

# SCHEDULE A

## AN ANNUAL BUDGET AND SUPPORTING DOCUMENTATION OF DIHLABENG LOCAL MUNICIPALITY

ANNUAL BUDGET OF  
DIHLABENG LOCAL MUNICIPALITY

2012/13 TO 2014/15  
MEDIUM TERM REVENUE AND  
EXPENDITURE FORECASTS

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## Abbreviations and Acronyms

AMR	Automated Meter Reading	MFMA	Municipal Financial Management Act Programme
ASGISA	Accelerated and Shared Growth Initiative	MIG	Municipal Infrastructure Grant
BPC	Budget Planning Committee	MMC	Member of Mayoral Committee
CBD	Central Business District	MPRA	Municipal Properties Rates Act
CFO	Chief Financial Officer	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	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GFS	Government Financial Statistics	PMS	Performance Management System
GRAP	General Recognised Accounting Practice	PPE	Property Plant and Equipment
HR	Human Resources	PPP	Public Private Partnership
HSRC	Human Science Research Council	PTIS	Public Transport Infrastructure System
IDP	Integrated Development Strategy	RG	Restructuring Grant
IT	Information Technology	RSC	Regional Services Council
kℓ	kilolitre	SALGA	South African Local Government Association
km	kilometre	SAPS	South African Police Service
KPA	Key Performance Area	SDBIP	Service Delivery Budget Implementation Plan
KPI	Key Performance Indicator	SMME	Small Micro and Medium Enterprises
kWh	kilowatt		
ℓ	litre		
LED	Local Economic Development		
MEC	Member of the Executive Committee		

## Part 1 – Annual Budget

### 1.1 Mayor's Report

#### 2012/2013 ANNUAL BUDGET

This budget reflects our commitment towards change and development for betterment of lives of all the people we lead. It also reflects continuity and conscience intention of our municipality to take head-on the triple challenges of poverty, unemployment and inequality in respect and realization of the vision conceived by our fore-fathers in 1912 in Bloemfontein, and later reduced into a charter of our freedoms in 1955 at Kliptown.

Beneficial implementation of this budget should be seen through empowerment of local business which will lead to development and growth of local economy, creation of decent jobs, eradication of poverty and better livelihood.

Through structures such as MPAC, Audit committee and the mayoral committee, a closer monitoring of implementation of good and accountable financial management will be achieved, which will enable us to improve from a qualified audit opinion we received in the previous financial to an unqualified audit opinion, long before the target date of 2014.

The budget that we are going to approve today is accompanied by budget related policies, which will be made known to all residents of this municipality as per request and also made clearly understood to officials and councillors to ensure their unwavering implementation. The budgetary consultative process has not been a smooth sailing with attempted incidences of disruption, but we managed to consult broadly and got valuable inputs. To this end I want to thank MMC Job Tshabalala, CFO Raymond Provis and Manager Budget Pule Khiba and their team for the job well done.

Madam speaker our annual budget for 2012/2013 is R 512 million increasing from R 462 million in the 2011/2012 financial year and estimated to increase to R 561 million for the 2013/2014 financial year and further increase to R 616 million for 2014/2015 financial year.

Through the consultation process, there was an outcry for the tariffs of the municipality to only increase in accordance with treasury guidelines. The first draft budget depicted a 9% increase in services, but through fiscal discipline we were able to reduce the tariff increase to an acceptable level. An increase of 6% has been applied to the sewerage, water, refuse and assessment rates, whilst the national electricity regulator of South Africa's guideline of 11, 03% was applied to the electricity tariffs. Sundry tariffs were increased by 10%.

2012/2013 total income is estimated to be R 512 million with the estimated total expenditure of R 512 million.

We have managed to reduce our salary budget from 30% in the adjustment budget for the 2011/13 financial year to 29% in the 2012/13 budget. This type of discipline is necessary to ensure the financial stability of the municipality going forward.

We have also managed to increase the repairs and maintenance budget by 20% from R 24 million in the 2012/13 budget to R 28, 5 million in the 2012/13 budget.

We have also managed to increase the contribution by 17% from R 62 million in the 2012/13 budget to R 72 million in the 2012/13 budget year. This contributes towards the budget becoming more funded and cash backed.

Total capital budget for 2012/2013 is R 84 million of which R14, 5 million will be funded internally and included in the total expenditure of R512 million.

The sources of funding for the R 84 million capital budgets are as follows:

Internal contributions	= R 15 million
MIG	= R 45 million
Neighbourhood project	= R 0, 5 million
Department of water affairs	= R 22, 5 million
EPWP	= R 1 million

The capital budget for the next two financial years will be as follows:

2013/14	2014/15
R 96 million	R 109 million

The budget per strategic object is as follows:

Strategic Objective	Capital 2012/13	Capital 2013/14	Capital 2014/15
Roads	R 12 million	R 7 million	R 31 million
Sports	R 10 million	R 6 million	R 6 million
Electricity	R 4,5 million	-	R 4,1 million
Water	R 22,5 million	R 38 million	R 43 Million
Sewerage	R 25 million	R 38 million	R 13 Million
Township establishment	R 6 million	-	-
Other	R 4 million	R 8 million	R 11 million

Our MIG allocation for 2012/2013 is R52 Million, 2013/2014 is R55 Million and for 2014/2015 is R58 Million.



MIG projects to be implemented per town are as follows:

Area	2012/13	2013/14	2014/5
Farm dwellings electrification	R 0,4 million	-	-
Bethlehem / Bohlokong	R 18 million	R 13 million	R 17 million
Clarens / Kgubetswana	R 17 million	R 16 million	R 13 million
Fouriesburg / Mashaeng	R 1 million	R 10 million	R 13 million
Paul Roux / Fateng	R 20 million	R 8 million	R 9 million
Rosendal / Mautse	R 0,8 million	R 14 million	R 9 million

Our EPWP grant for 2012/2013 is R1 Million which can be increased in the next financial year depending on the number of job opportunities created.

In the 2012/13 financial year the municipality adopted a local economic development strategy to plot the way forward with regards to our municipality's economic development. A budget of R 7 million has been set aside for the local economic development projects in an attempt to kick start the implementation of the strategy.

A total of R 2, 1 million was spent on Local Economic development projects in the 2012/13 financial year.

## 1.2 Council Resolutions

On 31 May 2012 the Council of Dihlabeng Local Municipality Local met in the Town Hall of Bethlehem to consider the annual budget of the municipality for the financial year 2012/13. The Council approved and adopted the following resolutions:

1. The Council of Dihlabeng Local Municipality , acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
  - 1.1. The annual budget of the municipality for the financial year 2012/13 and the multi-year and single-year capital appropriations as set out in the following tables:
    - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 15 on page 22;
    - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 16 on page 23;
    - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 17 on page 24; and
    - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 18 on page 25.
  - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
    - 1.2.1. Budgeted Financial Position as contained in Table 19 on page 27;

- 1.2.2. Budgeted Cash Flows as contained in Table 20 on page 28
  - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 21 on page 29;
  - 1.2.4. Asset management as contained in Table 22 on page 30; and
  - 1.2.5. Basic service delivery measurement as contained in Table 23 on page 32.
2. The Council of Dihlabeng Local Municipality Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2012:
    - 2.1. the tariffs for property rates – 6%
    - 2.2. the tariffs for electricity – 11.03%
    - 2.3. the tariffs for the supply of water – 6%
    - 2.4. the tariffs for sanitation services – 6%
    - 2.5. the tariffs for solid waste services – 6%
    - 2.6. Sundry tariffs (other services) - 10%
  3. To give proper effect to the municipality's annual budget, the Council of Dihlabeng Local Municipality Local Municipality approves:
    - 3.1. Amendment of **Indigent policy** as follows: Section 2 of the policy- "Households where verified total gross monthly income of all occupants over 18 years of age does not **exceed twice the Government grant** or such other amount as the council may from time to time determine , quality for a subsidy on property rates and service charge for sewerage and refuse removal, and will additionally receive 6kl of water per month and 50kwh of electricity per month free of charge.
    - 3.2. The **Supply Chain Management Policy** which was changed in totality to comply with new supply chain management regulations of 2011
    - 3.3. **Other Policies:** Assets Management Policy, Banking and Investment Policy, Budget Policy, Credit Control and Debt Management Policy, Tariff Policy, Petty Cash Policy, Travel and subsistence Policy, Indigent Policy, Credit Control By-Laws, Property Rates Policy, Property Rates B-Law, Computer and Cell phone Policy, Disposal of land and other Immovable Assets Policy, Writing Off of Bad Debts Policy and Accounting Policy.
  4. That it be noted that Service Delivery and Budget Implementation Plan will be submitted to Council before the end of June 2012 for approval.
  5. That the 2012-2017 Integrated Development plan be approved.
  6. That the vision of the IDP be amended as follows: "to be a people centred, people driven and self-sufficient municipality committed to the provision of effective and quality service to its people"
  7. That Council approves the short-term facility ( overdraft) of R5 million for 2012/13 financial year.
  8. That the Executive Mayor signs the attached resolution in accordance with Section 45 92)(a) of the MFMA for the bank overdraft

### 1.3 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the municipality remains

financially viable and that municipal services are provided sustainably, economically, efficiently and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, The municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

**National Treasury's MFMA Circular No. 58 and 59 were used to guide the compilation of the 2012/13 MTREF.**

The main challenges experienced during the compilation of the 2012/13 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable;
- Affordability of capital projects – original allocations had to be reduced.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2012/13 Medium-term Revenue and Expenditure Framework:

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

R thousand	Adjustments Budget 2011/12	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Total Operating Revenue	462 252	512 250	561 179	616 454
Total Operating Expenditure	437 252	497 749	546179	601 454
<i>(Surplus)/Deficit for the year</i>	25 000	14 500	15 000	15 000
Total Capital Expenditure	73 372	51 733	54 473	57 728

Total operating revenue has grown by 10.8 per cent or R49 998 million for the 2012/13 financial year when compared to the 2011/12 Adjustments Budget. For the two outer years, operational revenue will increase by 9.5 and 9.8 per cent respectively, equating to a total revenue growth of R104 million over the MTREF when compared to the 2012/13 financial year.

Total operating expenditure for the 2012/13 financial year has been appropriated at R497 749 million and translates into a budgeted surplus of R14 500 million. When compared to the 2011/12 Adjustments Budget, operational expenditure has grown by 13.8 per cent in the 2012/13 budget and by 9.7 and 10 per cent for each of the respective outer years of the

MTREF. The operating surplus for the two outer years steadily increases to R15 million and then stabilise at R15 million. These surpluses will be used to fund capital expenditure.

The 2012/13 capital budget generated from surplus is 40 per cent less when compared to the 2011/12 Adjustment Budget of R25 million. The reduction is due to 6 per cent increase on rates and taxes as compared to 8 percent increase in 2011/12 financial year. The capital programme remain steady at R15 million in the outer years

### **Operating Revenue Framework**

For Dihlabeng Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. 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 poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 86 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- Increase ability to extend new services and recover costs;
- 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 2012/13 MTREF (classified by main revenue source):

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

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
<b>R thousand</b>									
<b>Revenue By Source</b>									
Property rates	53 068	52 074	53 400	63 213	63 213	63 213	64 649	71 114	78 225
Service charges - electricity revenue	54 883	77 874	102 844	136 879	137 571	136 912	152 738	169 577	188 273
Service charges - water revenue	32 339	30 084	37 880	44 214	44 214	43 226	46 867	51 554	56 709
Service charges - sanitation revenue	23 443	28 799	33 194	36 996	36 996	36 698	39 216	43 137	47 451
Service charges - refuse revenue	17 394	24 676	30 743	33 070	33 555	33 555	36 963	40 659	44 725
Rental of facilities and equipment	3 037	3 525	2 719	-	3 707	3 381	4 078	4 485	4 934
Interest earned - outstanding debtors	17 988	12 381	13 693	-	17 928	17 928	21 444	23 588	25 947
Transfers recognised - operational	66 019	85 075	102 003	117 091	117 091	117 091	131 667	141 261	153 088
Other revenue	54 289	47 144	6 983	33 966	7 977	2 787	14 628	15 804	17 102
<b>Total Revenue</b>	<b>322 460</b>	<b>361 632</b>	<b>383 459</b>	<b>465 429</b>	<b>462 252</b>	<b>454 791</b>	<b>512 250</b>	<b>561 179</b>	<b>616 454</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.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the municipality. Rates and service charge revenues comprise more than 70 per cent of total revenue. In the 2011/12 financial year, revenue from rates and services charges totalled R315 million. A significant amount of this revenue is derived from sale of electricity. A notable trend is the increase in the total revenue generated from rates and services charges, this is mainly attributed by rapid increases in the Eskom tariffs for bulk electricity. Electricity comprise of 29 per cent of the total revenue. Property rates is the second largest revenue source totalling 12.62 per cent of total revenue by 2012/13 financial year.

Operating grants and transfers totals R117 million in the 2011/12 financial year and steadily increases to R131 million by 2012/13. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

**Table 3 Operating Transfers and Grant Receipts**

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
R thousand									
RECEIPTS:									
<b>Operating Transfers and Grants</b>									
National Government:	66 018	85 075	102 003	117 091	117 091	117 091	131 667	141 261	153 088
Local Government Equitable Share	65 448	83 825	100 053	114 851	114 851	114 851	129 367	138 891	150 388
Municipal Systems Improvement	-	-	750	740	740	740	800	870	950
Finance Management	570	1 250	1 200	1 500	1 500	1 500	1 500	1 500	1 750
<b>Total Operating Transfers and Grants</b>	<b>66 018</b>	<b>85 075</b>	<b>102 003</b>	<b>117 091</b>	<b>117 091</b>	<b>117 091</b>	<b>131 667</b>	<b>141 261</b>	<b>153 088</b>

The percentage increases of Eskom bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the municipality has undertaken the tariff setting process relating to service charges as follows.

### 1.3.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this

rebate, a further R7 000 reduction on the market value of a property will be granted in terms of The Municipality's own Property Rates Policy;

- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners a total rebate of 25 per cent will be granted to owners of rate-able property:
  - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
  - The applicant must be the owner of only one property;
  - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension; and
  - The property must be categorized as residential.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2012/13 financial year based on a 6 per cent increase from 1 July 2012 is contained below:

**Table 3 Comparison of proposed rates to levied for the 2012/13 financial year**

Category	Current Tariff (1 July 2012)	Proposed tariff (from 1 July 2013)
	c	C
Residential properties	0,640	0,680
State owned properties	1,870	1,980
Business & Commercial	1,870	1,980
Agricultural	0,072	0,100
Vacant land	0,640	0,680
Industrial	1,870	1,980

### 1.3.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.

Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability.

A tariff increase of 6 per cent from 1 July 2012 for water is proposed. In addition 6 kℓ water per month period will again be granted free of charge to all residents.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

**Table 4 Proposed Water Tariffs**

CATEGORY	CURRENT TARIFFS 2011/12	PROPOSED TARIFFS 2012/13
	Rand per kℓ	Rand per kℓ
<b>RESIDENTIAL</b>		
(i) 0 to 6 kℓ per 30-day period	0,00	0,00
(ii) 7 to 10 kℓ per 30-day period	6,85	7,26
(iii) 11 to 15 kℓ per 30-day period	9,09	9,64
(iv) 16 to 20 kℓ per 30-day period	10,24	10,85
(v) 21 to 30 kℓ per 30-day period	10,59	11,22
(vi) More than 31 kℓ per 30-day period:	9,09	9,64
<b>NON-RESIDENTIAL</b>		
(i) 0 and more kℓ	7,48	7,93

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

**Table 5 Comparison between current water charges and increases (Domestic)**

Monthly consumption kℓ	Current amount payable R	Proposed amount payable R	Difference (Increase) R	Percentage change
20	114,84	121,74	6,89	6%
30	212,87	225,64	12,77	6%
40	297,04	314,86	17,82	6%
50	381,20	404,08	22,78	6%
80	633,71	671,73	38,02	6%
100	802,04	850,16	48,12	6%

### 1.3.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 16.5 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2012.

Considering the Eskom increases, the consumer tariff had to be increased by 11.03 per cent to offset the additional bulk purchase cost from 1 July 2012. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

Registered indigents will again be granted 50 kWh per month free of charge.

The following table shows the impact of the proposed increases in electricity tariffs on the water charges for domestic customers:

Table 6 Comparison between current electricity charges and increases (Domestic)



Monthly consumption kWh	Current amount payable R	Proposed amount Payable R	Difference (Increase) R	Percentage change
100	179,20	197,90	18,88	10,55%
250	287,02	320,55	33,53	11,68%
500	506,02	565,53	59,51	11,76%
750	778,02	867,53	89,51	11,50%
1 000	1 068,02	1 189,51	121,49	11,38%
2 000	2 228,02	2 477,46	249,44	11,20%

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2011. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor).

#### 1.3.4 Sanitation and Impact of Tariff Increases

A tariff increase of 6 per cent for sanitation from 1 July 2012 is proposed. This is based on the input cost assumptions related to water. It should be noted that electricity costs contributes approximately 20 per cent of waste water treatment input costs, therefore the higher than CPI increase of 5,5 per cent for sanitation tariffs.

The following table compares the current and proposed tariffs:

**Table 7 Comparison between current sanitation charges and increases**

CATEGORY	CURRENT TARIFF 2011/12	PROPOSED TARIFF 2012/13
Per toilet	80,66	90,80

#### 1.3.5 Waste Removal and Impact of Tariff Increases

A 6 per cent increase in the waste removal tariff is proposed from 1 July 2012.

