-	-	-	-	-	-	146,479	156,218	169,631
Government - capital	1	45,436	-	-	-	-	-	-	-	45,436	50,510	56,237
Interest		5,235	-	-	-	-	-	-	-	5,235	5,759	6,334
Dividends		-	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>												
Suppliers and employees		(139,362)	-	-	-	-	-	8,485	8,485	(130,877)	(145,814)	(156,289)
Finance charges		(116)	-	-	-	-	-	-	-	(116)	(122)	(129)
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>97,717</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,272)</b>	<b>(7,272)</b>	<b>90,446</b>	<b>110,127</b>	<b>122,408</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
<b>Receipts</b>												
Proceeds on disposal of PPE		350	-	-	-	-	-	-	-	350	-	-
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>												
Capital assets		(105,314)	-	-	-	-	-	7,701	7,701	(97,613)	(117,016)	(126,764)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(104,964)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,701</b>	<b>7,701</b>	<b>(97,263)</b>	<b>(117,016)</b>	<b>(126,764)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
<b>Receipts</b>												
Short term loans		-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>												
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(7,246)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>429</b>	<b>429</b>	<b>(6,817)</b>	<b>(6,889)</b>	<b>(4,356)</b>
Cash/cash equivalents at the year begin:	2	67,269	-	-	-	-	-	-	-	67,269	60,452	53,563
Cash/cash equivalents at the year end:	2	60,023	-	-	-	-	-	429	-	60,452	53,563	49,207

### 1.4.8 Table 12 MBRR B8 – Cash backed reserves/Accumulated surplus reconciliation

LIM473 Makhuduthamaga - Table B8 Cash backed reserves/accumulated surplus reconciliation - 27 February 2013

Description	Ref	Budget Year 2012/13									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands		3	4	5	6	7	8	9	10	+1 2013/14	+2 2014/15	
		A	A1	B	C	D	E	F	G	H		
<b>Cash and investments available</b>												
Cash/cash equivalents at the year end	1	60,023	-	-	-	-	-	429	429	60,452	53,563	49,207
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	(429)	(429)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>60,023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>429</b>	<b>429</b>	<b>60,452</b>	<b>53,134</b>	<b>48,778</b>
<b>Applications of cash and investments</b>												
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	(22,976)	-	-	-	-	-	(10,872)	(10,872)	(33,848)	(31,014)	(40,733)
Other provisions		-	-	-	-	-	-	-	-	-	-	-
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		-	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>(22,976)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,872)</b>	<b>(10,872)</b>	<b>(33,848)</b>	<b>(31,014)</b>	<b>(40,733)</b>
<b>Surplus(shortfall)</b>		<b>82,999</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,301</b>	<b>11,301</b>	<b>94,300</b>	<b>84,147</b>	<b>89,511</b>



### 1.4.9 Table 13 MBRR table B9 – Asset Management

LIM473 Makhuduthamaga - Table B9 Asset Management - 27 February 2013

Description	Ref	Budget Year 2012/13									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 2013/14	+2 2014/15
R thousands		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
<b>CAPITAL EXPENDITURE</b>												
<b>Total New Assets to be adjusted</b>	1	100,314	-	-	-	-	-	(7,701)	(7,701)	92,613	111,916	121,154
Infrastructure - Road transport		72,100	-	-	-	-	-	(6,009)	(6,009)	66,090	92,983	106,472
Infrastructure - Electricity		5,800	-	-	-	-	-	-	-	5,800	6,200	8,173
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		77,900	-	-	-	-	-	(6,009)	(6,009)	71,890	99,183	114,645
Community		8,065	-	-	-	-	-	-	-	8,065	6,557	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	14,349	-	-	-	-	-	(1,692)	(1,692)	12,657	6,176	6,510
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets to be adjusted</b>	2	5,000	-	-	-	-	-	-	-	5,000	5,100	5,610
Infrastructure - Road transport		5,000	-	-	-	-	-	-	-	5,000	5,100	5,610
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		5,000	-	-	-	-	-	-	-	5,000	5,100	5,610
Community		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure to be adjusted</b>	4	77,100	-	-	-	-	-	(6,009)	(6,009)	71,090	98,083	112,082
Infrastructure - Road transport		5,800	-	-	-	-	-	-	-	5,800	6,200	8,173
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		82,900	-	-	-	-	-	(6,009)	(6,009)	76,890	104,283	120,255
Community		8,065	-	-	-	-	-	-	-	8,065	6,557	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	14,349	-	-	-	-	-	(1,692)	(1,692)	12,657	6,176	6,510
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE to be adjusted</b>	2	105,314	-	-	-	-	-	(7,701)	(7,701)	97,613	117,016	126,764
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>												
Infrastructure - Road transport	5	175,841	-	-	-	-	-	-	-	175,841	268,824	375,296
Infrastructure - Electricity		7,750	-	-	-	-	-	-	-	7,750	13,950	22,123
Infrastructure - Water		43,519	-	-	-	-	-	-	-	43,519	43,519	43,519
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		13,758	-	-	-	-	-	-	-	13,758	13,758	13,758
Infrastructure		240,868	-	-	-	-	-	-	-	240,868	340,051	454,696
Community		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	39,268	-	-	-	-	-	-	-	39,268	52,001	58,511
Intangibles		-	-	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	280,136	-	-	-	-	-	-	-	280,136	392,052	513,206
<b>EXPENDITURE OTHER ITEMS</b>												
<b>Depreciation &amp; asset impairment</b>		5,500	-	-	-	-	-	4,091	4,091	9,591	5,808	6,122
<b>Repairs and Maintenance by asset class</b>	3	17,577	-	-	-	-	-	(750)	(750)	16,827	18,436	20,787
Infrastructure - Road transport		16,127	-	-	-	-	-	-	-	16,127	16,905	18,751
Infrastructure - Electricity		200	-	-	-	-	-	50	50	250	211	223
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		16,327	-	-	-	-	-	50	50	16,377	17,116	18,973
Community		400	-	-	-	-	-	-	-	400	422	868
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	850	-	-	-	-	-	(800)	(800)	50	898	946
<b>TOTAL EXPENDITURE OTHER ITEMS to be adjusted</b>		23,077	-	-	-	-	-	3,341	3,341	26,418	24,244	26,909
<b>% of capital exp on renewal of assets</b>		4.7%	0.0%							5.1%	4.4%	4.4%
<b>Renewal of existing assets as % of deprecn</b>		90.9%	0.0%							52.1%	87.8%	91.6%
<b>R&amp;M as a % of PPE</b>		6.3%	0.0%							6.0%	4.7%	4.1%
<b>Renewal and R&amp;M as a % of PPE</b>		8.1%	0.0%							7.8%	6.0%	5.1%