The following table compares current and proposed amounts payable from 1 July 2011:

**Table 8 Comparison between current waste removal fees and increases**

	CURRENT TARIFFS 2011/12	PROPOSED TARIFFS 2012/13
Domestic and churches	111,48	118,17
Business x 2 per week	188,81	200,13
Business x 3 per week	256,96	272,38
Mass container removal	641,52	680,01

#### 1.3.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

**Table 9 MBRR Table SA14 – Household bills**

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13 % incr.	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Rand/cent										
<u>Monthly Account - 'Middle Income Range'</u>										
Rates and services charges:										
Property rates	-	353.00	381.24	409.19	409.19	409.19	6.0%	433.74	459.77	487.36
Electricity: Basic levy	-	87.01	106.15	130.25	130.25	130.25	11.0%	144.62	153.29	162.49
Electricity: Consumption	-	620.60	757.13	929.00	929.00	929.00	11.0%	1 031.47	1 093.36	1 158.96
Water: Consumption	-	182.50	197.10	212.87	212.87	212.87	6.0%	225.64	239.18	253.53
Sanitation	-	136.00	146.88	158.63	158.63	158.63	6.0%	168.15	178.24	188.93
Refuse removal	-	95.97	103.65	111.48	111.48	111.48	6.0%	118.17	125.26	132.77
Other	-	-	-	-	-	-	6.0%	-	-	-
sub-total	-	1 475.08	1 692.15	1 951.42	1 951.42	1 951.42	8.7%	2 121.79	2 249.10	2 384.04
VAT on Services	-	157.04	183.53	215.91	215.91	215.91	-	236.33	250.51	265.54
Total large household bill:	-	1 632.12	1 875.68	2 167.34	2 167.34	2 167.34	8.8%	2 358.12	2 499.60	2 649.58
% increase/decrease		-	14.9%	15.5%	-	-		8.8%	6.0%	6.0%
<u>Monthly Account - 'Affordable Range'</u>										
Property rates	-	12.64	13.65	14.64	14.64	14.64	6.0%	15.52	16.45	17.44

	-	98.46	106.34	114.84	114.84	114.84	6.0%	121.74	129.04	136.78
Water: Consumption										
Sanitation	-	68.00	73.44	79.32	79.32	79.32	6.0%	84.08	89.12	94.47
Refuse removal	-	95.57	103.22	111.48	111.48	111.48	6.0%	118.17	125.26	132.77
Other	-	-	-	-	-	-	6.0%	-	-	-
sub-total	-	274.67	296.65	320.28	320.28	320.28	6.0%	339.50	359.86	381.46
VAT on Services	-	36.69	39.62	42.79	42.79	42.79	-	45.36	48.08	50.96
Total small household bill:	-	311.36	336.27	363.07	363.07	363.07	6.0%	384.85	407.94	432.42
% increase/decrease		-	8.0%	8.0%	-	-		6.0%	6.0%	6.0%
			-	-0.00	-1.00	-				
<u>Monthly Account - 'Indigent' Household receiving free basic services</u>										
Rates and services charges:										
Property rates	-	12.64	13.65	14.64	14.64	14.64	6.0%	15.52	16.45	17.44
Sanitation	-	68.00	73.44	79.32	79.32	79.32	6.0%	84.08	89.12	94.47
Refuse removal	-	95.57	103.22	111.48	111.48	111.48	6.0%	118.17	125.26	132.77
sub-total	-	176.21	190.31	205.43	205.43	205.43	6.0%	217.76	230.83	244.67
VAT on Services	-	22.90	24.73	26.71	26.71	26.71	-	28.31	30.01	31.81
Total small household bill:	-	199.11	215.04	232.14	232.14	232.14	6.0%	246.07	260.84	276.49
% increase/decrease		-	8.0%	8.0%	-	-		6.0%	6.0%	6.0%

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to between 6 and 8 per cent, with the increase for indigent households closer to 6 per cent.

#### 1.4 Operating Expenditure Framework

The Municipality's expenditure framework for the 2012/13 budget and MTREF is informed by the following:

- The asset renewal strategy 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 the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2012/13 budget and MTREF (classified per main type of operating expenditure):

**Table 10 Summary of operating expenditure by standard classification item**

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>									
<u>Expenditure By Type</u>									
Employee related costs	92 011	100 929	127 745	136 601	138 962	138 857	149 975	164 972	181 470
Remuneration of councillors	7 144	7 918	8 107	8 608	10 245	10 245	11 421	12 563	13 819
Debt impairment	12 826	128 214	115 009	10 192	10 192	64 586	23 002	25 302	27 832
Depreciation & asset impairment	-	-	74 158	20 823	45 672	73 529	30 623	34 639	38 796
Finance charges	11 052	6 316	4 734	5 807	4 734	337	4 734	4 734	4 734
Bulk purchases	44 629	56 867	74 519	115 026	110 000	112 535	121 626	138 046	156 682
Other materials	-	-	-	-	-	-	-	-	-
Contracted services	885	1 319	38 642	8 470	17 910	23 760	16 340	17 320	18 360
Other expenditure	93 404	111 109	83 020	117 253	99 537	89 530	140 028	148 603	159 761
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>261 951</b>	<b>412 671</b>	<b>525 934</b>	<b>422 780</b>	<b>437 252</b>	<b>513 380</b>	<b>497 749</b>	<b>546 179</b>	<b>601 454</b>

The budgeted allocation for employee related costs for the 2012/13 financial year totals R149 million, which equals 30 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 8 per cent for the 2012/13 financial year. An annual increase of 10 per cent has been included in the two outer years of the MTREF. As part of The Municipality's cost reprioritization and cash management strategy vacancies have been significantly rationalized downwards. As part of the planning assumptions and interventions all vacancies were originally removed from the budget and a report was compiled relating to the prioritization of critical vacancies within the municipality. The outcome of this exercise was the inclusion of a budget relating to critical and strategically important vacancies

The cost associated with the remuneration of councillors and ward committees 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 budget. 4.8 million is allocated for 2012/13, 5.5 million and 7 million respectively for the outer years.

The provision of debt impairment was determined based on an annual collection rate of 96 per cent and the Debt Write-off Policy of the municipality. This amount escalates from R10 million in 2011/12 to R23 million in the current financial year. 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.

Provision for depreciation and asset impairment has been informed by the municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R30 million for the 2012/13 financial and equates to 6. per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital) and interest on overdraft. Finance charges make up 1 per cent (R4.7 million) of operating expenditure excluding annual redemption for 2012/13 and remain steady for the outer years

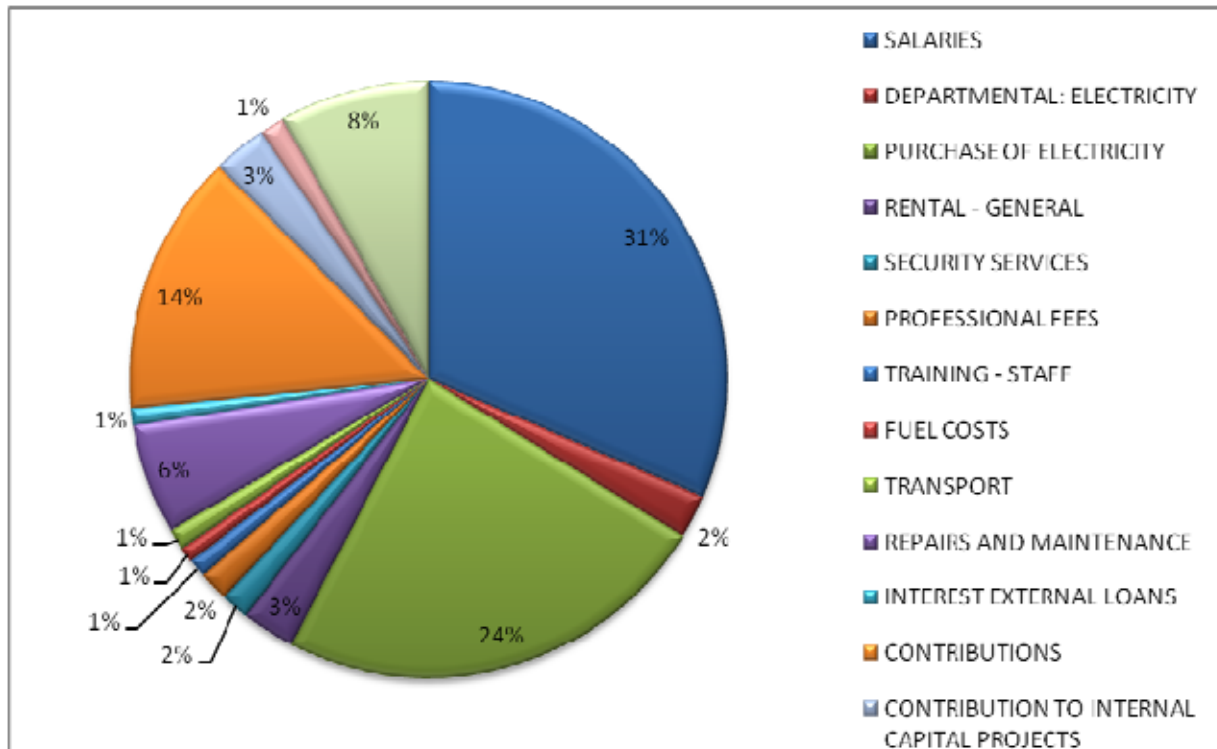
Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Contracted services has been identified as one of the area which municipality must save to ensure that the municipality has full capacity relating to operations. In the 2012/13 financial year, this group of expenditure totals R16.3 million and has escalated by 92.9 per cent, clearly demonstrating the application of cost effective measures is critical. As part of the process of identifying further cost efficiencies, a business process reengineering project will commence in the 2012/13 financial year to identify alternative practices and procedures, including building in-house capacity for certain activities that are currently being contracted out (eg Meater reading service). The outcome of this exercise will be factored into the next budget cycle and it is envisaged that additional cost savings will be implemented. Further details relating to contracted services can be seen in Table 54 MBRR SA32 (see page 88).

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure are also growing at an alarming rate. Further details relating to contracted services can be seen in Table 50 MBRR SA1 (see page 79).

The following table gives a breakdown of the main expenditure categories for the 2012/13 financial year.

### **Figure 1 Main operational expenditure categories for the 2012/13 financial year**



### 1.4.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality’s current infrastructure, the 2012/13 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and 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. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

**Table 11 Operational repairs and maintenance**

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Repairs and Maintenance by Expenditure Item									
Employee related costs									
Other materials									
Contracted Services									
Other Expenditure	17 969	16 823	22 828	27 722	23 790	21 771	28 500	32 171	35 487
<b>Total Repairs and Maintenance Expenditure</b>	<b>17 969</b>	<b>16 823</b>	<b>22 828</b>	<b>27 722</b>	<b>23 790</b>	<b>21 771</b>	<b>28 500</b>	<b>32 171</b>	<b>35 487</b>

During the compilation of the 2012/13 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. To this end, repairs and maintenance was substantially increased by 21 per cent in the 2011/12 financial year, from R22.8 million to R27.7 million. During the 2012 Adjustment Budget this allocation was adjusted slightly downwards to R23.7 million due to the cash flow challenges faced by the Municipality. Notwithstanding this reduction, as part of the 2012/13 MTREF this strategic imperative remains a priority as can be seen by the budget appropriations over the MTREF. The total allocation for 2012/13 equates to R28.5 million a growth of 19 per cent in relation to the Adjustment Budget and continues to grow at 12 and 10 per cent over the MTREF. In relation to the total operating expenditure, repairs and maintenance comprises of 6, 5.8 and 5.9 per cent for the respective financial years of the MTREF.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

**Table 12 Repairs and maintenance per asset class**

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
R thousand									
<b>R &amp; M expenditure by Asset Class</b>									
<b>Infrastructure</b>	17 969	16 823	15 268	20 193	16 179	13 423	19 803	21 899	24 155
Infrastructure - Road transport	-	-	7 261	8 623	6 622	5 608	8 555	9 372	10 295
Infrastructure - Electricity	-	-	2 033	2 632	2 632	3 306	3 401	3 726	4 093
Infrastructure - Water	-	-	2 322	6 694	3 881	1 410	4 414	4 993	5 534
Infrastructure - Sanitation	-	-	3 562	2 237	3 037	3 083	3 423	3 798	4 221
Infrastructure - Other	17 969	16 823	90	7	7	16	10	10	12
<b>Community</b>	-	-	3 079	1 463	4 519	4 733	5 938	6 396	7 025
<b>Other assets</b>	-	-	2 246	3 639	1 124	1 371	1 452	1 591	1 746
<b>Intangibles</b>	-	-	2 234	2 424	1 968	2 244	1 308	2 286	2 560
<b>Total Repairs and Maintenance Expenditure</b>	<b>17 969</b>	<b>16 823</b>	<b>22 827</b>	<b>27 719</b>	<b>23 790</b>	<b>21 771</b>	<b>28 501</b>	<b>32 172</b>	<b>35 486</b>

For the 2012/13 financial year, 69.5 per cent or R19.8 million of total repairs and maintenance will be spent on infrastructure assets. Roads infrastructure has received a significant proportion of this allocation totalling 43.2 per cent (R8.5 million), followed by water infrastructure at 22.28 per cent (R4.4 million), sanitation at 7.28 per cent (R3.4 million) and electricity at 17.1 per cent (R3.4 million). Community assets have been allocated R5.9 million of total repairs and maintenance equating to 20.8 per cent.

#### 1.4.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 7 000 or more indigent households during the 2012/13 financial year, this process is reviewed annually. Details 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 23 MBRR A10 (Basic Service Delivery Measurement) on page 32.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.



## 1.5 Capital expenditure

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

**Table 13 2012/13 Medium-term capital budget per vote**

Vote Description			2012/13 Medium Term Revenue & Expenditure Framework						
	R thousand	Adjusted Budget	%	Budget Year 2012/13	%	Budget Year +1 2013/14	%	Budget Year +2 2014/15	%
<b>Capital Expenditure - Standard</b>									
<i>Governance and administration</i>	2 708	3.69	-	0.00	-	0.00	-	0.00	0.00
<i>Community and public safety</i>	15 430	21.03	17 545	26.49	12 995	18.68	5 699	7.84	
<i>Economic and environmental services</i>	28 145	38.36	13 807	20.85	11 452	16.46	30 855	42.43	
<i>Trading services</i>	19 797	26.98	32 294	48.76	42 011	60.38	18 184	25.00	
<i>Other</i>	7 292	9.94	2 587	3.91	3 116	4.48	17 989	24.73	
<b>Total Capital Expenditure - Standard</b>	<b>73 372</b>	<b>100.00</b>	<b>66 233</b>	<b>100.00</b>	<b>69 573</b>	<b>100.00</b>	<b>72 728</b>	<b>100.00</b>	

For 2012/13 an amount of R66.2 million has been appropriated for the development of infrastructure. In the outer years this amount totals R69.5 million, which is 5 per cent increase and R72.7 million, which is 4.5 per cent increase respectively for each financial years. Trading services receives the highest allocation of R32.2 million in 2012/13 which equates to 48.76 per cent followed by community and public safety at 26.49 per cent, R17.5 million and economic and environment service at 20.85 per cent, R13.8 million.

Further details relating to asset classes and proposed capital expenditure are contained in Table 22 MBRR A9 (Asset Management) on page 30. In addition to the MBRR Table A9, MBRR Tables SA34a, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 74, 75).

### 1.5.1 Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table 49 MBRR SA35 on page 76. This table shows that future operational costs associated with the capital programme totals R664 million in 2015/16 and escalates to R734 million by 2016/17. This operational expenditure is expected to escalate to R811 million by 2017/18. It needs to be noted that as part of the 2012/13 MTREF, this expenditure has been factored into the two outer years of the operational budget.

## 1.6 Annual Budget Tables - Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2012/13 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

**Table 14 MBRR Table A1 - Budget Summary**

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
				Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousands</b>	<b>Audited Outcome</b>	<b>Audited Outcome</b>	<b>Audited Outcome</b>						
<b>Financial Performance</b>									
Property rates	53 068	52 074	53 400	63 213	63 213	63 213	64 649	71 114	78 225
Service charges	128 059	161 433	204 661	251 159	252 336	250 391	275 784	304 927	337 158
Transfers recognised - operational	66 019	85 075	102 003	117 091	117 091	117 091	131 667	141 261	153 088
Other own revenue	75 314	63 050	23 395	33 966	29 612	24 096	40 150	43 877	47 983
<b>Total Revenue (excl capital transfers &amp; contri)</b>	<b>322 460</b>	<b>361 632</b>	<b>383 459</b>	<b>465 429</b>	<b>462 252</b>	<b>454 791</b>	<b>512 250</b>	<b>561 179</b>	<b>616 454</b>
Employee costs	92 011	100 929	127 745	136 601	138 962	138 857	149 975	164 972	181 470
Remuneration of councillors	7 144	7 918	8 107	8 608	10 245	10 245	11 421	12 563	13 819
Depreciation & asset impairment	-	-	74 158	20 823	45 672	73 529	30 623	34 639	38 796
Finance charges	11 052	6 316	4 734	5 807	4 734	337	4 734	4 734	4 734
Materials and bulk purchases	44 629	56 867	74 519	115 026	110 000	112 535	121 626	138 046	156 682
Other expenditure	107 115	240 642	236 671	135 915	127 639	177 876	179 370	191 225	205 953
<b>Total Expenditure</b>	<b>261 951</b>	<b>412 671</b>	<b>525 934</b>	<b>422 780</b>	<b>437 252</b>	<b>513 380</b>	<b>497 749</b>	<b>546 179</b>	<b>601 454</b>
<b>Surplus/(Deficit)</b>	<b>60 509</b>	<b>(51 039)</b>	<b>(142 475)</b>	<b>42 649</b>	<b>25 000</b>	<b>(58 588)</b>	<b>14 501</b>	<b>15 000</b>	<b>15 000</b>
Transfers recognised - capital	28 423	58 516	133 557	42 647	73 372	84 522	51 733	54 573	57 728
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>88 932</b>	<b>7 477</b>	<b>(8 918)</b>	<b>85 296</b>	<b>98 372</b>	<b>25 934</b>	<b>66 234</b>	<b>69 573</b>	<b>72 728</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>88 932</b>	<b>7 477</b>	<b>(8 918)</b>	<b>85 296</b>	<b>98 372</b>	<b>25 934</b>	<b>66 234</b>	<b>69 573</b>	<b>72 728</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>28 423</b>	<b>58 516</b>	<b>133 557</b>	<b>67 647</b>	<b>73 372</b>	<b>84 522</b>	<b>66 233</b>	<b>69 573</b>	<b>72 728</b>
Transfers recognised - capital	28 423	30 449	44 398	42 647	42 647	56 313	51 733	54 573	57 728
Internally generated funds	-	28 067	89 159	25 000	25 000	28 209	14 500	15 000	15 000
<b>Total sources of capital funds</b>	<b>28 423</b>	<b>58 516</b>	<b>133 557</b>	<b>67 647</b>	<b>67 647</b>	<b>84 522</b>	<b>66 233</b>	<b>69 573</b>	<b>72 728</b>
<b>Financial position</b>									
Total current assets	164 926	94 334	956 112	103 167	56 537	56 537	342 351	347 149	329 417
Total non current assets	587 271	642 496	1 897 235	795 608	1 851 433	1 823 576	1 478 524	1 514 863	1 573 438
Total current liabilities	95 048	115 153	153 500	59 500	89 500	89 500	79 500	79 500	79 500
Total non current liabilities	71 252	76 254	94 908	72 000	94 888	94 888	58 803	58 803	58 803

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13
R thousands										
Community wealth/Equity	585 898	545 423	1 840 258	767 275	1 930 510	1 916 804	109 977	206 172	306 108	
<b>Cash flows</b>										
Net cash from (used) operating	(24 358)	83 518	40 446	23 777	23 777	23 777	68 125	74 941	101 326	
Net cash from (used) investing	(47 067)	(55 817)	(73 325)	(25 000)	(25 000)	(25 000)	(14 500)	(15 000)	(15 000)	
Net cash from (used) financing	(3 093)	(5 360)	(3 026)	(5 806)	(5 806)	(5 806)	(5 806)	(5 806)	(5 806)	
Cash/cash equivalents at the year end	(47 403)	(25 062)	(60 967)	(67 996)	(67 996)	(67 996)	(13 148)	40 987	121 507	
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	(39 841)	(17 819)	(60 302)	1 345	(29 147)	(29 147)	(29 147)	(29 147)	(29 147)	
Application of cash and investments	38 511	10 856	31 135	(49 344)	(8 905)	(9 985)	(291 312)	(295 900)	(279 222)	
<b>Balance - surplus (shortfall)</b>	<b>(78 352)</b>	<b>(28 675)</b>	<b>(91 438)</b>	<b>50 689</b>	<b>(20 242)</b>	<b>(19 162)</b>	<b>262 165</b>	<b>266 753</b>	<b>250 075</b>	
<b>Asset management</b>										
Asset register summary (WDV)	580 867	636 092	1 896 994	795 608	1 851 433	685 302	1 478 524	1 514 863	1 573 438	
Depreciation & asset impairment	-	-	74 158	20 823	45 672	73 529	30 623	34 639	38 796	
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	
Repairs and Maintenance	17 969	16 823	22 827	27 719	23 790	21 771	28 501	32 172	35 486	
<b>Free services</b>										
Cost of Free Basic Services provided	15 811	17 249	17 249	20 592	20 592	-	22 531	23 992	25 079	
Revenue cost of free services provided	4 003	8 921	8 921	10 688	10 688	-	8 798	9 434	9 647	

Table 15 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
				Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	Audited Outcome	Audited Outcome	Audited Outcome						
<b>Revenue - Standard</b>									
<i>Governance and administration</i>	133 179	145 204	128 262	205 738	207 494	201 330	233 802	253 323	276 073
Executive and council	-	-	43 317	114 851	114 851	114 851	129 367	138 891	150 388
Budget and treasury office	85 839	67 035	69 138	82 897	83 468	82 684	88 489	97 178	106 989
Corporate services	47 340	78 169	15 807	7 990	9 175	3 795	15 945	17 253	18 696
<i>Community and public safety</i>	4 604	1 634	1 247	1 478	1 738	1 731	1 912	2 103	2 313
Community and social services	4 604	1 634	1 247	1 478	1 738	1 731	1 912	2 103	2 313
<i>Trading services</i>	185 425	224 045	253 950	258 213	253 019	251 729	276 535	305 754	338 067
Electricity	83 596	107 878	106 504	143 531	137 725	137 725	152 907	169 763	188 477
Water	35 066	34 284	36 946	44 285	44 343	43 355	47 009	51 710	56 881
Waste water management	34 787	40 414	53 832	37 042	37 036	36 733	39 259	43 185	47 504
Waste management	31 976	41 470	56 667	33 356	33 916	33 916	37 360	41 096	45 205
<b>Total Revenue - Standard</b>	<b>323 207</b>	<b>370 883</b>	<b>383 459</b>	<b>465 428</b>	<b>462 251</b>	<b>454 790</b>	<b>512 249</b>	<b>561 179</b>	<b>616 454</b>
<b>Expenditure - Standard</b>									
<i>Governance and administration</i>	105 471	129 643	209 585	147 558	190 889	222 160	226 934	247 496	269 307
Executive and council	59 257	78 787	83 884	74 342	82 404	82 676	77 392	83 621	90 561
Budget and treasury office	23 127	2 945	18 487	23 895	24 061	31 170	75 624	83 586	92 314
Corporate services	23 087	47 911	107 214	49 321	84 424	108 314	73 918	80 290	86 432
<i>Community and public safety</i>	15 625	18 946	29 552	31 949	29 172	27 768	29 617	32 312	35 278
Community and social services	15 625	18 946	29 552	31 949	29 172	27 768	29 617	32 312	35 278
<i>Economic and environmental services</i>	21 230	89 578	22 238	31 939	27 394	26 141	29 893	30 299	33 100
Planning and development	3 689	3 716	2 270	2 459	2 235	2 169	4 374	2 469	2 716
Road transport	17 541	85 862	19 968	29 481	25 159	23 972	25 518	27 830	30 384
<i>Trading services</i>	119 625	174 504	264 558	253 982	189 796	237 312	211 305	236 072	263 768
Electricity	64 552	78 834	83 748	139 560	120 839	123 982	132 172	149 638	169 434
Water	18 345	39 184	11 771	53 302	21 764	39 677	20 806	22 777	24 834
Waste water management	12 939	28 748	129 139	30 250	22 274	36 887	28 805	31 329	34 106
Waste management	23 789	27 737	39 900	30 869	24 920	36 767	29 522	32 328	35 395
<b>Total Expenditure - Standard</b>	<b>261 950</b>	<b>412 672</b>	<b>525 933</b>	<b>465 428</b>	<b>437 251</b>	<b>513 381</b>	<b>497 749</b>	<b>546 179</b>	<b>601 454</b>
<b>Surplus/(Deficit) for the year</b>	<b>61 257</b>	<b>(41 789)</b>	<b>(142 474)</b>	<b>0</b>	<b>25 000</b>	<b>(58 591)</b>	<b>14 500</b>	<b>15 000</b>	<b>15 000</b>

**Table 16 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
<b>Revenue by Vote</b>									
Vote 1 - Corporate Services	101 688	60 268	(687)	5 000	5 000	611	5 000	5 500	6 050
Vote 2 - Public Works	65 772	72 380	93 121	83 754	83 951	82 661	89 098	98 008	107 809
Vote 3 - Public Works	58 377	116 102	106 751	144 055	138 596	138 289	160 219	177 520	196 727
Vote 4 - Municipal Manager	990	1	13 838	0	693	34	763	839	923
Vote 6 - Community Services	3 686	4 104	57 557	34 275	35 200	35 195	38 773	42 650	46 915
Vote 7 - Community Services	908	1 225	358	559	453	452	499	549	603
Vote 8 - Councillors	17 486	21 704	43 317	114 851	114 851	114 851	129 367	138 891	150 388
Vote 10 - Finance	74 301	95 090	69 138	82 897	83 468	82 684	88 489	97 178	106 989
Vote 11 - LED	-	9	65	37	37	14	41	45	50
<b>Total Revenue by Vote</b>	<b>323 208</b>	<b>370 883</b>	<b>383 459</b>	<b>465 428</b>	<b>462 251</b>	<b>454 790</b>	<b>512 249</b>	<b>561 179</b>	<b>616 454</b>
<b>Expenditure by Vote to be appropriated</b>									
Vote 1 - Corporate Services	75 026	145 708	86 936	19 061	64 127	85 775	22 378	24 285	26 363
Vote 2 - Public Works	58 223	56 625	172 831	134 071	79 961	111 331	109 516	119 061	129 422
Vote 3 - Public Works	52 222	70 257	87 246	143 375	125 065	127 986	138 758	154 537	174 819
Vote 4 - Municipal Manager	28 500	32 724	56 391	49 169	53 076	60 829	49 696	55 012	60 035
Vote 5 - Municipal Manager	-	-	319	500	400	434	400	400	400
Vote 6 - Community Services	14 383	48 487	65 630	60 647	51 175	62 480	56 844	62 153	67 978
Vote 7 - Community Services	1 552	1 845	3 014	2 151	2 092	2 038	1 430	1 570	1 724
Vote 8 - Councillors	18 526	26 533	30 202	24 673	31 860	25 039	31 989	34 177	36 653
Vote 9 - Councillors	-	-	-	-	-	-	911	886	891
Vote 10 - Finance	9 873	23 127	18 487	23 895	24 061	31 170	75 624	83 586	92 314
Vote 11 - LED	3 645	7 367	4 877	7 885	5 434	6 300	10 201	10 513	10 855
<b>Total Expenditure by Vote</b>	<b>261 950</b>	<b>412 673</b>	<b>525 933</b>	<b>465 428</b>	<b>437 251</b>	<b>513 381</b>	<b>497 749</b>	<b>546 179</b>	<b>601 454</b>
<b>Surplus/(Deficit) for the year</b>	<b>61 257</b>	<b>(41 790)</b>	<b>(142 474)</b>	<b>0</b>	<b>25 000</b>	<b>(58 591)</b>	<b>14 500</b>	<b>15 000</b>	<b>15 000</b>

Table 17 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Revenue By Source</b>									
Property rates	53 068	52 074	53 400	63 213	63 213	63 213	64 649	71 114	78 225
Service charges - electricity revenue	54 883	77 874	102 844	136 879	137 571	136 912	152 738	169 577	188 273
Service charges - water revenue	32 339	30 084	37 880	44 214	44 214	43 226	46 867	51 554	56 709
Service charges - sanitation revenue	23 443	28 799	33 194	36 996	36 996	36 698	39 216	43 137	47 451
Service charges - refuse revenue	17 394	24 676	30 743	33 070	33 555	33 555	36 963	40 659	44 725
Rental of facilities and equipment	3 037	3 525	2 719	-	3 707	3 381	4 078	4 485	4 934
Interest earned - outstanding debtors	17 988	12 381	13 693	-	17 928	17 928	21 444	23 588	25 947
Transfers recognised - operational	66 019	85 075	102 003	117 091	117 091	117 091	131 667	141 261	153 088
Other revenue	54 289	47 144	6 983	33 966	7 977	2 787	14 628	15 804	17 102
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>322 460</b>	<b>361 632</b>	<b>383 459</b>	<b>465 429</b>	<b>462 252</b>	<b>454 791</b>	<b>512 250</b>	<b>561 179</b>	<b>616 454</b>
<b>Expenditure By Type</b>									
Employee related costs	92 011	100 929	127 745	136 601	138 962	138 857	149 975	164 972	181 470
Remuneration of councillors	7 144	7 918	8 107	8 608	10 245	10 245	11 421	12 563	13 819
Debt impairment	12 826	128 214	115 009	10 192	10 192	64 586	23 002	25 302	27 832
Depreciation & asset impairment	-	-	74 158	20 823	45 672	73 529	30 623	34 639	38 796
Finance charges	11 052	6 316	4 734	5 807	4 734	337	4 734	4 734	4 734
Bulk purchases	44 629	56 867	74 519	115 026	110 000	112 535	121 626	138 046	156 682
Contracted services	885	1 319	38 642	8 470	17 910	23 760	16 340	17 320	18 360
Other expenditure	93 404	111 109	83 020	117 253	99 537	89 530	140 028	148 603	159 761
<b>Total Expenditure</b>	<b>261 951</b>	<b>412 671</b>	<b>525 934</b>	<b>422 780</b>	<b>437 252</b>	<b>513 380</b>	<b>497 749</b>	<b>546 179</b>	<b>601 454</b>
<b>Surplus/(Deficit)</b>	<b>60 509</b>	<b>(51 039)</b>	<b>(142 475)</b>	<b>42 649</b>	<b>25 000</b>	<b>(58 588)</b>	<b>14 501</b>	<b>15 000</b>	<b>15 000</b>
Transfers recognised - capital	28 423	58 516	133 557	42 647	73 372	84 522	51 733	54 573	57 728
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>88 932</b>	<b>7 477</b>	<b>(8 918)</b>	<b>85 296</b>	<b>98 372</b>	<b>25 934</b>	<b>66 234</b>	<b>69 573</b>	<b>72 728</b>
<b>Surplus/(Deficit) after taxation</b>	<b>88 932</b>	<b>7 477</b>	<b>(8 918)</b>	<b>85 296</b>	<b>98 372</b>	<b>25 934</b>	<b>66 234</b>	<b>69 573</b>	<b>72 728</b>
<b>Surplus/(Deficit) attributable to municipality</b>	<b>88 932</b>	<b>7 477</b>	<b>(8 918)</b>	<b>85 296</b>	<b>98 372</b>	<b>25 934</b>	<b>66 234</b>	<b>69 573</b>	<b>72 728</b>
<b>Surplus/(Deficit) for the year</b>	<b>88 932</b>	<b>7 477</b>	<b>(8 918)</b>	<b>85 296</b>	<b>98 372</b>	<b>25 934</b>	<b>66 234</b>	<b>69 573</b>	<b>72 728</b>

**Table 18 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

Vote Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13
<b>R thousand</b>											
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>											
Vote 1 - Corporate Services	11 590	4 903	-	-	-	-	-	-	-	-	-
Vote 2 - Public Works	9 300	36 261	45 876	44 092	44 092	44 092	-	-	-	-	
Vote 3 - Public Works	5 853	8 953	62 681	8 167	13 892	25 042	-	-	-	-	
Vote 6 - Community Services	1 680	8 399	20 000	12 680	12 680	12 680	-	-	-	-	
Vote 7 - Community Services	-	-	-	-	-	-	-	-	-	-	
Vote 8 - Councillors	-	-	5 000	2 708	2 708	2 708	-	-	-	-	
<b>Capital multi-year expenditure sub-total</b>	<b>28 423</b>	<b>58 516</b>	<b>133 557</b>	<b>67 647</b>	<b>73 372</b>	<b>84 522</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Single-year expenditure to be appropriated</b>											
Vote 2 - Public Works	-	-	-	-	-	-	-	41 601	53 463	44 939	
Vote 3 - Public Works	-	-	-	-	-	-	-	12 922	3 116	22 089	
Vote 6 - Community Services	-	-	-	-	-	-	-	11 710	12 995	5 699	
<b>Capital single-year expenditure sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66 233</b>	<b>69 574</b>	<b>72 728</b>	
<b>Total Capital Expenditure - Vote</b>	<b>28 423</b>	<b>58 516</b>	<b>133 557</b>	<b>67 647</b>	<b>73 372</b>	<b>84 522</b>	<b>-</b>	<b>66 233</b>	<b>69 574</b>	<b>72 728</b>	
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>	<b>11 590</b>	<b>4 903</b>	<b>5 000</b>	<b>2 708</b>	<b>2 708</b>	<b>2 708</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Executive and council	-	-	5 000	2 708	2 708	2 708	-	-	-	-	
Corporate services	11 590	4 903	-	-	-	-	-	-	-	-	
<b>Community and public safety</b>	<b>2 080</b>	<b>11 899</b>	<b>18 000</b>	<b>15 430</b>	<b>15 430</b>	<b>15 430</b>	<b>-</b>	<b>17 545</b>	<b>12 995</b>	<b>5 699</b>	
Community and social services	-	-	-	3 000	3 000	3 000	-	-	-	-	
Sport and recreation	1 000	7 799	-	7 692	7 692	7 692	-	11 710	12 995	5 699	
Public safety	680	600	18 000	738	738	738	-	-	-	-	
Housing	400	3 500	-	4 000	4 000	4 000	-	5 835	-	-	
<b>Economic and environmental services</b>	<b>900</b>	<b>25 539</b>	<b>30 876</b>	<b>28 145</b>	<b>28 145</b>	<b>28 145</b>	<b>-</b>	<b>13 807</b>	<b>11 452</b>	<b>30 855</b>	
Road transport	900	25 539	30 876	27 145	27 145	27 145	-	13 807	11 452	30 855	
Environmental protection	-	-	-	1 000	1 000	1 000	-	-	-	-	
<b>Trading services</b>	<b>13 853</b>	<b>16 175</b>	<b>19 500</b>	<b>19 797</b>	<b>19 797</b>	<b>19 797</b>	<b>-</b>	<b>32 294</b>	<b>42 011</b>	<b>18 184</b>	
Electricity	5 453	5 453	2 500	2 600	2 600	2 600	-	4 500	-	4 100	
Water	8 400	1 682	7 500	11 805	11 805	11 805	-	-	7 792	7 795	
Waste water management	-	9 040	7 500	5 142	5 142	5 142	-	27 794	34 219	6 289	
Waste management	-	-	2 000	250	250	250	-	-	-	-	
<b>Other</b>	<b>-</b>	<b>-</b>	<b>60 181</b>	<b>1 567</b>	<b>7 292</b>	<b>18 442</b>	<b>-</b>	<b>2 587</b>	<b>3 116</b>	<b>17 989</b>	
<b>Total Capital Expenditure - Standard</b>	<b>28 423</b>	<b>58 516</b>	<b>133 557</b>	<b>67 647</b>	<b>73 372</b>	<b>84 522</b>	<b>-</b>	<b>66 233</b>	<b>69 573</b>	<b>72 728</b>	

Vote Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand										
<b>Capital expenditure - Vote</b>										
<b>Funded by:</b>										
National Government	28 423	30 449	36 777	42 647	42 647	56 313	-	51 733	54 573	57 728
Provincial Government	-	-	7 621	-	-	-	-	-	-	-
Transfers recognised - capital	28 423	30 449	44 398	42 647	42 647	56 313	-	51 733	54 573	57 728
Internally generated funds	-	28 067	89 159	25 000	25 000	28 209	-	14 500	15 000	15 000
<b>Total Capital Funding</b>	<b>28 423</b>	<b>58 516</b>	<b>133 557</b>	<b>67 647</b>	<b>67 647</b>	<b>84 522</b>	<b>-</b>	<b>66 233</b>	<b>69 573</b>	<b>72 728</b>