**1.4.10 Table 14 MBRR table A10 – Basic Service delivery measurement**

LIM473 Makhuduthamaga - Table B10 Basic service delivery measurement - 27 February 2013

Description	Ref	Budget Year 2012/13									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H	+1 2013/14	+2 2014/15
<b>Household service targets (000)</b>	1											
<b>Water:</b>												
Piped water inside dwelling		-	-	-	-	-	-	-	-	-	0	0
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-	0	0
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-	0	0
Other water supply (at least min.service level)		-	-	-	-	-	-	-	-	-	0	0
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-	0	0
Other water supply (< min.service level)	3,4	-	-	-	-	-	-	-	-	-	0	0
No water supply		-	-	-	-	-	-	-	-	-	0	0
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-	-	-
<b>Sanitation/sewerage:</b>												
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-	-	-
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>	5	-	-	-	-	-	-	-	-	-	-	-
<b>Energy:</b>												
Electricity (at least min. service level)		-	-	-	-	-	-	-	-	-	-	-
Electricity - prepaid (> min.service level)		-	-	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-	-	-
<b>Refuse:</b>												
Removed at least once a week (min.service)		-	-	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-	-	-
<b>Households receiving Free Basic Service</b>	15											
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		9,981	-	-	-	-	-	-	-	9,981	9,981	9,981
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided (R'000)</b>	16											
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service)		-	-	-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		3,000	-	-	-	-	-	-	-	3,000	3,168	3,339
Refuse (removed once a week)		-	-	-	-	-	-	-	-	-	-	-
<b>Total cost of FBS provided (minimum social package)</b>		3,000	-	-	-	-	-	-	-	3,000	3,168	3,339
<b>Highest level of free service provided</b>												
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)		50	-	-	-	-	-	-	-	50	50	50
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-	-	-
<b>Revenue cost of free services provided (R'000)</b>	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	6	-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
<b>Total revenue cost of free services provided (total savings)</b>		-	-	-	-	-	-	-	-	-	-	-

## **PART 2 – SUPPORTING DOCUMENTS**

### ***2.1. Adjustments to budget assumptions.***

#### **2.1.1 External factors**

- Due to the low level of payments by customers, our expenditure had to be reduced, to ensure that the cash outflow is kept within the cash inflow or affordability parameters of the municipality's available cash.

#### **2.1.2 General inflation outlook and its impact on the municipal activities**

- There are five key factors that have been taken into consideration in the compilation of the 2012/13 MTREF:
  - National Government macro economic targets;
  - The general inflationary outlook and the impact on municipality's residents and businesses;
  - The impact of municipal cost drivers;
  - The increase in prices for electricity and water; and
  - The increase in the cost of remuneration.
- No adjustment has been done to the assumptions as per the original budget.

#### **2.1.3 Interest rates for borrowing and investment of funds**

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The municipality is not planning to use borrowing to fund its capital projects due to collection problems and therefore no interests are to be paid.

#### **2.1.4 Collection rate for revenue services**

The municipality's assumption is that, the reduction of the property rates tariff implemented from 1 July 2012 will be affordable to the rate payers and collection will increase significantly as compared to the previous year 2011/12.

Though the municipality is still experiencing high level of unpaid debtors' accounts for the property rates, this assumption was not adjusted as we believe that with the extra efforts that the municipality has planned, to encourage debtors to pay, the collection rate will improve shortly.

### ***2.2. Adjustments to budget funding.***

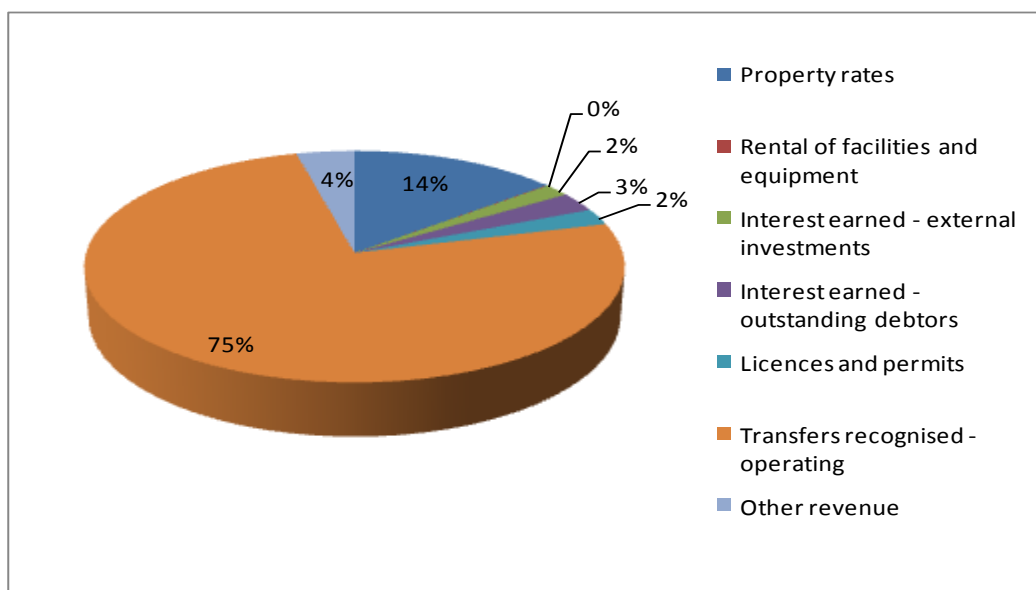
#### **2.1.5 Medium-term outlook: operating revenue**

The following table is a breakdown of the adjusted operating revenue over the medium-term:

**Table 15 Breakdown of the adjusted operating revenue over the medium-term**

Description	Ref	Budget Year 2012/13									Budget Year +1 2013/14	Budget Year +2 2014/15
		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	4	5	6	7	8	9	10		
R thousands	1	A	A1	B	C	D	E	F	G	H		
<b>Revenue By Source</b>												
Property rates	2	27,270	-	-	-	-	-	-	-	27,270	29,997	32,996
Property rates - penalties & collection charges												
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - other												
Rental of facilities and equipment		100	-	-	-	-	-	-	-	100	110	121
Interest earned - external investments		5,235	-	-	-	-	-	(1,800)	(1,800)	3,435	5,759	6,334
Interest earned - outstanding debtors		5,251	-	-	-	-	-	-	-	5,251	5,776	6,353
Dividends received		-	-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-	-
Licences and permits		4,400	-	-	-	-	-	-	-	4,400	4,840	5,324
Agency services		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operating		146,479	-	-	-	-	-	-	-	146,479	156,218	169,631
Other revenue	2	25,545	-	-	-	-	-	(17,986)	(17,986)	7,559	28,126	29,679
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>214,279</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,787)</b>	<b>(19,787)</b>	<b>194,493</b>	<b>230,825</b>	<b>250,439</b>

The following graph is a breakdown of the operational revenue per main category for the 2012/13 financial year as adjusted.



Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from the transfers recognised – operational (government grants), Property rates, capital grants from organs of state and other minor charges (such as licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- National Treasury guidelines;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase/decrease in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff reduction for the 2012/13 MTREF for Property rates remain unadjusted and can be shown as follows:

**Table 16 Approved tariff reduction over the medium-term**

Revenue category	Approved tarrif 2011/2012	Approved tarrif 2012/2013	Proposed tarrif 2013/2014	Proposed tarrif 2014/2015
Property Rates	3 cents	2 cents	2 cents	2 cents

Revenue to be generated from property rates is R27 million in the 2012/13 financial year and increases to R32 million by 2014/15 which represents 13 per cent of the operating revenue base of the municipality. It increases with 10 percent over the medium term, as we are projecting to have increase in the number of properties in our area due to new developments which makes some of our areas good markets for business.

The municipality is still in a process of further data verification and validation relating to the valuation Rolland therefore supplementary valuation roll will be developed within the 2012/2013 MTREF. We do not have any objection on our current valuation roll. The outcome of the supplementary valuation process will be closely monitored and reported on a regular basis as part of the quarterly performance reporting.

Revenue from VAT recovered from SARS form the second highest source of own revenue for the municipality followed by licences and permits. For 2012/2013, they contribute R24 million, R4.4 million to the total operational revenue respectively. The other sources of revenue are the revenue from sales of tender documents which amounts to R550 thousands for 2012/2013 financial year. The revenue



from VAT recovery is adjusted from R24 million to R6.6 million as the refunds from SARS is credited to the VAT input account and therefore not revenue. The R6.6 million that is left in the budget is for VAT paid through conditional grants which is recommended by National Treasury Circular No 55. to be recognised by municipalities as own revenue.

Operational grants and subsidies amount to R146.5 million, R156.2 million and R169.6 million for 2012/2013, 2013/2014 and 2014/2015 respectively. In real terms the grants receipts from national government are growing rapidly over the MTREF by 6.62 per cent and 8.58 per cent for the two outer years respectively. The percentage of the total operational grants and transfers in relation to the total operating revenue is very high due to very low level of own revenue collection for all financial years of the 2012/2013 MTREF. No adjustment has been done to operational grants and subsidies received from national government.