**Table 19 MBRR Table A6 - Budgeted Financial Position**

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	R thousand Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>ASSETS</b>									
<b>Current assets</b>									
Cash	45	59	103	59	103	103	103	103	103
Call investment deposits	1 158	1 166	750	1 286	750	750	750	750	750
Consumer debtors	159 873	88 764	53 483	97 522	51 384	51 384	336 998	341 696	323 864
Other debtors	604	2 276	2 641	3 300	3 300	3 300	3 500	3 600	3 700
Current portion of long-term receivables	327	1 183	-	-	-	-	-	-	-
Inventory	2 919	886	899 135	1 000	1 000	1 000	1 000	1 000	1 000
<b>Total current assets</b>	<b>164 926</b>	<b>94 334</b>	<b>956 112</b>	<b>103 167</b>	<b>56 537</b>	<b>56 537</b>	<b>342 351</b>	<b>347 149</b>	<b>329 417</b>
<b>Non current assets</b>									
Investments	6 404	6 404	241	-	-	-	-	-	-
Investment property	-	-	684 302	-	684 302	684 302	-	-	-
Property, plant and equipment	579 883	635 108	1 211 803	795 108	1 166 131	1 138 274	1 478 524	1 514 863	1 573 438
Intangible	984	984	889	500	1 000	1 000	-	-	-
<b>Total non current assets</b>	<b>587 271</b>	<b>642 496</b>	<b>1 897 235</b>	<b>795 608</b>	<b>1 851 433</b>	<b>1 823 576</b>	<b>1 478 524</b>	<b>1 514 863</b>	<b>1 573 438</b>
<b>TOTAL ASSETS</b>	<b>752 198</b>	<b>736 830</b>	<b>2 853 347</b>	<b>898 775</b>	<b>1 907 970</b>	<b>1 880 112</b>	<b>1 820 876</b>	<b>1 862 012</b>	<b>1 902 856</b>
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Bank overdraft	47 448	25 448	61 396	-	30 000	30 000	30 000	30 000	30 000
Borrowing	4 048	3 972	3 135	3 000	3 000	3 000	3 000	3 000	3 000
Consumer deposits	3 189	3 278	3 414	3 500	3 500	3 500	3 500	3 500	3 500
Trade and other payables	40 363	82 455	85 554	53 000	53 000	53 000	43 000	43 000	43 000
<b>Total current liabilities</b>	<b>95 048</b>	<b>115 153</b>	<b>153 500</b>	<b>59 500</b>	<b>89 500</b>	<b>89 500</b>	<b>79 500</b>	<b>79 500</b>	<b>79 500</b>
<b>Non current liabilities</b>									
Borrowing	41 298	35 925	32 783	25 000	32 763	32 763	-	-	-
Provisions	29 953	40 330	62 125	47 000	62 125	62 125	58 803	58 803	58 803
<b>Total non current liabilities</b>	<b>71 252</b>	<b>76 254</b>	<b>94 908</b>	<b>72 000</b>	<b>94 888</b>	<b>94 888</b>	<b>58 803</b>	<b>58 803</b>	<b>58 803</b>
<b>TOTAL LIABILITIES</b>	<b>166 299</b>	<b>191 408</b>	<b>248 408</b>	<b>131 500</b>	<b>184 388</b>	<b>184 388</b>	<b>138 303</b>	<b>138 303</b>	<b>138 303</b>
<b>NET ASSETS</b>	<b>585 898</b>	<b>545 422</b>	<b>2 604 938</b>	<b>767 275</b>	<b>1 723 582</b>	<b>1 695 725</b>	<b>1 682 573</b>	<b>1 723 709</b>	<b>1 764 553</b>
<b>COMMUNITY WEALTH/EQUITY</b>									
Accumulated Surplus/(Deficit)	585 898	545 423	1 840 258	767 275	1 930 510	1 916 804	109 977	206 172	306 108
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>585 898</b>	<b>545 423</b>	<b>1 840 258</b>	<b>767 275</b>	<b>1 930 510</b>	<b>1 916 804</b>	<b>109 977</b>	<b>206 172</b>	<b>306 108</b>

**Table 20 MBRR Table A7 - Budgeted Cash Flow Statement**

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	R thousand Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Ratepayers and other	-	177 750	202 888	308 682	308 682	308 682	359 138	396 330	437 419
Government - operating	(24 358)	122 559	142 085	114 851	114 851	114 851	131 667	141 261	153 088
Government - capital	-	-	-	42 647	42 647	42 647	51 733	54 573	57 728
Interest	-	-	30	-	-	-	21 444	23 588	25 947
<b>Payments</b>									
Suppliers and employees	-	(210 470)	(296 712)	(399 757)	(399 757)	(399 757)	(439 390)	(481 504)	(510 394)
Finance charges	-	(6 320)	(7 845)	-	-	-	(4 734)	(4 734)	(4 734)
Transfers and Grants	-	-	-	(42 647)	(42 647)	(42 647)	(51 733)	(54 573)	(57 728)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>(24 358)</b>	<b>83 518</b>	<b>40 446</b>	<b>23 777</b>	<b>23 777</b>	<b>23 777</b>	<b>68 125</b>	<b>74 941</b>	<b>101 326</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
Capital assets	(47 067)	(56 144)	(73 325)	(25 000)	(25 000)	(25 000)	(14 500)	(15 000)	(15 000)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(47 067)</b>	<b>(55 817)</b>	<b>(73 325)</b>	<b>(25 000)</b>	<b>(25 000)</b>	<b>(25 000)</b>	<b>(14 500)</b>	<b>(15 000)</b>	<b>(15 000)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Borrowing long term/refinancing	(3 093)	-	-	-	-	-			
Increase (decrease) in consumer deposits	-	89	136	-	-	-			
<b>Payments</b>									
Repayment of borrowing	-	(5 449)	(3 162)	(5 806)	(5 806)	(5 806)	(5 806)	(5 806)	(5 806)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(3 093)</b>	<b>(5 360)</b>	<b>(3 026)</b>	<b>(5 806)</b>	<b>(5 806)</b>	<b>(5 806)</b>	<b>(5 806)</b>	<b>(5 806)</b>	<b>(5 806)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(74 518)</b>	<b>22 341</b>	<b>(35 905)</b>	<b>(7 029)</b>	<b>(7 029)</b>	<b>(7 029)</b>	<b>47 819</b>	<b>54 135</b>	<b>80 520</b>
Cash/cash equivalents at the year begin:	27 115	(47 403)	(25 062)	(60 967)	(60 967)	(60 967)	(60 967)	(13 148)	40 987
Cash/cash equivalents at the year end:	(47 403)	(25 062)	(60 967)	(67 996)	(67 996)	(67 996)	(13 148)	40 987	121 507

**Table 21 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
<b>R thousand</b>									
<b>Cash and investments available</b>									
Cash/cash equivalents at the year end	(47 403)	(25 062)	(60 967)	(67 996)	(67 996)	(67 996)	(13 148)	40 987	121 507
Other current investments > 90 days	1 158	839	423	69 341	38 849	38 849	(15 999)	(70 134)	(150 654)
Non current assets - Investments	6 404	6 404	241	-	-	-	-	-	-
<b>Cash and investments available:</b>	<b>(39 841)</b>	<b>(17 819)</b>	<b>(60 302)</b>	<b>1 345</b>	<b>(29 147)</b>	<b>(29 147)</b>	<b>(29 147)</b>	<b>(29 147)</b>	<b>(29 147)</b>
<b>Application of cash and investments</b>									
Unspent conditional transfers	2 699	9 716	2 379	-	-	-	-	-	-
Other working capital requirements	35 812	1 140	28 756	(49 344)	(8 905)	(9 985)	(291 312)	(295 900)	(279 222)
<b>Total Application of cash and investments:</b>	<b>38 511</b>	<b>10 856</b>	<b>31 135</b>	<b>(49 344)</b>	<b>(8 905)</b>	<b>(9 985)</b>	<b>(291 312)</b>	<b>(295 900)</b>	<b>(279 222)</b>
<b>Surplus(shortfall)</b>	<b>(78 352)</b>	<b>(28 675)</b>	<b>(91 438)</b>	<b>50 689</b>	<b>(20 242)</b>	<b>(19 162)</b>	<b>262 165</b>	<b>266 753</b>	<b>250 075</b>

**Table 22 MBRR Table A9 - Asset Management**

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
R thousand									
<b>CAPITAL EXPENDITURE</b>									
<b>Total New Assets</b>	28 423	58 516	133 557	67 647	77 647	84 522	66 233	69 574	72 728
<i>Infrastructure - Road transport</i>	900	25 539	-	27 145	-	-	13 807	11 452	30 855
<i>Infrastructure - Electricity</i>	5 453	5 453	-	2 600	-	-	4 500	-	4 100
<i>Infrastructure - Water</i>	8 400	1 682	-	11 805	-	-	-	7 792	7 795
<i>Infrastructure - Sanitation</i>	-	9 040	-	5 142	-	-	27 794	34 219	6 289
<i>Infrastructure - Other</i>	-	-	-	250	-	-	-	-	-
Infrastructure	14 753	41 714	-	46 942	-	-	46 101	53 463	49 039
Community	-	-	-	-	-	-	11 710	12 995	5 699
Heritage assets	-	-	-	-	-	-	5 835	-	-
Other assets	13 670	16 802	133 557	20 705	77 647	84 522	2 587	3 116	17 989
<b>Total Capital Expenditure</b>									
<i>Infrastructure - Road transport</i>	900	25 539	-	27 145	-	-	13 807	11 452	30 855
<i>Infrastructure - Electricity</i>	5 453	5 453	-	2 600	-	-	4 500	-	4 100
<i>Infrastructure - Water</i>	8 400	1 682	-	11 805	-	-	-	7 792	7 795
<i>Infrastructure - Sanitation</i>	-	9 040	-	5 142	-	-	27 794	34 219	6 289
<i>Infrastructure - Other</i>	-	-	-	250	-	-	-	-	-
Infrastructure	14 753	41 714	-	46 942	-	-	46 101	53 463	49 039
Community	-	-	-	-	-	-	11 710	12 995	5 699
Heritage assets	-	-	-	-	-	-	5 835	-	-
Other assets	13 670	16 802	133 557	20 705	77 647	84 522	2 587	3 116	17 989
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	28 423	58 516	133 557	67 647	77 647	84 522	66 233	69 574	72 728
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>									
<i>Infrastructure - Other</i>	579 883	635 108	1 211 803	795 108	1 166 131	-	1 478 524	1 514 863	1 573 438
Infrastructure	579 883	635 108	1 211 803	795 108	1 166 131	-	1 478 524	1 514 863	1 573 438
Investment properties	-	-	684 302	-	684 302	684 302	-	-	-
Intangibles	984	984	889	500	1 000	1 000	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	580 867	636 092	1 896 994	795 608	1 851 433	685 302	1 478 524	1 514 863	1 573 438
<b>EXPENDITURE OTHER ITEMS</b>									
<i>Depreciation &amp; asset impairment</i>	-	-	74 158	20 823	45 672	73 529	30 623	34 639	38 796
<i>Repairs and Maintenance by Asset Class</i>	17 969	16 823	22 827	27 719	23 790	21 771	28 501	32 172	35 486
<i>Infrastructure - Road transport</i>	-	-	7 261	8 623	6 622	5 608	8 555	9 372	10 295
<i>Infrastructure - Electricity</i>	-	-	2 033	2 632	2 632	3 306	3 401	3 726	4 093

<i>Infrastructure - Water</i>	-	-	2 322	6 694	3 881	1 410	4 414	4 993	5 534
<i>Infrastructure - Sanitation</i>	-	-	3 562	2 237	3 037	3 083	3 423	3 798	4 221
<i>Infrastructure - Other</i>	17 969	16 823	90	7	7	16	10	10	12
Infrastructure	17 969	16 823	15 268	20 193	16 179	13 423	19 803	21 899	24 155
Community	-	-	3 079	1 463	4 519	4 733	5 938	6 396	7 025
Other assets	-	-	4 480	6 063	3 092	3 615	2 760	3 877	4 306
TOTAL EXPENDITURE OTHER ITEMS	17 969	16 823	96 985	48 542	69 462	95 300	59 124	66 811	74 282

**Table 23 MBRR Table A10 - Basic Service Delivery Measurement**

Description	2008/9	2009/10	2010/11	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Household service targets</b>								
<b><u>Water:</u></b>								
Piped water inside dwelling	27 842	29 918	29 918	48 000	28 748	28 748	28 748	28 748
Using public tap (at least min.service level)	-	-	-	-	3 088	3 088	3 088	3 088
<i>Minimum Service Level and Above sub-total</i>	27 842	29 918	29 918	48 000	31 836	31 836	31 836	31 836
<b>Total number of households</b>	<b>27 842</b>	<b>29 918</b>	<b>29 918</b>	<b>48 000</b>	<b>31 836</b>	<b>31 836</b>	<b>31 836</b>	<b>31 836</b>
<b><u>Sanitation/sewerage:</u></b>								
Flush toilet (connected to sewerage)	-	23 948	23 948	39 000	27 220	27 220	30 220	30 220
Flush toilet (with septic tank)	2 417	-	-	-	-	-	-	-
Pit toilet (ventilated)	5 700	6 000	6 000	6 000	4 616	4 616	1 616	1 616
Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	8 117	29 948	29 948	45 000	31 836	31 836	31 836	31 836
<b>Total number of households</b>	<b>8 117</b>	<b>29 948</b>	<b>29 948</b>	<b>45 000</b>	<b>31 836</b>	<b>31 836</b>	<b>31 836</b>	<b>31 836</b>
<b><u>Energy:</u></b>								
Electricity (at least min.service level)	2 945	2 945	2 945	2 945	2 945	2 945	2 945	2 945
Electricity - prepaid (min.service level)	6 541	6 541	6 541	6 541	28 891	28 891	28 891	28 891
<i>Minimum Service Level and Above sub-total</i>	9 486	9 486	9 486	9 486	31 836	31 836	31 836	31 836
<b>Total number of households</b>	<b>9 486</b>	<b>9 486</b>	<b>9 486</b>	<b>9 486</b>	<b>31 836</b>	<b>31 836</b>	<b>31 836</b>	<b>31 836</b>
<b><u>Refuse:</u></b>								
Removed at least once a week	27 842	29 918	29 918	48 000	24 386	31 836	31 836	31 836
<i>Minimum Service Level and Above sub-total</i>	27 842	29 918	29 918	48 000	24 386	31 836	31 836	31 836
Removed less frequently than once a week	-	-	-	-	7 450	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	7 450	-	-	-
<b>Total number of households</b>	<b>27 842</b>	<b>29 918</b>	<b>29 918</b>	<b>48 000</b>	<b>31 836</b>	<b>31 836</b>	<b>31 836</b>	<b>31 836</b>
<b><u>Households receiving Free Basic Service</u></b>								
Water (6 kilolitres per household per month)	27 842	29 918	29 918	48 000	31 836	31 836	31 836	31 836
Sanitation (free minimum level service)	4 000	4 000	4 000	4 000	2 500	6 000	4 000	4 000
Electricity/other energy (50kwh per household per month)	4 000	4 000	4 000	4 000	2 500	6 000	4 000	4 000
Refuse (removed at least once a week)	4 000	4 000	4 000	4 000	2 500	6 000	4 000	4 000
<b><u>Cost of Free Basic Services provided (R'000)</u></b>								
Water (6 kilolitres per household per month)	4 003 240	4 323 500	4 323 500	5 042 930	5 042 930	5 446 364	5 882 073	5 882 073
Sanitation (free sanitation service)	5 184 000	5 598 720	5 598 720	6 530 347	6 530 347	6 192 000	6 563 520	6 957 331
Electricity/other energy (50kwh per household per month)	1 440 000	1 728 000	1 728 000	2 488 320	2 488 320	2 180 880	2 311 733	2 450 437

Refuse (removed once a week)	5 184 000	5 598 720	5 598 720	6 530 347	6 530 347	8 712 000	9 234 720	9 788 803
<b>Total cost of FBS provided (minimum social package)</b>	<b>15 811</b>	<b>17 249</b>	<b>17 249</b>	<b>20 592</b>	<b>20 592</b>	<b>22 531</b>	<b>23 992</b>	<b>25 079</b>
<b>Highest level of free service provided</b>								
Property rates (R value threshold)	-	22 000	22 000	22 000	22 000	22 000	22 000	22 000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6
Sanitation (Rand per household per month)	108	117	117	136	136	147	159	159
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50
<b>Revenue cost of free services provided (R'000)</b>								
Property rates (R15 000 threshold rebate)	-	4 598 000	4 598 000	5 644 799	5 644 799	3 351 158	3 552 228	3 765 361
Water	4 003 240	4 323 500	4 323 500	5 042 930	5 042 930	5 446 364	5 882 073	5 882 073
<b>Total revenue cost of free services provided (total social package)</b>	<b>4 003</b>	<b>8 921</b>	<b>8 921</b>	<b>10 688</b>	<b>10 688</b>	<b>8 798</b>	<b>9 434</b>	<b>9 647</b>

## Part 2 – Supporting Documentation

### 2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

#### 2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2010) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 25 August 2010. Key dates applicable to the process were:

- **August 2011** – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2012/13 MTREF;
- **November 2012** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **January 2012** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- **January 2012** – Multi-year budget proposals are submitted to the Mayoral Committee for endorsement;



- **28 January 2012** - Council considers the 2010/11 Mid-year Review and Adjustments Budget;
- **February 2012** - Recommendations of the Mayoral Committee are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2012/13 MTREF is revised accordingly;
- **30 March 2012** - Tabling in Council of the draft 2012/13 IDP and 2012/13 MTREF for public consultation;
- **April 2012** – Public consultation;
- **May 2012** – finalisation of the 2012/13 IDP and 2012/13 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- **31 May 2012** - Tabling of the 2012/13 MTREF before Council for consideration and approval.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

### 2.1.2 IDP and Service Delivery and Budget Implementation Plan

This is the fourth review of the IDP as adopted by Council in May 2006. It started in September 2010 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2012/13 MTREF in August.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2012/13 MTREF, based on the approved 2010/11 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2012/13 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2010/11 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

### 2.1.3 Community Consultation

The draft 2012/13 MTREF was tabled before Council on 25 March 2012 for community consultation. The draft budget was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries within Dihlabeng area. Notifications were sent to all organisations on the municipality's database, including ratepayer associations, community-based organisations and organised business.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Councillors and management were utilised to facilitate the community consultation process from 19 to 10 May 2012. The applicable dates and venues were published in all the local newspapers and on average attendance of 300 was recorded per meeting. Other stakeholders involved in the consultation included rates payers association, churches, non-governmental institutions and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the finalisation of the 2012/13 MTREF. Feedback and responses to the submissions received are available on request. The following are some of the issues and concerns raised as well as comments received during the consultation process:

- Capital expenditure is not allocated to the areas in the same ratio as the income derived from those areas. This is a normal practice in a collective taxation environment. The municipality is responsible for managing the equitable use of resources to ensure that constitutional imperative to progressively improve basic services in undeveloped areas is realized in a sustainable manner over a reasonable period of time;
- Several complaints were received regarding poor service delivery, especially waste removal backlogs and the state of road infrastructure;
- Poor performance of contractors relating to infrastructure development and maintenance especially in the areas of road construction and maintenance were raised;
- The affordability of tariff increases, especially electricity, was raised on numerous occasions. This concern was also raised by business as an obstacle to economic growth;
- Households cannot afford the tariff increases due to unemployment increases. Tariff increases were proposed at 9% and were later decreased to 6%;
- Insufficient allocation for town planning;
- During the community consultation process large sections of the community made it clear that they are not in favour of any further tariff increases to fund additional budget requests. They indicated that the municipality must do more to ensure efficiencies and value for money; and
- They also indicated that they need place to stay and they have been waiting for too long and their losing patience.