Investment revenue contributes marginally to the revenue base of the municipality with a budget allocation of R5.2 million, R5.7 million and R6.3 million for the respective three financial years of the 2012/13 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget was carefully monitored and adjustment was found necessary on the investment revenue for 2012/2013 adjustment budget and investment revenue for the two outer years remain unadjusted. Investment revenue is reduced by R1.8 million to R 3.4 million for 2012/2013 budget year.

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF after adjustments therefore provides for a budgeted operating surplus of R98.6 million, R120 million and R134 million in each of the MTREF financial years. This surplus is intended to partly fund capital expenditure as well as ensure adequate cash backing of reserves and funds.

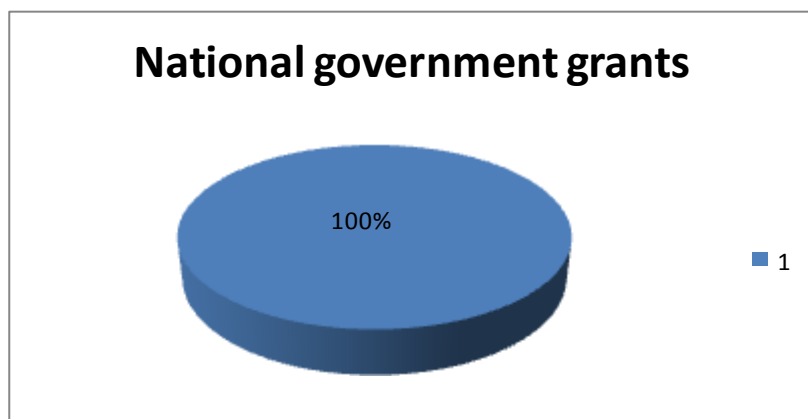
## 2.1.6 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2012/2013 medium-term capital programme:

**Table 17 Sources of capital revenue over the MTREF**

Description	Ref	Budget Year 2012/13							Budget Year	Budget Year
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2013/14	+2 2014/15
		A	2 A1	3 B	4 C	5 D	6 E	7 F	Adjusted Budget	Adjusted Budget
<b>R thousands</b>										
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		105,314	–	–	–	–	–	97,613	117,016	126,764
Provincial Government:		41,436	–	–	–	–	–	41,436	43,710	46,237
0		–	–	–	–	–	–	–	–	–
0		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
0		–	–	–	–	–	–	–	–	–
DOE		4,000	–	–	–	–	–	4,000	6,800	10,000
EPWP GRANT		966	–	–	–	–	–	966	–	–
Equitable share		58,912	–	–	–	(7,701)	(7,701)	51,211	66,506	70,527

The above table is graphically represented as follows for the 2012/13 financial year.



Capital grants and receipts equates to 100 per cent of the total funding source which represents the whole R97.6 million for capital expenditure in 2012/2013. The total amount is made up of MIG grant, DOE grant, EPWP grant and Equitable Share. Equitable share funding has been adjusted downwards as a result of projects which were transferred to the outer year 2013/2014 and the MIG funding has been adjusted upwards as a result of the 2011/2012 rollover of funds to the 2012/2013 year.. This can also be illustrated in the following extract from table SB 7:

**Table 18: Extract from Table SB 8**

Description	Ref	Budget Year 2012/13									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 2013/14 Adjusted Budget	+2 2014/15 Adjusted Budget
			5	6	7	8	9	10	11	12		
<b>R thousands</b>		A	A1	B	C	D	E	F	G	H		
<b>Funded by:</b>												
National Government		105,314	-	-	-	-	-	(7,701)	(7,701)	97,613	117,016	126,764
Provincial Government		-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital transfer</b>	4	<b>105,314</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,701)</b>	<b>(7,701)</b>	<b>97,613</b>	<b>117,016</b>	<b>126,764</b>
<b>Public contributions &amp; donations</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Borrowing</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Funding</b>		<b>105,314</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,701)</b>	<b>(7,701)</b>	<b>97,613</b>	<b>117,016</b>	<b>126,764</b>

**Table 19 MBRR Table SB 7 - Capital transfers and grant receipts with no adjustments made.**

Description	Ref	Budget Year 2012/13							Budget Year +1 2013/14	Budget Year +2 2014/15
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			7	8	9	10	11	12		
R thousands		A	A1	B	C	D	E	F		
<b>Capital Transfers and Grants</b>										
0		45,436	-	-	-	4,030	4,030	49,466	50,510	56,237
Municipal Infrastructure Grant (MIG)		41,436	-	-	-	4,030	4,030	45,466	43,710	46,237
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
DOE		4,000	-	-	-	-	-	4,000	6,800	10,000
EPWP GRANT		966	-	-	-	-	-	966	-	-

### 2.1.7 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understand ability for councillors and management of the municipality. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue and other own sources of revenue

**Table 20 MBRR Table B7 – Adjusted Budget cash flow statement**

LIM473 Makhuduthamaga - Table B7 Adjustments Budget Cash Flows - 27 February 2013