Significant changes effected in the final 2012/13 MTREF compared to the draft 2012/13 MTREF that was tabled for community consultation, include:

- The final tariff for water, refuses, sanitation was reduced from 9 % to 6 %
- The draft budget had a deficit of 90 million and we managed to record R14.5 million Surplus at the end.
- An amount of R14.5 million was allocated in the Capital Budget for to fund internal projects,
- An amount of R2.5 million was allocated to address township establishment.

## 2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five years strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to The Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that The municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and The Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;

- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2012/13 MTREF and further planning refinements that have directly informed the compilation of the budget:

**Table 24 IDP Strategic Objectives**

<b>2012/13 MTREF</b>	
1.	Provide democratic and accountable government for local communities
2.	Be responsive to the needs of the local community;
3.	Ensure the provision of services to communities in a sustainable manner
4.	Promote a safe and healthy environment
5.	Promote social and economic development
6.	Encourage the involvement of communities and community organizations in the matters of local government
7.	Facilitate the culture of public service and accountability amongst its staff;
8.	Assign clear responsibilities for the management and co-ordination of administrative units and mechanisms

In order to ensure integrated and focused service delivery between all spheres of government it was important for the municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities.

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in The municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It

provides direction to the municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of The municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole;
- and
- Sound financial fundamentals.

The 2012/13 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

**Table 25 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

Strategic Objective	Goal	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
R thousand										
Corporate Services	Stable labour force	103 613	61 786	(687)	7 083	5 000	611	5 000	5 500	6 050
Corporate governance	Accountable Government	990	1	13 838	0	693	34	763	839	923
Service delivery	Services to all	123 126	187 655	199 873	259 739	222 548	220 949	249 317	275 528	304 536
Political leadership	Political stability	17 486	21 704	43 317	114 851	114 851	114 851	129 367	138 891	150 388
LED	Economic development	-	9	65	37	37	14	41	45	50
Community wealfare	Healthy environment	3 691	4 637	57 915	821	35 654	35 647	39 271	43 199	47 518
Financial management	Financial Accountability	74 301	95 090	19 138	82 897	83 897	82 684	88 489	97 178	106 989
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>323 207</b>	<b>370 882</b>	<b>333 459</b>	<b>465 428</b>	<b>462 680</b>	<b>454 790</b>	<b>512 248</b>	<b>561 180</b>	<b>616 454</b>

**Table 26 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

Strategic Objective	Goal	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
<b>R thousand</b>										
Corporate Services	Stable labour force	77 051	148 412	86 936	23 358	64 127	85 775	22 378	24 285	26 363
Corporate governance	Accountable Government	28 500	32 724	56 710	49 169	53 476	61 262	50 096	55 412	60 435
Service delivery	Services to all	113 552	158 885	15 451	52 823	130 852	14 800	40 973	42 024	45 484
	Civil engineering roads	-	-	19 968	42 685	25 159	23 972	25 518	27 830	30 384
	Civil engineering sewerage	-	-	129 139	37 042	22 274	36 887	28 805	31 329	34 106
	Civil engineering water	-	-	11 771	44 285	1 820	39 677	20 806	22 777	24 834
	Electrical engineering	-	-	73 748	143 531	24 920	123 982	132 172	149 638	169 434
Political leadership	Political stability	18 526	26 533	30 202	24 673	31 860	25 039	32 900	35 063	37 544
LED	Economic development	3 645	7 367	4 877	8 385	5 434	6 300	10 201	10 513	10 855
Community wealfare	Healthy environment	10 803	15 625	68 644	15 582	53 267	64 518	58 274	63 724	69 702
Financial management	Financial Accountability	9 873	23 127	18 487	23 895	24 061	31 170	75 624	83 586	92 314
<b>Total Expenditure</b>		<b>261 950</b>	<b>412 673</b>	<b>515 933</b>	<b>465 428</b>	<b>437 250</b>	<b>513 382</b>	<b>497 747</b>	<b>546 181</b>	<b>601 455</b>

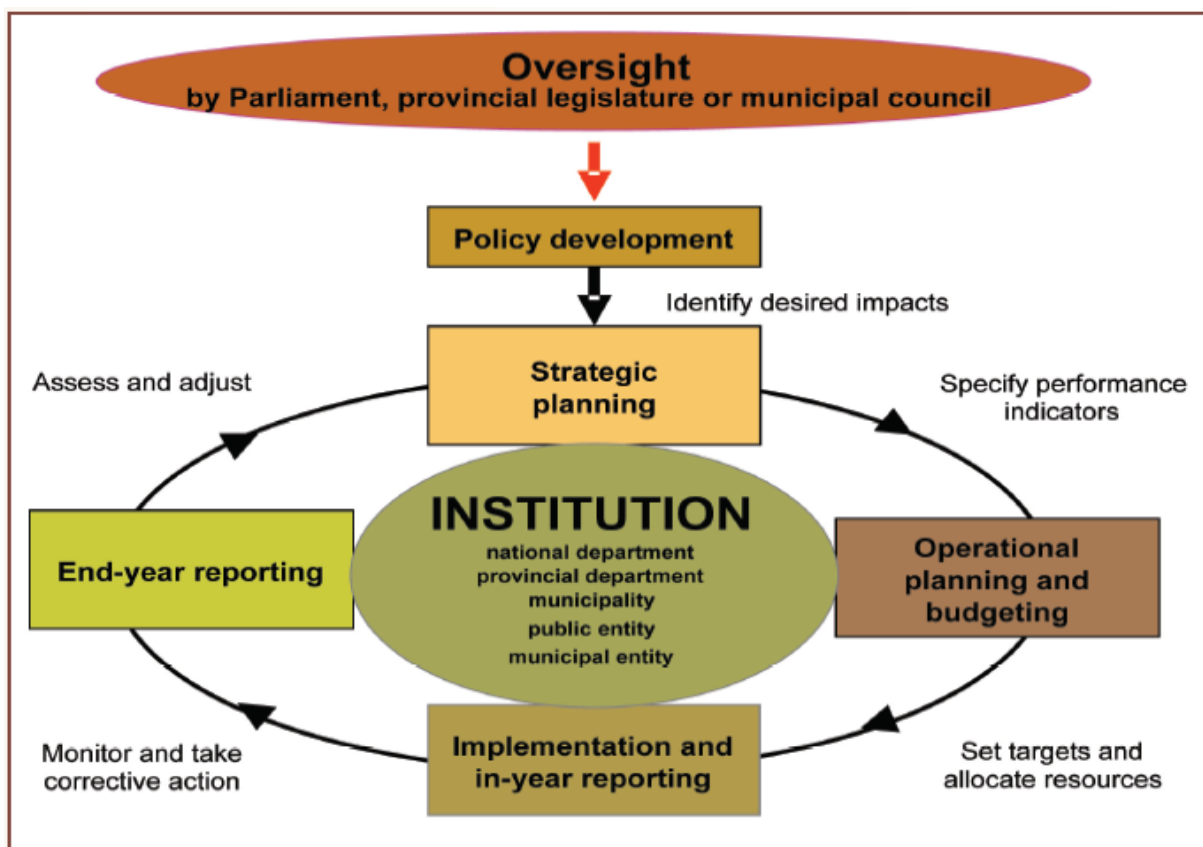
**Table 27 MBRR Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

Strategic Objective	Goal	2008/9	2009/10	2010/11	Current Year 2011/12		2012/13 Medium Term Revenue & Expenditure Framework		
					Original Budget	Adjusted Budget	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>		<b>Audited Outcome</b>	<b>Audited Outcome</b>	<b>Audited Outcome</b>					
Corporate Services	Stable labour force	116 590	4 903		-				
Corporate governance	Accountable Government	-	-		-				
Service delivery	Services to all	16 833	53 613	133 557	20 955	77 647	20 132	16 111	52 979
	Civil engineering roads	-	-		27 145		13 807	11 452	5 649
	Civil engineering sewerage	-	-		5 142		27 794	34 219	8 000
	Civil engineering water	-	-		11 805			7 792	2 000
	Electrical engineering	-	-		2 600		4 500		4 100
Political leadership	Political stability	-	-		-				
LED	Economic development	-	-		-				
Community wealfare	Healthy environment	-	-		-				
Financial management	Financial Accountability	-	-		-				
<b>Total Capital Expenditure</b>		<b>133 423</b>	<b>58 516</b>	<b>133 557</b>	<b>67 647</b>	<b>77 647</b>	<b>66 233</b>	<b>69 574</b>	<b>72 728</b>

### 2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, The municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee’s performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:



**Figure 2 Planning, budgeting and reporting cycle**

The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The municipality therefore has adopted one integrated performance management system which encompasses:



- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:



Figure 3 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

**Table 28 MBRR Table SA7 - Measurable performance objectives**

Description of financial indicator	Basis of calculation	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Borrowing Management</b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4.2%	2.9%	1.5%	2.7%	2.4%	1.2%	0.0%	2.1%	1.9%	1.8%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4.3%	4.3%	2.8%	3.3%	3.1%	1.8%	0.0%	2.8%	2.5%	2.3%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	1.7	0.8	6.2	1.7	0.6	0.6	-	4.3	4.4	4.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.7	0.8	6.2	1.7	0.6	0.6	-	4.3	4.4	4.1
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	64.4%	72.1%	88.6%	89.4%	91.4%	0.0%	94.4%	94.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			0.0%	64.3%	72.1%	88.6%	89.4%	91.4%	0.0%	94.4%	94.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	49.9%	25.5%	14.6%	21.7%	11.8%	12.0%	0.0%	66.5%	61.5%	53.1%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		-75.5%	-238.0%	-113.5%	-58.8%	-58.8%	-58.8%	0.0%	-228.2%	73.2%	24.7%

<b>Other Indicators</b>											
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source										
Employee costs	Employee costs/(Total Revenue - capital revenue)	28.5%	27.9%	33.3%	29.3%	30.1%	30.5%	0.0%	29.3%	29.4%	29.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	30.7%	30.1%	35.4%	31.2%	32.5%	33.0%		31.5%	31.6%	31.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	5.6%	4.7%	6.0%	6.0%	5.1%	4.8%		5.6%	5.7%	5.8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	3.4%	1.7%	20.6%	5.7%	10.9%	16.2%	0.0%	6.9%	7.0%	7.1%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	47.1	86.6	48.5	60.0	60.0	60.0	-	12.9	13.2	14.6
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	87.3%	42.5%	21.5%	32.1%	17.1%	17.3%	0.0%	98.8%	90.7%	77.9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(2.8)	(0.9)	(1.8)	(2.5)	(2.5)	(2.1)	-	(0.4)	1.2	3.2

### 2.3.1 Performance indicators and benchmarks

#### 2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Dihlabeng Local Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The following financial performance indicators have formed part of the compilation of the 2012/13 MTREF:

- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing has been fluctuating in the margins of 4.2 per cent from 2008/09 and 2.7 per cent in 2011/12. It is estimated that the cost of borrowing as a percentage of the operating expenditure will reach 2.1 per cent in 2012/13 and will then decrease to 1.8 per cent at the end of the MTREF. While borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward.

#### 2.3.1.2 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark. For the 2012/13 MTREF the current ratio is 4.3 in the 2012/13 financial year and 4.3 and 4.1 for the two outer years of the MTREF. Going forward it will be necessary to decrease these levels to 1.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. From the 2008/09 to 2012/13 financial year, the ratio has been 0.0. This indicates that serious intervention strategy is needed to insure that the municipality can meet its obligations. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

#### 2.3.1.3 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

#### 2.3.1.4 Creditors Management

- The municipality has not been able to settle its creditors within the legislated 30 days of the invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 65 per cent compliance rate to

this legislative obligation. This has had a favourable impact on some of suppliers' perceptions of risk of doing business with the Municipality,

- **Other Indicators**

- Employee costs as a percentage of operating revenue continues to decrease over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers.
- Repairs and maintenance as percentage of operating revenue is also steady at between 5.6 percent and 5.8 percent owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the Municipality's strategy to ensure the management of its asset base.

## 2.4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

To give proper effect to the municipality's annual budget, the Council of Dihlabeng Local Municipality Local Municipality approves:

**Other Policies:** Assets Management Policy, Banking and Investment Policy, Budget Policy, Credit Control and Debt Management Policy, Tariff Policy, Petty Cash Policy, Travel and subsistence Policy, Indigent Policy, Credit Control By-Laws, Property Rates Policy, Property Rates B-Law, Computer and Cell phone Policy, Disposal of land and other Immovable Assets Policy, Writing Off of Bad Debts Policy and Accounting Policy

### 2.4.1 Indigent Policy

Amendment of Indigent policy as follows: Section 2 of the policy- "Households where verified total gross monthly income of all occupants over 18 years of age does not **exceed twice the Government grant** or such other amount as the council may from time to time determine, qualify for a subsidy on property rates and service charge for sewerage and refuse removal, and will additionally receive 6kl of water per month and 50kwh of electricity per month free of charge.

### 2.4.2 Supply Chain Management Policy

The Supply Chain Management Policy which was changed in totality to comply with new supply chain management regulations of 2011

### 2.4.3 Other Policies

Assets Management Policy, Banking and Investment Policy, Budget Policy, Credit Control and Debt Management Policy, Tariff Policy, Petty Cash Policy, Travel and subsistence Policy, Indigent Policy, Credit Control By-Laws, Property Rates Policy, Property Rates B-Law,

Computer and Cell phone Policy, Disposal of land and other Immovable Assets Policy, Writing Off of Bad Debts Policy and Accounting Policy

#### **2.4.4 Collection rate for revenue services**

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (72.1 per cent) of annual billings. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

#### **2.4.5 Salary increases**

The collective agreement regarding salaries/wages came into operation on 1 July 2012. The 2012/13 budget has been compiled on assumption of 8 per cent increase.

#### **2.4.6 Impact of national, provincial and local policies**

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

#### **2.4.7 Ability of the municipality to spend and deliver on the programmes**

It is estimated that a spending rate of at least 90 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2012/13 MTREF of which performance has been factored into the cash flow budget.

### **2.5 Overview of budget funding**

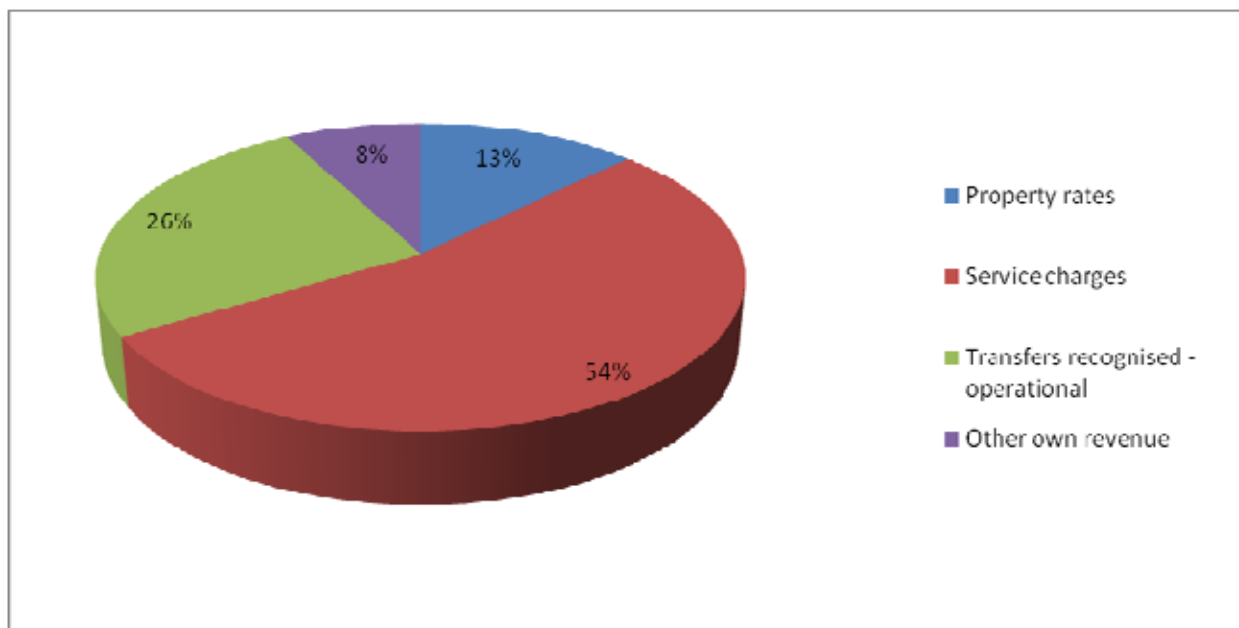
#### **2.5.1 Medium-term outlook: operating revenue**

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

**Table 29 Breakdown of the operating revenue over the medium-term**

Description	2012/13 Medium Term Revenue & Expenditure Framework					
	R thousands	Budget Year 2012/13		Budget Year +1 2013/14		Budget Year +2 2014/15
<b>Financial Performance</b>						
Property rates	64 649	12.6%	71 114	13%	78 225	13%
Service charges	275 784	53.8%	304 927	54%	337 158	55%
Transfers recognised - operational	131 667	25.7%	141 261	25%	153 088	25%
Other own revenue	40 150	7.8%	43 877	8%	47 983	8%
<b>Total Revenue (excl capital transfers &amp; contri)</b>	<b>512 250</b>	<b>100%</b>	<b>561 179</b>	<b>100%</b>	<b>616 454</b>	<b>100%</b>

The following graph is a breakdown of the operational revenue per main category for the 2011/12 financial year.