Description	Ref	Budget Year 2012/13								Budget Year	Budget Year	
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	
R thousands		3	4	5	6	7	8	9	10	+1 2013/14	+2 2014/15	
		A	A1	B	C	D	E	F	G	H		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>												
<b>Receipts</b>												
Ratepayers and other		40,045	-	-	-	-	-	(15,756)	(15,756)	24,289	43,576	46,624
Government - operating	1	146,479	-	-	-	-	-	-	-	146,479	156,218	169,631
Government - capital	1	45,436	-	-	-	-	-	-	-	45,436	50,510	56,237
Interest		5,235	-	-	-	-	-	-	-	5,235	5,759	6,334
Dividends		-	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>												
Suppliers and employees		(139,362)	-	-	-	-	-	8,485	8,485	(130,877)	(145,814)	(156,289)
Finance charges		(116)	-	-	-	-	-	-	-	(116)	(122)	(129)
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>97,717</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,272)</b>	<b>(7,272)</b>	<b>90,446</b>	<b>110,127</b>	<b>122,408</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
<b>Receipts</b>												
Proceeds on disposal of PPE		350	-	-	-	-	-	-	-	350	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>												
Capital assets		(105,314)	-	-	-	-	-	7,701	7,701	(97,613)	(117,016)	(126,764)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(104,964)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,701</b>	<b>7,701</b>	<b>(97,263)</b>	<b>(117,016)</b>	<b>(126,764)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
<b>Receipts</b>												
Short term loans		-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-	-
<b>Payments</b>												
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(7,246)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>429</b>	<b>429</b>	<b>(6,817)</b>	<b>(6,889)</b>	<b>(4,356)</b>
Cash/cash equivalents at the year begin:	2	67,269	-	-	-	-	-	-	-	67,269	60,452	53,563
Cash/cash equivalents at the year end:	2	60,023	-	-	-	-	-	429	-	60,452	53,563	49,207

The above table shows a net decrease in cash held for all financial years of the 2012/2013 MTREF due to poor collection of revenue from property rates and is boosted by the opening balance of our bank account. The amount of R40 million cash inflow from rate payers and other for 2012/2013 was made up of R10 million from debtors, R24 million from VAT recovery and the remaining balance is from all other sources of own revenue. The cash inflow from the rate payers and other is adjusted downwards by R17.9 million of VAT recovery and interests on investment has been reduced by R1.8 million as guided by the mid-year budget and assessment report.

### 2.1.8. Cash Backed Reserves/Accumulated Surplus Reconciliation.

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

**Table 21 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation**

LIM473 Makhuduthamaga - Table B8 Cash backed reserves/accumulated surplus reconciliation - 27 February 2013

Description	Ref	Budget Year 2012/13									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands		A	A1	B	C	D	E	F	G	H		
<b>Cash and investments available</b>												
Cash/cash equivalents at the year end	1	60,023	-	-	-	-	-	429	429	60,452	53,563	49,207
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	(429)	(429)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>60,023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>429</b>	<b>429</b>	<b>60,452</b>	<b>53,134</b>	<b>48,778</b>
<b>Applications of cash and investments</b>												
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	(22,976)	-	-	-	-	-	(10,872)	(10,872)	(33,848)	(31,014)	(40,733)
Other provisions		-	-	-	-	-	-	-	-	-	-	-
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		-	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>(22,976)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10,872)</b>	<b>(10,872)</b>	<b>(33,848)</b>	<b>(31,014)</b>	<b>(40,733)</b>
<b>Surplus(shortfall)</b>		<b>82,999</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,301</b>	<b>11,301</b>	<b>94,300</b>	<b>84,147</b>	<b>89,511</b>

From the above table it can be seen that the cash and investments available was adjusted upwards from R60.4 million to R53 million for 2013/14 financial year and decrease to R48.7 million by 2014/15.

The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital. Any underperformance in relation to collections could place upward pressure on the ability of the municipality to meet its creditor obligations.

It can be concluded that the municipality has a surplus against the cash backed and accumulated surpluses reconciliation.

## Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the adjusted budget statement of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA.

**Table 22 MBRR SB6 – Funding compliance measurement**

LIM473 Makhuduthamaga - Supporting Table SB6 Adjustments Budget - funding measurement - 27 February 2013

Description	Ref	MFMA section	2009/10	2010/11	2011/12	Medium Term Revenue and Expenditure Framework				
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousands</b>										
<b>Funding measures</b>										
Cash/cash equivalents at the year end - R'000	1	18(1)b				60,023	-	60,452	53,563	49,207
Cash + investments at the yr end less applications - R'000	2	18(1)b				82,999	-	94,300	84,147	89,511
Cash year end/monthly employee/supplier payments	3	18(1)b				0	-	0	0	0
Surplus/(Deficit) excluding depreciation offsets: R'000	4	18(1)				105,700	-	97,661	120,048	134,077
Service charge rev % change - macro CPIX target exclusive	5	18(1)a,(2)				0.0%	0.0%	0.0%	4.0%	4.0%
Cash receipts % of Ratepayer & Other revenue	6	18(1)a,(2)	0.0%	0.0%	0.0%	69.9%	0.0%	61.8%	50.0%	50.6%
Debt impairment expense as a % of total billable revenue	7	18(1)a,(2)				33.0%	0.0%	33.0%	31.7%	30.4%
Capital payments % of capital expenditure	8	18(1)c;19				100.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	9	18(1)c				0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	10	18(1)a				0.0%	0.0%	0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	11	18(1)a							23.7%	19.2%
Long term receivables % change - incr(decr)	12	18(1)a							0.0%	0.0%
R&M % of Property Plant & Equipment	13	20(1)(vi)				6.3%	0.0%	6.0%	4.7%	4.1%
Asset renewal % of capital budget	14	20(1)(vi)				4.7%	0.0%	5.1%	4.4%	4.4%

### 2.2. Adjustments to expenditure on allocations and grant programmes.

- No adjustments were made on expenditure for MIG, FMG, MSIG, PWPG, and INEG.