**Figure 4 Breakdown of operating revenue over the 2012/13 MTREF**

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 provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, 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;

- Achievement of a 96 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- 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 in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

Investment revenue contributes marginally to the revenue base of the municipality with a budget allocation of R120 million, R64 million and R71 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 will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

The tables below provide detail investment information and investment particulars by maturity.

**Table 30 MBRR SA15 – Detail Investment Information**

Investment type	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
<u>Parent municipality</u>									
Deposits - Bank	1 158	1 166	7 500	1 286	750	750	750	750	750
<b>Total:</b>	<b>1 158</b>	<b>1 166</b>	<b>7 500</b>	<b>1 286</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>

**Table 31 MBRR SA16 – Investment particulars by maturity**

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate %	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Monetary value	Interest to be realised
	Yrs/Months								Rand thousand	
<u>Parent municipality</u>										
ABSA	10 years	Fixed deposit	No	Fixed	6%	0	0	30 Days Notice	750	8
<b>TOTAL INVESTMENTS AND INTEREST</b>									<b>750</b>	<b>8</b>



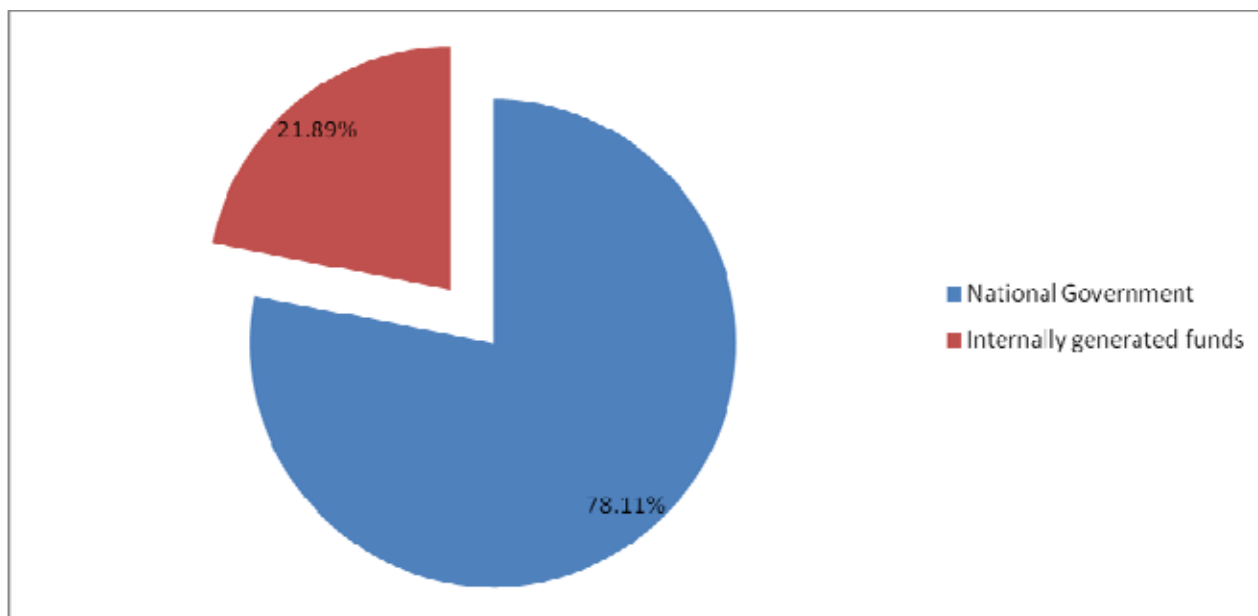
## 2.5.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2012/13 medium-term capital programme:

**Table 32 Sources of capital revenue over the MTREF**

Vote Description			2012/13 Medium Term Revenue & Expenditure Framework					
	R thousand		Budget Year 2012/13		Budget Year +1 2013/14		Budget Year +2 2014/15	
<b>Funded by:</b>								
National Government	42 647		51 733		54 573		57 728	
Transfers recognised - capital	42 647	63.04	51 733	78.11	54 573	78.44	57 728	79.38
Internally generated funds	25 000	36.96	14 500	21.89	15 000	21.56	15 000	20.62
<b>Total Capital Funding</b>	<b>67 647</b>	<b>100.00</b>	<b>66 233</b>	<b>100.00</b>	<b>69 573</b>	<b>100.00</b>	<b>72 728</b>	<b>100.00</b>

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



**Figure 5 Sources of capital revenue for the 2012/13 financial year**

Capital grants and receipts equates to 78.11 per cent of the total funding source which represents R51.7 million for the 2012/13 financial year and steadily increase to R57.7 billion or 79.38 per cent by 2014/15.

Internally generated funds consist of a surpluses generated on the operating statement of financial performance. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds

reconciliation, as discussed below. Internally generated funds consist of R14.5 million in 2012/13 and R15 million for the outer years of MTREF. The percentage funding remains steady in 2013/14 to 2014/15 at 20 per cent

**Table 33 MBRR Table SA 18 - Capital transfers and grant receipts**

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
R thousand									
<b>Capital Transfers and Grants</b>									
	19 843	30 467	36 777	42 647	52 647	46 632	75 733	88 603	101 290
Municipal Infrastructure Grant (MIG)	19 826	30 450	35 459	42 647	42 647	42 647	51 733	54 573	57 728
Public Transport and Systems	17	17	-	-	-	-	-	-	-
Neighbourhood Development Partnership	-	-	-	-	-	-	500	5 750	8 062
Regional Bulk Infrastructure	-	-	1 318	-	10 000	3 985	20 000	25 580	35 000
Other capital transfers/grants [insert desc]	-	-	-	-	-	-	3 500	2 700	500
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>19 843</b>	<b>30 467</b>	<b>36 777</b>	<b>42 647</b>	<b>52 647</b>	<b>46 632</b>	<b>75 733</b>	<b>88 603</b>	<b>101 290</b>

### 2.5.3 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 understandability for councillors and management. 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
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

**Table 34 MBRR Table A7 - Budget cash flow statement**

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
R thousand									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Ratepayers and other	-	177 750	202 888	308 682	308 682	308 682	359 138	396 330	437 419
Government - operating	(24 358)	122 559	142 085	114 851	114 851	114 851	131 667	141 261	153 088
Government - capital	-	-	-	42 647	42 647	42 647	51 733	54 573	57 728
Interest	-	-	30	-	-	-	21 444	23 588	25 947

Dividends	-	-	-	-	-	-	-	-	-
<b>Payments</b>									
Suppliers and employees	-	(210 470)	(296 712)	(399 757)	(399 757)	(399 757)	(439 390)	(481 504)	(510 394)
Finance charges	-	(6 320)	(7 845)	-	-	-	(4 734)	(4 734)	(4 734)
Transfers and Grants	-	-	-	(42 647)	(42 647)	(42 647)	(51 733)	(54 573)	(57 728)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>(24 358)</b>	<b>83 518</b>	<b>40 446</b>	<b>23 777</b>	<b>23 777</b>	<b>23 777</b>	<b>68 125</b>	<b>74 941</b>	<b>101 326</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
Decrease (Increase) in non-current debtors	-	327	-	-	-	-	-	-	-
<b>Payments</b>									
Capital assets	(47 067)	(56 144)	(73 325)	(25 000)	(25 000)	(25 000)	(14 500)	(15 000)	(15 000)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(47 067)</b>	<b>(55 817)</b>	<b>(73 325)</b>	<b>(25 000)</b>	<b>(25 000)</b>	<b>(25 000)</b>	<b>(14 500)</b>	<b>(15 000)</b>	<b>(15 000)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	(3 093)	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	89	136	-	-	-	-	-	-
<b>Payments</b>									
Repayment of borrowing	-	(5 449)	(3 162)	(5 806)	(5 806)	(5 806)	(5 806)	(5 806)	(5 806)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(3 093)</b>	<b>(5 360)</b>	<b>(3 026)</b>	<b>(5 806)</b>	<b>(5 806)</b>	<b>(5 806)</b>	<b>(5 806)</b>	<b>(5 806)</b>	<b>(5 806)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(74 518)</b>	<b>22 341</b>	<b>(35 905)</b>	<b>(7 029)</b>	<b>(7 029)</b>	<b>(7 029)</b>	<b>47 819</b>	<b>54 135</b>	<b>80 520</b>
Cash/cash equivalents at the year begin:	27 115	(47 403)	(25 062)	(60 967)	(60 967)	(60 967)	(60 967)	(13 148)	40 987
Cash/cash equivalents at the year end:	(47 403)	(25 062)	(60 967)	(67 996)	(67 996)	(67 996)	(13 148)	40 987	121 507

The above table shows that cash and cash equivalents of the municipality are largely depleted between the 2007/08 and 2012/13. The municipality has been experiencing deficit through the years. Moving forward from the 2012/13 the municipality is will put more stringent measures for various cost efficiencies and savings to ensure that the municipality could meet its operational expenditure commitments. In addition the municipality will undertake an extensive debt collection process to boost cash levels. These initiatives and interventions will translated into a positive cash position for the municipality and it is projected that cash and cash equivalents on hand will increase to R40 million by 2013/14 and R121 million in 2014/15.

## 2.5.4 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 35 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation**

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
R thousand									
<b>Cash and investments available</b>									
Cash/cash equivalents at the year end	(47 403)	(25 062)	(60 967)	(67 996)	(67 996)	(67 996)	(13 148)	40 987	121 507
Other current investments > 90 days	1 158	839	423	69 341	38 849	38 849	(15 999)	(70 134)	(150 654)
Non current assets – Investments	6 404	6 404	241	–	–	–	–	–	–
<b>Cash and investments available:</b>	<b>(39 841)</b>	<b>(17 819)</b>	<b>(60 302)</b>	<b>1 345</b>	<b>(29 147)</b>	<b>(29 147)</b>	<b>(29 147)</b>	<b>(29 147)</b>	<b>(29 147)</b>
<b>Application of cash and investments</b>									
Unspent conditional transfers	2 699	9 716	2 379	–	–	–	–	–	–
Other working capital requirements	35 812	1 140	28 756	(49 344)	(8 905)	(9 985)	(291 312)	(295 900)	(279 222)
<b>Total Application of cash and investments:</b>	<b>38 511</b>	<b>10 856</b>	<b>31 135</b>	<b>(49 344)</b>	<b>(8 905)</b>	<b>(9 985)</b>	<b>(291 312)</b>	<b>(295 900)</b>	<b>(279 222)</b>
<b>Surplus(shortfall)</b>	<b>(78 352)</b>	<b>(28 675)</b>	<b>(91 438)</b>	<b>50 689</b>	<b>(20 242)</b>	<b>(19 162)</b>	<b>262 165</b>	<b>266 753</b>	<b>250 075</b>

**Table 36 MBRR SA10 – Funding compliance measurement**

Description	MFMA section	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Funding measures</b>											
Cash/cash equivalents at the year end - R'000	18(1)b	(47 403)	(25 062)	(60 967)	(67 996)	(67 996)	(67 996)	(60 967)	(13 148)	40 987	121 507
Cash + investments at the yr end less applications - R'000	18(1)b	(78 352)	(28 675)	(91 438)	50 689	(20 242)	(19 162)	-	262 165	266 753	250 075
Cash year end/monthly employee/supplier payments	18(1)b	(2.8)	(0.9)	(1.8)	(2.5)	(2.5)	(2.1)	-	(0.4)	1.2	3.2
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	88 932	7 477	(8 918)	85 296	98 372	25 934	-	66 234	69 573	72 728
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	11.9%	14.9%	15.8%	(5.6%)	(6.6%)	(106.0%)	1.9%	4.5%	4.5%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	0.0%	64.3%	72.1%	88.6%	89.4%	91.4%	0.0%	94.4%	94.4%	94.4%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7.0%	59.1%	44.1%	3.2%	3.2%	20.4%	0.0%	6.7%	6.6%	6.6%
Capital payments % of capital expenditure	18(1)c;19	165.6%	95.9%	54.9%	37.0%	34.1%	29.6%	0.0%	21.9%	21.6%	20.6%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	(42.6%)	(39.1%)	79.6%	(45.8%)	0.0%	(100.0%)	522.7%	1.4%	(5.1%)
Long term receivables % change - incr(decr)	18(1)a	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	3.1%	2.6%	1.9%	3.5%	2.0%	1.9%	0.0%	1.9%	2.1%	2.3%
Asset renewal % of capital budget	20(1)(vi)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**2.5.4.1 Cash/cash equivalent position**

The municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2012/13 MTREF shows a deficit of R13.1 million and surplus of R40.9 million and R121.5 million for each respective financial year.

#### **2.5.4.2 Cash plus investments less application of funds**

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 21. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made.

#### **2.5.4.3 Monthly average payments covered by cash or cash equivalents**

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. Notably, the ratio has been fluctuating significantly from the period 2007/08 to 2011/12 in the ranges of (2), from 2012/13 it expected that improvement will be recorded from (0.4) to 3.2 with the adopted 2012/13 MTREF. As part of the 2012/13 MTREF the municipalities improving cash position causes the ratio to move upwards to the outer years.

#### **2.5.4.4 Surplus/deficit excluding depreciation offsets**

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2012/13 MTREF the indicative outcome is a surplus of R66 million, R69 million and R72 million.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

#### **2.5.4.5 Property Rates/service charge revenue as a percentage increase less macro inflation target**

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real increase in revenue. From the table above it can be seen that the percentage growth totals 1.9, 4.9 and 4.5 per cent for the respective financial year of the 2012/13 MTREF. Considering the lowest percentage tariff increase in relation to revenue generated from rates and services charges is 1.9 per cent, with the increase in electricity at 11.5 per cent it is to be expected that the increase in revenue will exceed the inflation target figures. However, the outcome is lower than it might be due to the slowdown in the economy and a reduction in consumption patterns. This trend will have to be carefully monitored and managed with the implementation of the budget.

#### *2.5.4.6 Cash receipts as a percentage of ratepayer and other revenue*

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 94.4, per cent for each of the respective financial years. Given that the assumed collection rate was based on a 96 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

#### *2.5.4.7 Debt impairment expense as a percentage of billable revenue*

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 6.7, 6.6 and 6.6 per cent over the MTREF. Considering the debt incentive scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of over 90 days, the provision is well within the accepted leading practice.

#### *2.5.4.8 Capital payments percentage of capital expenditure*

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that a 20 per cent timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

#### *2.5.4.9 Consumer debtors change (Current and Non-current)*

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures are not in line with the municipality's policy of settling debtors accounts within 30 days.

#### *2.5.4.10 Repairs and maintenance expenditure level*

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the Municipality's strategy pertaining to asset management and repairs and maintenance is contained in Table 48 MBRR SA34C on page 84.

#### *2.5.4.11 Asset renewal/rehabilitation expenditure level*

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which

was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets.

## 2.6 Expenditure on grants and reconciliations of unspent funds

**Table 37 MBRR SA19 - Expenditure on transfers and grant programmes**

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13
R thousand										
<b>EXPENDITURE:</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>	66 018	85 075	102 003	117 091	117 091	117 091	131 667	141 261	153 088	
Local Government Equitable Share	65 448	83 825	100 053	114 851	114 851	114 851	129 367	138 891	150 388	
Municipal Systems Improvement	–	–	750	740	740	740	800	870	950	
Finance Management	570	1 250	1 200	1 500	1 500	1 500	1 500	1 500	1 750	
<b>Total operating expenditure of Transfers and Grants:</b>	<b>66 018</b>	<b>85 075</b>	<b>102 003</b>	<b>117 091</b>	<b>117 091</b>	<b>117 091</b>	<b>131 667</b>	<b>141 261</b>	<b>153 088</b>	
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>	19 843	30 467	35 459	42 647	42 647	42 647	75 733	88 603	101 290	
Municipal Infrastructure Grant (MIG)	19 826	30 450	35 459	42 647	42 647	42 647	51 733	54 573	57 728	
Public Transport and Systems	17	17	–	–	–	–	–	–	–	
Neighbourhood Development Partnership							500	5 750	8 062	
Regional Bulk Infrastructure							20 000	25 580	35 000	
Other capital transfers/grants [insert desc]							3 500	2 700	500	
<b>Total capital expenditure of Transfers and Grants</b>	<b>19 843</b>	<b>30 467</b>	<b>35 459</b>	<b>42 647</b>	<b>42 647</b>	<b>42 647</b>	<b>75 733</b>	<b>88 603</b>	<b>101 290</b>	
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>85 861</b>	<b>115 542</b>	<b>137 462</b>	<b>159 738</b>	<b>159 738</b>	<b>159 738</b>	<b>207 400</b>	<b>229 864</b>	<b>254 378</b>	



Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Dihlabeng Local Municipality</b>									
<b>Operating transfers and grants:</b>									
<b>National Government:</b>									
Balance unspent at beginning of the year									
Current year receipts	-	-	102 003	117 091	117 091	117 091	131 667	141 261	153 088
Conditions met - transferred to revenue	-	-	102 003	117 091	117 091	117 091	131 667	141 261	153 088
Conditions still to be met - transferred to liabilities									
<b>Provincial Government:</b>									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
<b>District Municipality:</b>									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
<b>Other grant providers:</b>									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
<b>Total operating transfers and grants revenue</b>	-	-	102 003	117 091	117 091	117 091	131 667	141 261	153 088
<b>Total operating transfers and grants - CTBM</b>	-	-	-	-	-	-	-	-	-
<b>Capital transfers and grants:</b>									
<b>National Government:</b>									
Balance unspent at beginning of the year									
Current year receipts	28 423	30 449	36 777	42 647	42 647	-	51 733	54 573	57 728
Conditions met - transferred to revenue	28 423	30 449	36 777	42 647	42 647	-	51 733	54 573	57 728
Conditions still to be met - transferred to liabilities									
<b>Provincial Government:</b>									
Balance unspent at beginning of the year									
Current year receipts			7 621						
Conditions met - transferred to revenue	-	-	7 621	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
<b>District Municipality:</b>									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
<b>Other grant providers:</b>									
Balance unspent at beginning of the year									
Current year receipts									

Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities									
Total capital transfers and grants revenue	28 423	30 449	44 398	42 647	42 647	-	51 733	54 573	57 728
Total capital transfers and grants - CTBM	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE	28 423	30 449	146 401	159 738	159 738	117 091	183 400	195 834	210 816
TOTAL TRANSFERS AND GRANTS - CTBM	-	-	-	-	-	-	-	-	-