### 2.3. Adjustments to allocations and grants made by the municipality.

- Our municipality does not have any allocations any grants transferred to other municipalities or entities.

#### 2.4. Adjustments to councillor Allowances and employee benefits.

The following tables indicate the adjustments done on employee related costs and councillor allowances.

**Table:23**

LIM473 Makhuduthamaga - Supporting Table SB11 Adjustments Budget - councillor and staff benefits - 27 February 2013

Summary of remuneration	Ref	Budget Year 2012/13									% 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	A1	B	C	D	E	F	G	H	
<b>Councillors (Political Office Bearers plus Other)</b>											
Basic Salaries and Wages		9,360	-					340	340	9,699	3.6%
Pension and UIF Contributions			-					-	-	-	
Medical Aid Contributions			-					-	-	-	
Motor Vehicle Allowance		3,182	-					115	115	3,298	3.6%
Cellphone Allowance		611	-					22	22	633	
Housing Allowances			-					-	-	-	
Other benefits and allowances		1,893	-					69	69	1,961	
<b>Sub Total - Councillors</b>		<b>15,045</b>	-					<b>546</b>	<b>546</b>	<b>15,591</b>	<b>3.6%</b>
<b>% increase</b>			<b>(0)</b>							<b>0</b>	
<b>Senior Managers of the Municipality</b>											
Basic Salaries and Wages		2,774	-					(341)	(341)	2,433	-12.3%
Pension and UIF Contributions		427	-					(52)	(52)	374	-12.3%
Medical Aid Contributions		120	-					(15)	(15)	105	-12.3%
Overtime		-	-					-	-	-	
Performance Bonus		-	-					-	-	-	
Motor Vehicle Allowance		416	-					(51)	(51)	365	-12.3%
Cellphone Allowance		163	-					(20)	(20)	143	-12.3%
Housing Allowances		1,228	-					(151)	(151)	1,077	
Other benefits and allowances		-	-					-	-	-	
Payments in lieu of leave		-	-					-	-	-	
Long service awards		-	-					-	-	-	
Post-retirement benefit obligations	5	-	-					-	-	-	
<b>Sub Total - Senior Managers of Municipality</b>		<b>5,127</b>	-					<b>(630)</b>	<b>(630)</b>	<b>4,498</b>	<b>-12.3%</b>
<b>% increase</b>			<b>(0)</b>							<b>(0)</b>	
<b>Other Municipal Staff</b>											
Basic Salaries and Wages		23,727	-					(2,345)	(2,345)	21,382	-9.9%
Pension and UIF Contributions		5,403	-					(666)	(666)	4,737	-12.3%
Medical Aid Contributions		1,527	-					(190)	(190)	1,337	-12.4%
Overtime		309	-					(38)	(38)	271	-12.5%
Performance Bonus		-	-					-	-	-	
Motor Vehicle Allowance		6,035	-					(744)	(744)	5,291	-12.3%
Cellphone Allowance		1,150	-					(143)	(143)	1,007	-12.4%
Housing Allowances		913	-					(110)	(110)	803	
Other benefits and allowances		453	-					(56)	(56)	397	
Payments in lieu of leave		394	-					(49)	(49)	345	-12.5%
Long service awards		-	-					-	-	-	
Post-retirement benefit obligations	5	-	-					-	-	-	
<b>Sub Total - Other Municipal Staff</b>		<b>39,911</b>	-					<b>(4,341)</b>	<b>(4,341)</b>	<b>35,570</b>	<b>-10.9%</b>
<b>% increase</b>											
<b>Total Parent Municipality</b>		<b>60,084</b>	-					<b>(4,424)</b>	<b>(4,424)</b>	<b>55,659</b>	<b>-7.4%</b>

## 2.5. Adjustments to service delivery and budget implementation plan.

- SDBIP for the municipality was reviewed taking in to account the changes in the budget and the mid-year budget and assessment for 2012/2013.

## 2.6. Adjustments to capital expenditure.

The following table indicate the adjustments made on the capital projects.