## 2.7 Councillor and employee benefits

**Table 38 MBRR SA22 - Summary of councillor and staff benefits**

Summary of Employee and Councillor remuneration	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	5 073	5 634	6 045	6 414	7 684	7 684	8 566	9 422	10 364
Pension and UIF Contributions	-	-	-	-	-	-	-	-	-
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	1 691	1 878	2 026	1 732	2 561	2 561	2 855	3 141	3 455
Cellphone Allowance	379	406	369	462	-	-	-	-	-
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>	<b>7 143</b>	<b>7 918</b>	<b>8 440</b>	<b>8 608</b>	<b>10 245</b>	<b>10 245</b>	<b>11 421</b>	<b>12 563</b>	<b>13 819</b>
% increase		10.8%	6.6%	2.0%	19.0%	-	11.5%	10.0%	10.0%
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	3 736	2 387	2 587	3 579	3 579	3 579	4 245	4 670	5 137
Pension and UIF Contributions	128	61	-	-	-	-	42	47	51
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	-	-	1 000	1 000	1 000	-	-	-
Motor Vehicle Allowance	1 122	633	934	1 232	1 232	1 232	1 578	1 735	1 909
Cellphone Allowance	59	41	22	96	96	96	114	125	138
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	-	172	36	36	36	-	-	-
Payments in lieu of leave	-	-	142	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>	<b>5 045</b>	<b>3 122</b>	<b>3 857</b>	<b>5 943</b>	<b>5 943</b>	<b>5 943</b>	<b>5 979</b>	<b>6 577</b>	<b>7 235</b>

Summary of Employee and Councillor remuneration	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand	A	B	C	D	E	F	G	H	I
% increase		(38.1%)	23.5%	54.1%	-	-	0.6%	10.0%	10.0%
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	63 595	69 063	84 078	90 283	90 177	90 178	100 390	110 429	121 472
Pension and UIF Contributions	10 016	10 955	15 123	16 045	16 449	16 430	17 439	19 182	21 101
Medical Aid Contributions	6 904	6 531	8 597	8 629	9 323	9 335	11 313	12 444	13 688
Overtime	2 343	4 534	6 868	6 908	8 713	8 713	8 823	9 705	10 676
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	1 782	3 295	3 608	4 705	3 777	3 668	4 360	4 796	5 275
Cellphone Allowance	-	213	(119)	824	335	330	783	861	947
Housing Allowances	-	377	382	405	348	344	588	646	711
Other benefits and allowances	2 328	2 838	636	2 859	883	884	301	331	364
Payments in lieu of leave	-	-	3 961	-	3 193	3 193	-	-	-
Long service awards	-	-	419	-	822	822	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>	<b>86 968</b>	<b>97 806</b>	<b>123 553</b>	<b>130 658</b>	<b>134 020</b>	<b>133 897</b>	<b>143 997</b>	<b>158 394</b>	<b>174 234</b>
% increase		12.5%	26.3%	5.8%	2.6%	(0.1%)	7.5%	10.0%	10.0%
<b>Total Parent Municipality</b>	<b>99 156</b>	<b>108 846</b>	<b>135 850</b>	<b>145 209</b>	<b>150 208</b>	<b>150 085</b>	<b>161 397</b>	<b>177 534</b>	<b>195 288</b>
% increase		9.8%	24.8%	6.9%	3.4%	(0.1%)	7.5%	10.0%	10.0%
<b>Sub Total - Board Members of Entities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
% increase		-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Entities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
% increase		-	-	-	-	-	-	-	-
<b>Sub Total - Other Staff of Entities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
% increase		-	-	-	-	-	-	-	-
<b>Total Municipal Entities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>99 156</b>	<b>108 846</b>	<b>135 850</b>	<b>145 209</b>	<b>150 208</b>	<b>150 085</b>	<b>161 397</b>	<b>177 534</b>	<b>195 288</b>
% increase		9.8%	24.8%	6.9%	3.4%	(0.1%)	7.5%	10.0%	10.0%
<b>TOTAL MANAGERS AND STAFF</b>	<b>92 013</b>	<b>100 928</b>	<b>127 410</b>	<b>136 601</b>	<b>139 963</b>	<b>139 840</b>	<b>149 976</b>	<b>164 971</b>	<b>181 469</b>

**Table 39 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)**

Disclosure of Salaries, Allowances & Benefits 1.	Salary	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum					2.
<b>Councillors</b>					
Speaker	411 969	156 122			568 091
Chief Whip	386 221	147 624			533 845
Executive Mayor	514 961	190 113			705 074
Deputy Executive Mayor	-	-			-
Executive Committee	2 703 546	1 033 371			3 736 917
Total for all other councillors	4 634 655	1 906 700			6 541 355
<b>Total Councillors</b>	<b>8 651 352</b>	<b>3 433 930</b>			<b>12 085 282</b>
<b>Senior Managers of the Municipality</b>					
Municipal Manager (MM)	753 756	360 175	-		1 113 931
Chief Finance Officer	706 839	266 294	-		973 133
Director Community Services	706 839	266 294	-		973 133
Director Public Works	706 839	266 294	-		973 133
Director Corporate Services	706 839	266 294	-		973 133
Director LED	706 839	266 294	-		973 133
<b>Total Senior Managers of the Municipality</b>	<b>4 287 951</b>	<b>1 691 645</b>	<b>-</b>		<b>5 979 596</b>
					-
<b>Total for municipal entities</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	<b>12 939 303</b>	<b>5 125 575</b>	<b>-</b>		<b>18 064 878</b>

**Table 40 MBRR SA24 – Summary of personnel numbers**

Summary of Personnel Numbers	2010/11			Current Year 2011/12			Budget Year 2012/13		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)									
Board Members of municipal entities									
Municipal employees									

Summary of Personnel Numbers	2010/11			Current Year 2011/12			Budget Year 2012/13		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Manager and Senior Managers	6	-	5	6	-	6	6	-	6
Other Managers	60	60	-	60	60	-	50	50	
Professionals	39	39	-	39	39	-	16	14	-
<i>Finance</i>	39	39	-	39	39	-	9	9	
<i>Spatial/town planning</i>							2	2	
<i>Information Technology</i>							2	-	
<i>Roads</i>							-	-	
<i>Electricity</i>							1	1	
<i>Water</i>							1	1	
<i>Sanitation</i>							1	1	
<i>Refuse</i>							-	-	
<i>Other</i>							-	-	
Technicians	127	127	-	127	127	-	157	149	6
<i>Finance</i>							31	25	6
<i>Spatial/town planning</i>							1	1	
<i>Information Technology</i>							2	-	
<i>Roads</i>							9	9	
<i>Electricity</i>							8	8	
<i>Water</i>							10	10	
<i>Sanitation</i>							12	12	
<i>Refuse</i>							4	4	
<i>Other</i>	127	127		127	127		80	80	
Clerks (Clerical and administrative)	105	105		105	105		40	40	
Service and sales workers							-	-	
Skilled agricultural and fishery workers							-	-	
Craft and related trades							-	-	
Plant and Machine Operators							22	22	
Elementary Occupations	484	484		484	484		567	567	
<b>TOTAL PERSONNEL NUMBERS</b>	<b>821</b>	<b>815</b>	<b>5</b>	<b>821</b>	<b>815</b>	<b>6</b>	<b>858</b>	<b>842</b>	<b>12</b>
% increase				-	-	20.0%	4.5%	3.3%	100.0%
<b>Total municipal employees headcount</b>									
Finance personnel headcount									
Human Resources personnel headcount									

## 2.8 Monthly targets for revenue, expenditure and cash flow

**Table 41 MBRR SA25 - Budgeted monthly revenue and expenditure**

Description	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Revenue By Source</b>																
Property rates	5 387	5 387	5 387	5 387	5 387	5 387	5 387	5 387	5 387	5 387	5 387	5 387	64 649	71 114	78 225	
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - electricity revenue	16 547	16 547	11 571	11 571	11 571	11 571	11 571	11 571	11 571	11 571	11 571	15 505	152 738	169 577	188 273	
Service charges - water revenue	3 255	3 255	3 720	3 720	4 491	4 491	4 491	4 491	3 906	3 906	3 906	3 236	46 867	51 554	56 709	
Service charges - sanitation revenue	3 268	3 268	3 268	3 268	3 268	3 268	3 268	3 268	3 268	3 268	3 268	3 268	39 216	43 137	47 451	
Service charges - refuse revenue	3 080	3 080	3 080	3 080	3 080	3 080	3 080	3 080	3 080	3 080	3 080	3 080	36 963	40 659	44 725	
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment	340	340	340	340	340	340	340	340	340	340	340	340	4 078	4 485	4 934	
Interest earned - external investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest earned - outstanding debtors	1 787	1 787	1 787	1 787	1 787	1 787	1 787	1 787	1 787	1 787	1 787	1 787	21 444	23 588	25 947	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers recognised - operational	45 422	-	-	-	43 122	-	-	-	43 122	-	-	-	131 667	141 261	153 088	
Other revenue	1 193	1 193	1 193	1 193	1 193	1 193	1 193	1 193	1 193	1 193	1 193	1 505	14 628	15 804	17 102	
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>80 279</b>	<b>34 857</b>	<b>30 346</b>	<b>30 346</b>	<b>74 240</b>	<b>31 118</b>	<b>31 118</b>	<b>31 118</b>	<b>73 654</b>	<b>30 532</b>	<b>30 532</b>	<b>34 109</b>	<b>512 250</b>	<b>561 179</b>	<b>616 454</b>	

Description	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Expenditure By Type</b>																
Employee related costs	12 498	12 498	12 498	12 498	12 498	12 498	12 498	12 498	12 498	12 498	12 498	12 498	12 498	149 975	164 972	181 470
Remuneration of councillors	952	952	952	952	952	952	952	952	952	952	952	952	952	11 421	12 563	13 819
Debt impairment	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	1 917	23 002	25 302	27 832
Depreciation & asset impairment	2 552	2 552	2 552	2 552	2 552	2 552	2 552	2 552	2 552	2 552	2 552	2 552	2 552	30 623	34 639	38 796
Finance charges	395	395	395	395	395	395	395	395	395	395	395	395	395	4 734	4 734	4 734
Bulk purchases	13 176	13 176	9 214	9 214	9 214	9 214	9 214	9 214	9 214	9 214	9 214	12 347	121 626	138 046	156 682	
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	1 362	1 362	1 362	1 362	1 362	1 362	1 362	1 362	1 362	1 362	1 362	1 362	1 362	16 340	17 320	18 360
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	11 669	11 669	11 669	11 669	11 669	11 669	11 669	11 669	11 669	11 669	11 669	11 669	11 669	140 028	148 603	159 761
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>44 520</b>	<b>44 520</b>	<b>40 558</b>	<b>40 558</b>	<b>40 558</b>	<b>40 558</b>	<b>40 558</b>	<b>40 558</b>	<b>40 558</b>	<b>40 558</b>	<b>40 558</b>	<b>43 690</b>	<b>497 749</b>	<b>546 179</b>	<b>601 454</b>	
<b>Surplus/(Deficit)</b>	<b>35 759</b>	<b>(9 663)</b>	<b>(10 211)</b>	<b>(10 211)</b>	<b>33 683</b>	<b>(9 440)</b>	<b>(9 440)</b>	<b>(9 440)</b>	<b>33 097</b>	<b>(10 025)</b>	<b>(10 025)</b>	<b>(9 582)</b>	<b>14 501</b>	<b>15 000</b>	<b>15 000</b>	
Transfers recognised - capital	4 311	4 311	4 311	4 311	4 311	4 311	4 311	4 311	4 311	4 311	4 311	4 311	51 733	54 573	57 728	
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>40 070</b>	<b>(5 352)</b>	<b>(5 900)</b>	<b>(5 900)</b>	<b>37 994</b>	<b>(5 129)</b>	<b>(5 129)</b>	<b>(5 129)</b>	<b>37 408</b>	<b>(5 714)</b>	<b>(5 714)</b>	<b>(5 271)</b>	<b>66 234</b>	<b>69 573</b>	<b>72 728</b>	
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/(deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>40 070</b>	<b>(5 352)</b>	<b>(5 900)</b>	<b>(5 900)</b>	<b>37 994</b>	<b>(5 129)</b>	<b>(5 129)</b>	<b>(5 129)</b>	<b>37 408</b>	<b>(5 714)</b>	<b>(5 714)</b>	<b>(5 271)</b>	<b>66 234</b>	<b>69 573</b>	<b>72 728</b>	

**Table 42 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

Description R thousand	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Revenue by Vote</b>															
Vote 1 - Corporate Services	417	417	417	417	417	417	417	417	417	417	417	413	5 000	5 500	6 050
Vote 2 - Public Works	6 762	6 762	7 227	7 227	7 999	7 999	7 999	7 999	7 413	7 413	7 413	6 885	89 098	98 008	107 809
Vote 3 - Public Works	17 156	17 156	12 180	12 180	12 180	12 180	12 180	12 180	12 180	12 180	12 180	16 284	160 219	177 520	196 727
Vote 4 - Municipal Manager	64	64	64	64	64	64	64	64	64	64	64	59	763	839	923
Vote 5 - Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Community Services	3 231	3 231	3 231	3 231	3 231	3 231	3 231	3 231	3 231	3 231	3 231	3 232	38 773	42 650	46 915
Vote 7 - Community Services	42	42	42	42	42	42	42	42	42	42	42	37	499	549	603
Vote 8 – Councillors	43 122	-	-	-	43 122	-	-	-	43 122	-	-	1	129 367	138 891	150 388
Vote 9 – Councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 – Finance	9 482	7 182	7 182	7 182	7 182	7 182	7 182	7 182	7 182	7 182	7 182	7 187	88 489	97 178	106 989
Vote 11 – LED	3	3	3	3	3	3	3	3	3	3	3	8	41	45	50
<b>Total Revenue by Vote</b>	<b>80 279</b>	<b>34 857</b>	<b>30 346</b>	<b>30 346</b>	<b>74 240</b>	<b>31 118</b>	<b>31 118</b>	<b>31 118</b>	<b>73 654</b>	<b>30 532</b>	<b>30 532</b>	<b>34 105</b>	<b>512 249</b>	<b>561 179</b>	<b>616 454</b>
<b>Expenditure by Vote to be appropriated</b>															
Vote 1 - Corporate Services	1 865	1 865	1 865	1 865	1 865	1 865	1 865	1 865	1 865	1 865	1 865	1 863	22 378	24 285	26 363
Vote 2 - Public Works	9 126	9 126	9 126	9 126	9 126	9 126	9 126	9 126	9 126	9 126	9 126	9 127	109 516	119 061	129 422
Vote 3 - Public Works													138 758	154 537	174 819
Vote 4 - Municipal Manager	4 141	4 141	4 141	4 141	4 141	4 141	4 141	4 141	4 141	4 141	4 141	4 145	49 696	55 012	60 035
Vote 5 - Municipal Manager	33	33	33	33	33	33	33	33	33	33	33	37	400	400	400
Vote 6 - Community Services	4 737	4 737	4 737	4 737	4 737	4 737	4 737	4 737	4 737	4 737	4 737	4 737	56 844	62 153	67 978
Vote 7 - Community Services	119	119	119	119	119	119	119	119	119	119	119	121	1 430	1 570	1 724
Vote 8 – Councillors	2 666	2 666	2 666	2 666	2 666	2 666	2 666	2 666	2 666	2 666	2 666	2 663	31 989	34 177	36 653
Vote 9 – Councillors	76	76	76	76	76	76	76	76	76	76	76	75	911	886	891
Vote 10 – Finance	6 302	6 302	6 302	6 302	6 302	6 302	6 302	6 302	6 302	6 302	6 302	6 302	75 624	83 586	92 314
Vote 11 – LED	850	850	850	850	850	850	850	850	850	850	850	851	10 201	10 513	10 855



Description R thousand	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Total Expenditure by Vote	29 915	29 915	29 915	29 915	29 915	29 915	29 915	29 915	29 915	29 915	29 915	29 922	497 749	546 179	601 454
Surplus/(Deficit) before assoc.	50 364	4 942	431	431	44 325	1 203	1 203	1 203	43 739	617	617	4 183	14 500	15 000	15 000
Surplus/(Deficit)	50 364	4 942	431	431	44 325	1 203	1 203	1 203	43 739	617	617	4 183	14 500	15 000	15 000

**Table 43 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)**

Description	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>Revenue - Standard</b>																
<i>Governance and administration</i>	53 921	8 499	8 499	8 499	51 621	499 8	499 8	499 8	621 51	499 8	499 8	647 8	802 233	253 323	073 276	
Executive and council	43 122	-	-	-	43 122	-	-	-	122 43	-	-	1 1	367 129	138 891	388 150	
Budget and treasury office	9 482	7 182	7 182	7 182	7 182	182 7	182 7	182 7	182 7	182 7	182 7	187 7	489 88	97 178	989 106	
Corporate services	1 317	1 317	1 317	1 317	1 317	317 1	317 1	317 1	317 1	317 1	317 1	458 1	945 15	17 253	696 18	
<i>Community and public safety</i>	159	159	159	159	159	159	159	159	159	159	159	163	912 1	2 103	313 2	
Community and social services	159	159	159	159	159	159	159	159	159	159	159	163	912 1	2 103	313 2	
<i>Economic and environmental services</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	26 199	26 199	21 687	21 687	22 459	459 22	459 22	459 22	873 21	873 21	873 21	308 25	535 276	305 754	067 338	
Electricity	16 547	16 547	11 571	11 571	11 571	571 11	571 11	571 11	571 11	571 11	571 11	674 15	907 152	169 763	477 188	
Water	3 267	3 267	3 731	3 731	4 503	503 4	503 4	503 4	917 3	917 3	917 3	250 3	009 47	51 710	881 56	
Waste water management	3 272	3 272	3 272	3 272	3 272	272 3	272 3	272 3	272 3	272 3	272 3	267 3	259 39	43 185	504 47	
Waste management	3 113	3 113	3 113	3 113	3 113	113 3	113 3	113 3	113 3	113 3	113 3	117 3	360 37	41 096	205 45	
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	80 279	34 857	30 345	30 345	74 239	117 31	117 31	117 31	653 73	531 30	531 30	118 34	249 512	561 179	454 616	
		51 563	42 075	42 075	129 091	847 42	847 42	847 42	505 128	261 42	261 42					
<b>Expenditure - Standard</b>																
<i>Governance and administration</i>	18 911	18 911	18 911	18 911	18 911	911 18	911 18	911 18	911 18	911 18	911 18	913 18	934 226	247 496	307 269	
Executive and council	6 449	6 449	6 449	6 449	6 449	449 6	449 6	449 6	449 6	449 6	449 6	453 6	392 77	83 621	561 90	
Budget and treasury office	6 302	6 302	6 302	6 302	6 302	302 6	302 6	302 6	302 6	302 6	302 6	302 6	624 75	83 586	314 92	