ACCOUNTNAME	Source of funding	Budget 2012/2013	Adjustement	Adjusted Budget	Budget 2013/2014	Budget 2014/2015
Infrastructure Assets						
Maila Mapitsane access bridge (MIG)	MIG	3,920,000.00	-2,746,163.55	1,173,836.45	1,500,000.00	-
Upgrading of Masemola Sports ground (MIG)	MIG	6,215,400.00	-	6,215,400.00	8,556,500.00	-
Kutupu road and storm water phase2 (MIG)	MIG	9,016,387.47	-	9,016,387.47	3,000,000.00	-
Vierfontein to Rietfontein Link road Phase2 (MIG)	MIG	6,216,052.14	-	6,216,052.14	7,069,613.59	
Moretsele Access Road Phase 2 (MIG)	MIG	6,493,190.39	-	6,493,190.39	2,000,000.00	-
Vlaka/Kome access bridge (MIG)	MIG	4,465,792.87	-	4,465,792.87	1,500,000.00	-
Madibaneng Acces bridge (MIG)	MIG	4,047,000.00	-	4,047,000.00	1,000,000.00	-
Jane Furse Police station to Marangrang access road (MIG)	MIG	-	-	-	7,309,149.69	-
Rietfontein storm water control (MIG)	MIG	-	-	-	3,600,000.00	-
Access road to Jane furse artificial pitch (MIG)	MIG	-	-	-	4,000,000.00	-
Mohlala/Ngwanatswana pedestrian bridge (MIG)	MIG	-	-	-	2,469,841.88	-
Pshiring access bridge (MIG)	MIG	-	-	-	3,500,000.00	-
Mogashoa Manamane access bridge (MIG)	MIG	-	-	-	4,500,000.00	-
Cabrieve/Khayelitsha access bridge (MIG)	MIG	-	-	-	3,700,000.00	-
Moripane/Riverside access bridge (MIG)	MIG	-	-	-	1,179,294.84	2,520,705.16
Lobethal/Tisane access bridge (MIG)	MIG	-	-	-	-	4,000,000.00
Access roads to Peter Nchabeleng sports field (MIG)	MIG	-	-	-	-	4,500,000.00
Access road to Jane Furse Library (MIG)	MIG	-	-	-	-	4,800,000.00
Matilwaneng access bridge (MIG)	MIG	-	-	-	-	3,800,000.00
Access from masemola filling station to Magalies clinic	MIG	-	-	-	-	1,500,000.00
Manotong/Setebong access bridge (MIG)	MIG	-	-	-	-	4,000,000.00
Moraba access bridge (MIG)	MIG	-	-	-	-	3,800,000.00
Makhutso access bridge (MIG)	MIG	-	-	-	-	4,000,000.00
Manganeng access bridge (MIG)	MIG	-	-	-	-	3,800,000.00
Skotiphola access road (MIG)	MIG	-	-	-	-	1,295,510.52
Ngwanamatlang access bridge (MIG)	MIG	-	-	-	-	4,500,000.00
Expansion of Jane Furse artificial turf (MIG)	MIG	-	-	-	-	6,935,550.00
Madibong Storm Water	MIG	-	-	-	-	-
Riverside storm Water	MIG	-	-	-	-	-
Construction of Kalafong Access Road (MIG)	MIG	-	315,955.61	315,955.61	-	-
Construction of Mohloding/Molebeledi Access Bridge (MIG)	MIG	-	783,503.77	783,503.77	-	-
Access road to Water treatment works at Riverside (MIG)	MIG	-	1,665,753.15	1,665,753.15	-	-
Construction of Madibong road and Stormwater (MIG)	MIG	-	3,299,977.32	3,299,977.32	-	-
Construction of Sehushwane/Makhutso Access Road (MIG)	MIG	-	919,808.46	919,808.46	-	-



ACCOUNTNAME	Source of funding	Budget 2012/2013	Adjustement	Adjusted Budget	Budget 2013/2014	Budget 2014/2015
Access road to Sekwati tribal office (ES)	ES	3,200,000.00	-1,000,000.00	2,200,000.00	3,870,000.00	-
Access road to Manganeng tribal office (ES)	ES	2,000,000.00	411,000.00	2,411,000.00	-	-
Access bridge to Seopela tribal office (ES)	ES	3,950,000.00	-1,200,000.00	2,750,000.00	1,000,000.00	-
Access road to Masemola tribal office (ES)	ES	1,000,000.00	700,000.00	1,700,000.00	1,110,000.00	1,220,000.00
Construction of Jane Furse road to hlatlolanang (ES)	ES	-	-	-	3,500,000.00	-
Construction of Maololo Acces bridge (ES)	ES	5,000,000.00	-1,150,000.00	3,850,000.00	2,000,000.00	-
Construction of access road to Seopela tribal office phase 2	ES	3,200,000.00	-500,000.00	2,700,000.00	500,000.00	-
Construction of access road to Mogashoa Manamane and Di	ES	5,000,000.00	-1,100,000.00	3,900,000.00	8,200,000.00	-
Construction of access road to maila mapitsane tribal office	ES	5,000,000.00	-2,000,000.00	3,000,000.00	8,500,000.00	-
Access road to Nkosi Tribal office (EPWP)	EPWP	966,000.00	-	966,000.00	-	-
Construction of access road to Tisane tribal office (ES)	ES	4,000,000.00	-1,500,000.00	2,500,000.00	1,000,000.00	-
Construction of access road to ga-Mampane tribal office (ES)	ES	3,625,123.00	-625,123.00	3,000,000.00	8,375,123.00	11,000,000.00
Design and Construction of acces road to ga-Maloma tribal d	ES	200,000.00	-200,000.00	-	7,500,000.00	-
Design and Construction of access road to Mashabela tribal	ES	200,000.00	-200,000.00	-	4,000,000.00	-
Design and Construction of access road to Marulaneng triba	ES	300,000.00	-300,000.00	-	9,000,000.00	-
Design and Construction of access road to Mashegoana/Leg	ES	300,000.00	-300,000.00	-	9,000,000.00	-
Construction of access road to Mohlala Madibaneng tribal o	ES	-	-	-	-	11,000,000.00
Construction of access road to Maila Mashupye tribal office	ES	-	-	-	-	12,000,000.00
Construction of access road to Mathibemg tribal office (ES)	ES	-	-	-	-	10,000,000.00
Construction of acces road from Mathapisa to kgaruthuthu	ES	-	-	-	-	800,000.00
Construction of access road to Maila Segolo tribal office (ES)	ES	-	-	-	-	11,000,000.00
Construction of Access Road to Mohlala Tribal Office(ES)	ES	-	370,997.22	370,997.22	-	-
Construction of Access Bridge to Mathibeng Graveyard (ES)	ES	-	436,221.07	436,221.07	-	-
Construction of Access Road to Sekhukhune Office (ES)	ES	-	400,000.00	400,000.00	-	-
Rehab Of R579 Jane Furse To Ne	ES	5,000,000.00	-2,000,000.00	3,000,000.00	7,100,000.00	5,610,000.00
		<b>83,314,945.87</b>	<b>-5,518,069.95</b>	<b>77,796,875.92</b>	<b>129,539,523.00</b>	<b>112,081,765.68</b>

**2.7. Other Supporting documents.**

**2.7.1 Contact Details**

LIM473 Makhuduthamaga - Contact Information			
<b>A. GENERAL INFORMATION</b>			
Municipality	LIM473 Makhuduthamaga	Set name on 'Instructions' sheet	
Grade	3	1 Grade in terms of the Remuneration of Public Office Bearers Act.	
Province	LP LIMPOPO		
Web Address	www.makhuduthamaga.gov.za		
e-mail Address	MogobadiM@makhuduthamaga.gov.za		
<b>B. CONTACT INFORMATION</b>			
<b>Postal address:</b>			
P.O. Box	PRIVATE BAG X 434		
City / Town	JANE FURSE		
Postal Code	1085		
<b>Street address</b>			
Building	STAND NO 1		
Street No. & Name	PLAZA		
City / Town	JANE FURSE		
Postal Code	1085		
<b>General Contacts</b>			
Telephone number	013 265 8600		
Fax number	013 265 1975		
<b>C. POLITICAL LEADERSHIP</b>			
<b>Speaker:</b>		<b>Secretary/PA to the Speaker:</b>	
Name	Clr. M Makaleng	Name	MAILA REGINAH
Telephone number	013 265 8600	Telephone number	013 265 1262
Cell number	082 305 7027	Cell number	076 282 5125
Fax number	013 265 1975	Fax number	013 265 1975
E-mail address	Lejelakae@webmail.co.za	E-mail address	Lejelakae@webmail.co.za
<b>Mayor/Executive Mayor:</b>		<b>Secretary/PA to the Mayor/Executive Mayor:</b>	
Name	Clr. M.A Matlala	Name	Mrs. Lenthotse Mohlala
Telephone number	013 265 8600	Telephone number	013 265 8637
Cell number	082 343 0142	Cell number	082 294 4957
Fax number	086 630 5385	Fax number	086 630 5385
E-mail address	lenthotsem@makhuduthamaga.gov.za	E-mail address	lenthotsem@makhuduthamaga.gov.za



<b>Deputy Mayor/Executive Mayor:</b>		<b>Secretary/PA to the Deputy Mayor/Executive Mayor:</b>	
Name	N/A	Name	N/A
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	
<b>D. MANAGEMENT LEADERSHIP</b>			
<b>Municipal Manager:</b>		<b>Secretary/PA to the Municipal Manager:</b>	
Name	MOROPA M.E	Name	MATLALA MOOIKIE
Telephone number	013 265 8600	Telephone number	013 265 8600
Cell number	082 378 3738	Cell number	072 736 1853
Fax number	013 265 1975/ 086 608 3056	Fax number	086 608 3056
E-mail address	<a href="mailto:mogobadimoropa@yahoo.co">mogobadimoropa@yahoo.co</a>	E-mail address	<a href="mailto:matlalam@makhuduthamaga.gov.za">matlalam@makhuduthamaga.gov.za</a>
<b>Chief Financial Officer</b>		<b>Secretary/PA to the Chief Financial Officer</b>	
Name	DIALE DOROTHY SEKGOLOLO	Name	LESHABA D.M
Telephone number	013 265 8625	Telephone number	013 265 8600
Cell number	083 446 0178	Cell number	082 820 2358
Fax number	013 265 1975	Fax number	013 265 1975 / 086 636 3115
E-mail address	<a href="mailto:amaga.gov.za">amaga.gov.za</a>	E-mail address	<a href="mailto:leshabad@makhuduthamaga.gov.za">leshabad@makhuduthamaga.gov.za</a>
<b>Official responsible for submitting financial information</b>			
Name	MOGANEDI R.M		
Telephone number	013 265 8622		
Cell number	072 207 7581		
Fax number	086 637 3884		
E-mail address	a.gov.za		
<b>Official responsible for submitting financial information</b>			
Name			
Telephone number			
Cell number			
Fax number			
E-mail address			
<b>Official responsible for submitting financial information</b>			
Name			
Telephone number			
Cell number			
Fax number			
E-mail address			



**2.9. Municipal Manager's quality certificate.**



**LOCAL MUNICIPALITY**

**Quality Certificate**

I Moropa Mogobadi Erick, the municipal manager of Makhuduthamaga Municipality hereby certify that the:

- ✓ Adjustment Budget

For 2012/2013 and supporting documents has been prepared in accordance with Municipal Finance Management Act and regulations made under the Act, and that the Annual Budget for 2012/2013 and supporting documents are consistent with the Integrated Development Plan of the municipality

Print Name: Moropa Mogobadi Erick

Municipal Manager of Makhuduthamaga Local Municipality (LIM473)

Signature *Erick* .....

Date 28/02/2013 .....