Description	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14
Corporate services	6 160	6 160	6 160	6 160	6 160	6 160	6 160	6 160	6 160	6 160	6 160	6 158	73 918	80 290	86 432
<b>Community and public safety</b>	<b>2 468</b>	<b>2 468</b>	<b>2 468</b>	<b>2 468</b>	<b>2 468</b>	<b>2 468</b>	<b>2 468</b>	<b>2 468</b>	<b>2 468</b>	<b>2 468</b>	<b>2 468</b>	<b>2 469</b>	<b>29 617</b>	<b>32 312</b>	<b>35 278</b>
Community and social services	2 468	2 468	2 468	2 468	2 468	2 468	2 468	2 468	2 468	2 468	2 468	2 469	29 617	32 312	35 278
<b>Economic and environmental services</b>	<b>2 492</b>	<b>2 492</b>	<b>2 492</b>	<b>2 492</b>	<b>2 492</b>	<b>2 492</b>	<b>2 492</b>	<b>2 492</b>	<b>2 492</b>	<b>2 492</b>	<b>2 492</b>	<b>2 481</b>	<b>29 893</b>	<b>30 299</b>	<b>33 100</b>
Planning and development	365	365	365	365	365	365	365	365	365	365	365	359	4 374	2 469	2 716
Road transport	2 127	2 127	2 127	2 127	2 127	2 127	2 127	2 127	2 127	2 127	2 127	2 121	25 518	27 830	30 384
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>20 649</b>	<b>20 649</b>	<b>16 687</b>	<b>16 687</b>	<b>16 687</b>	<b>16 687</b>	<b>16 687</b>	<b>16 687</b>	<b>16 687</b>	<b>16 687</b>	<b>16 687</b>	<b>19 824</b>	<b>211 305</b>	<b>236 072</b>	<b>263 768</b>
Electricity	14 055	14 055	10 093	10 093	10 093	10 093	10 093	10 093	10 093	10 093	10 093	13 225	132 172	149 638	169 434
Water	1 734	1 734	1 734	1 734	1 734	1 734	1 734	1 734	1 734	1 734	1 734	1 732	20 806	22 777	24 834
Waste water management	2 400	2 400	2 400	2 400	2 400	2 400	2 400	2 400	2 400	2 400	2 400	2 405	28 805	31 329	34 106
Waste management	2 460	2 460	2 460	2 460	2 460	2 460	2 460	2 460	2 460	2 460	2 460	2 462	29 522	32 328	35 395
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	<b>44 520</b>	<b>44 520</b>	<b>40 558</b>	<b>40 558</b>	<b>40 558</b>	<b>40 558</b>	<b>40 558</b>	<b>40 558</b>	<b>40 558</b>	<b>40 558</b>	<b>40 558</b>	<b>43 687</b>	<b>497 749</b>	<b>546 179</b>	<b>601 454</b>
Surplus/(Deficit) before assoc.	35 759	(9 663)	(10 213)	(10 213)	33 681	(9 441)	(9 441)	(9 441)	33 095	(10 027)	(10 027)	(9 569)	14 500	15 000	15 000
Share of surplus/(deficit) of associate												-	-	-	-
<b>Surplus/(Deficit)</b>	<b>35 759</b>	<b>(9 663)</b>	<b>(10 213)</b>	<b>(10 213)</b>	<b>33 681</b>	<b>(9 441)</b>	<b>(9 441)</b>	<b>(9 441)</b>	<b>33 095</b>	<b>(10 027)</b>	<b>(10 027)</b>	<b>(9 569)</b>	<b>14 500</b>	<b>15 000</b>	<b>15 000</b>

**Table 44 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

Description	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Multi-year expenditure to be appropriated</u>															
Capital multi-year expenditure sub-total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Single-year expenditure to be appropriated</u>															
Vote 2 - Public Works												41 601	41 601	53 463	44 939
Vote 3 - Public Works	1 880	2 506	3 760	5 013	7 519	4 177	940	11 279	11 279	11 279	16 039	(62 749)	12 922	3 116	22 089
Vote 6 - Community Services												11 710	11 710	12 995	5 699
Capital single-year expenditure sub-total	1 880	2 506	3 760	5 013	7 519	4 177	940	11 279	11 279	11 279	16 039	(9 438)	66 233	69 574	72 728
Total Capital Expenditure	1 880	2 506	3 760	5 013	7 519	4 177	940	11 279	11 279	11 279	16 039	(9 438)	66 233	69 574	72 728

**Table 45 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)**

Description	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	
<b>Capital Expenditure - Standard</b>																
<i>Governance and administration</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Executive and council													-	-	-	
Budget and treasury office													-	-	-	
Corporate services													-	-	-	
<i>Community and public safety</i>	-	-	-	-	-	-	-	-	-	-	-	17 545	17 545	12 995		
Community and social services													-	-	-	
Sport and recreation													11 710	11 710	12 995	
Public safety													-	-	-	
Housing													5 835	5 835	-	
Health													-	-	-	
<i>Economic and environmental services</i>	-	-	-	-	-	-	-	-	-	-	-	13 807	13 807	11 452		
Planning and development													-	-	-	
Road transport													13 807	13 807	11 452	
Environmental protection													-	-	-	
<i>Trading services</i>	-	-	-	-	-	-	-	-	-	-	-	32 294	32 294	42 011		
Electricity													4 500	4 500	-	
Water													-	-	7 792	
Waste water management													27 794	27 794	34 219	
Waste management													-	-	-	
<i>Other</i>	1 880	2 506	3 760	5 013	7 519	4 177	940	11 279	11 279	11 279	16 039	(73 084)	2 587	3 116		
<b>Total Capital Expenditure - Standard</b>	<b>1 880</b>	<b>2 506</b>	<b>3 760</b>	<b>5 013</b>	<b>7 519</b>	<b>4 177</b>	<b>940</b>	<b>11 279</b>	<b>11 279</b>	<b>11 279</b>	<b>16 039</b>	<b>(9 438)</b>	<b>66 233</b>	<b>69 573</b>		

**Table 46 MBRR SA30 - Budgeted monthly cash flow**

MONTHLY CASH FLOWS	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14
<b>Cash Receipts By Source</b>													1		
Property rates	4 849	4 849	4 849	4 849	4 849	4 849	4 849	4 849	4 849	4 849	4 849	11 310	64 649	71	78
Property rates - penalties & collection charges												-		-	-
Service charges - electricity revenue	15 910	15 910	14 464	12 577	11 434	10 394	10 394	10 394	11 434	11 434	11 434	16 959	152 738	169	188
Service charges - water revenue	2 812	2 812	2 812	2 812	2 812	2 812	2 812	2 812	2 812	2 812	2 812	15 935	46 867	51	56
Service charges - sanitation revenue	2 941	2 941	2 941	2 941	2 941	2 941	2 941	2 941	2 941	2 941	2 941	6 865	39 216	43	47
Service charges - refuse revenue	2 772	2 772	2 772	2 772	2 772	2 772	2 772	2 772	2 772	2 772	2 772	6 471	36 963	40	44
Rental of facilities and equipment	340	340	340	340	340	340	340	340	340	340	340	338	4 078	4	4
Interest earned - external investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	1 787	1 787	1 787	1 787	1 787	1 787	1 787	1 787	1 787	1 787	1 787	1 787	21 444	23	25
Transfer receipts - operational	45 422	-	-	-	43 122	-	-	-	43 122	-	-	1	131 667	141	153
Other revenue	2 808	690	690	690	2 808	690	690	690	2 808	690	690	684	14 628	15	17
<b>Cash Receipts by Source</b>	<b>79 641</b>	<b>32 101</b>	<b>30 655</b>	<b>28 768</b>	<b>72 865</b>	<b>26 585</b>	<b>26 585</b>	<b>26 585</b>	<b>72 865</b>	<b>27 625</b>	<b>27 625</b>	<b>60 350</b>	<b>512 250</b>	<b>561</b>	<b>616</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	18 777	1 850	1 850	1 850	16 977	1 850	1 850	1 850	16 977	1 850	1 850	(15 797)	51 733	54	57
<b>Total Cash Receipts by Source</b>	<b>98 418</b>	<b>33 951</b>	<b>32 505</b>	<b>30 618</b>	<b>89 842</b>	<b>28 435</b>	<b>28 435</b>	<b>28 435</b>	<b>89 842</b>	<b>29 475</b>	<b>29 475</b>	<b>44 553</b>	<b>563 983</b>	<b>615</b>	<b>674</b>
<b>Cash Payments by Type</b>															
Employee related costs	12 498	12 498	12 498	12 498	12 498	12 498	12 498	12 498	12 498	12 498	12 498	12 497	149 975	164	181
Remuneration of councillors	952	952	952	952	952	952	952	952	952	952	952	949	11 421	12	13

MONTHLY CASH FLOWS	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14
Finance charges	394	394	394	394	394	394	394	394	394	394	394	400	4 734	4 734	4 734
Bulk purchases - Electricity	13 176	13 176	9 214	9 214	9 214	9 214	9 214	9 214	9 214	9 214	9 214	12 348	121 626	138 046	156 682
Contracted services	1 362	1 362	1 362	1 362	1 362	1 362	1 362	1 362	1 362	1 362	1 362	1 358	16 340	17 320	18 360
Other expenditure	9 732	9 732	12 542	11 040	10 129	9 302	9 302	9 302	10 129	10 129	10 129	28 560	140 028	148 603	159 761
<b>Cash Payments by Type</b>	<b>38 114</b>	<b>38 114</b>	<b>36 962</b>	<b>35 460</b>	<b>34 549</b>	<b>33 722</b>	<b>33 722</b>	<b>33 722</b>	<b>34 549</b>	<b>34 549</b>	<b>34 549</b>	<b>56 111</b>	<b>444 124</b>	<b>486 238</b>	<b>534 826</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	8 640	6 840	6 840	6 840	6 840	6 840	6 840	6 840	6 840	6 840	6 840	6 840	83 880	96 901	102 715
Repayment of borrowing	417	417	417	417	417	417	417	417	417	417	417	411	4 998	5 298	5 616
Other Cash Flows/Payments	40 000	(6 500)	(9 000)	(9 500)	30 000	(4 000)	(10 000)	(10 000)	30 000	(5 500)	(10 000)	(14 500)	21 000	22 500	27 000
<b>Total Cash Payments by Type</b>	<b>87 171</b>	<b>38 871</b>	<b>35 219</b>	<b>33 217</b>	<b>71 806</b>	<b>36 979</b>	<b>30 979</b>	<b>30 979</b>	<b>71 806</b>	<b>36 306</b>	<b>31 806</b>	<b>48 862</b>	<b>554 002</b>	<b>610 937</b>	<b>670 157</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>11 247</b>	<b>(4 920)</b>	<b>(2 714)</b>	<b>(2 599)</b>	<b>18 036</b>	<b>(8 544)</b>	<b>(2 544)</b>	<b>(2 544)</b>	<b>18 036</b>	<b>(6 831)</b>	<b>(2 331)</b>	<b>(4 309)</b>	<b>9 981</b>	<b>4 815</b>	<b>4 025</b>
Cash/cash equivalents at the month/year begin:	-	11 247	6 327	3 613	1 014	19 049	10 505	7 961	5 417	23 453	16 622	14 290	-	9 981	14 796
Cash/cash equivalents at the month/year end:	11 247	6 327	3 613	1 014	19 049	10 505	7 961	5 417	23 453	16 622	14 290	9 981	9 981	14 796	18 822

## 2.9 Contracts having future budgetary implications

In terms of The Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

## 2.10 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

**Table 47 MBRR SA 34a - Capital expenditure on new assets by asset class**

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13
R thousand										
<u>Capital expenditure on new assets by Asset Class/Sub-class</u>										
-										
<b>Infrastructure</b>	14 753	41 714	-	46 942	-	-	46 101	53 463	49 039	
Infrastructure - Road transport	900	25 539	-	27 145	-	-	13 807	11 452	30 855	
<i>Roads, Pavements &amp; Bridges</i>	900	25 539	-	27 145	-	-	13 807	11 452	30 855	
<i>Storm water</i>	-	-	-	-	-	-	-	-	-	
Infrastructure - Electricity	5 453	5 453	-	2 600	-	-	4 500	-	4 100	
<i>Street Lighting</i>	5 453	5 453	-	2 600	-	-	4 500	-	4 100	
Infrastructure - Water	8 400	1 682	-	11 805	-	-	-	7 792	7 795	
<i>Water purification</i>	8 400	1 682	-	11 805	-	-	-	7 792	7 795	
Infrastructure - Sanitation	-	9 040	-	5 142	-	-	27 794	34 219	6 289	
<i>Reticulation</i>	-	-	-	-	-	-	-	-	-	
<i>Sewerage purification</i>	-	9 040	-	5 142	-	-	7 794	34 219	6 289	
Infrastructure - Other	-	-	-	250	-	-	-	-	-	
<i>Waste Management</i>	-	-	-	250	-	-	-	-	-	
<b>Community</b>	-	-	-	-	-	-	11 710	12 995	5 699	
Recreational facilities	-	-	-	-	-	-	11 710	12 995	5 699	
<b>Heritage assets</b>	-	-	-	-	-	-	5 835	-	-	
Buildings	-	-	-	-	-	-	5 835	-	-	
<b>Other assets</b>	13 670	16 802	133 557	20 705	77 647	84 522	2 587	3 116	17 989	
Other	13 670	16 802	133 557	20 705	77 647	84 522	2 587	3 116	17 989	
<b>Total Capital Expenditure on new assets</b>	28 423	58 516	133 557	67 647	77 647	84 522	66 233	69 574	72 728	



**Table 48 MBRR SA34c - Repairs and maintenance expenditure by asset class**

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
<b>R thousand</b>									
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>									
<b>Infrastructure</b>	<b>17 969</b>	<b>16 823</b>	<b>15 268</b>	<b>20 193</b>	<b>16 179</b>	<b>13 423</b>	<b>19 803</b>	<b>21 899</b>	<b>24 155</b>
Infrastructure - Road transport	-	-	7 261	8 623	6 622	5 608	8 555	9 372	10 295
<i>Roads, Pavements &amp; Bridges</i>	-	-	7 261	8 623	6 622	5 608	8 555	9 372	10 295
<i>Storm water</i>	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	-	-	2 033	2 632	2 632	3 306	3 401	3 726	4 093
<i>Generation</i>	-	-	-	-	-	-	-	-	-
<i>Transmission &amp; Reticulation</i>	-	-	2 033	2 632	2 632	3 306	3 401	3 726	4 093
<i>Street Lighting</i>	-	-	-	-	-	-	-	-	-
Infrastructure - Water	-	-	2 322	6 694	3 881	1 410	4 414	4 993	5 534
<i>Dams &amp; Reservoirs</i>	-	-	-	-	-	-	-	-	-
<i>Water purification</i>	-	-	2 322	6 694	3 881	1 410	4 414	4 993	5 534
<i>Reticulation</i>	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	3 562	2 237	3 037	3 083	3 423	3 798	4 221
<i>Reticulation</i>	-	-	3 562	2 237	3 037	3 083	3 423	3 798	4 221
<i>Sewerage purification</i>	-	-	-	-	-	-	-	-	-
Infrastructure - Other	17 969	16 823	90	7	7	16	10	10	12
<i>Waste Management</i>	-	-	90	7	7	16	10	10	12
<i>Other</i>	17 969	16 823	-	-	-	-	-	-	-
<b>Community</b>	<b>-</b>	<b>-</b>	<b>3 079</b>	<b>1 463</b>	<b>4 519</b>	<b>4 733</b>	<b>5 938</b>	<b>6 396</b>	<b>7 025</b>
Parks & gardens	-	-	977	-	864	1 229	1 117	1 223	1 344
Sportsfields & stadia	-	-	244	393	393	412	508	556	611
Swimming pools	-	-	100	-	105	103	136	149	163
Libraries	-	-	11	-	1	-	3	3	3
Recreational facilities	-	-	-	1 036	-	-	-	-	-
Fire, safety & emergency	-	-	(32)	29	543	854	701	768	844
Cemeteries	-	-	1	3	203	-	263	288	316
Social rental housing	-	-	-	-	-	-	-	-	-
Other	-	-	1 778	-	2 410	2 135	3 210	3 409	3 744
<b>Other assets</b>	<b>-</b>	<b>-</b>	<b>2 246</b>	<b>3 639</b>	<b>1 124</b>	<b>1 371</b>	<b>1 452</b>	<b>1 591</b>	<b>1 746</b>
General vehicles			607	801	438	860	566	620	681
Civic Land and Buildings			1 639	2 616	686	511	886	971	1 065
Other Buildings				99					

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
R thousand									
Other				123					
<b>Intangibles</b>	-	-	2 234	2 424	1 968	2 244	1 308	2 286	2 560
Computers - software & programming			2 234	2 424	1 968	2 244	1 308	2 286	2 560
<b>Total Repairs and Maintenance Expenditure</b>	17 969	16 823	22 827	27 719	23 790	21 771	28 501	32 172	35 486
<b>Specialised vehicles</b>	-	-	-	-	-	-	-	-	-
<i>R&amp;M as a % of PPE</i>	3.1%	2.6%	1.9%	3.5%	2.0%	1.9%	1.9%	2.1%	2.3%
<i>R&amp;M as % Operating Expenditure</i>	6.9%	4.1%	4.3%	6.6%	5.4%	4.2%	5.7%	5.9%	5.9%

**Table 49 MBRR SA35 - Future financial implications of the capital budget**

Vote Description	2012/13 Medium Term Revenue & Expenditure Framework			Forecasts		
	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18
R thousand						
<b>Capital expenditure</b>						
Vote 1 - Corporate Services	-	-	-			
Vote 2 - Public Works	41 601	53 463	44 939			
Vote 3 - Public Works	12 922	3 116	22 089	76 192	79 863	83 755
Vote 6 - Community Services	11 710	12 995	5 699			
<b>Total Capital Expenditure</b>	<b>66 233</b>	<b>69 574</b>	<b>72 728</b>	<b>76 192</b>	<b>79 863</b>	<b>83 755</b>
<b>Future operational costs by vote</b>						
Vote 1 - Corporate Services	22 378	24 285	26 363	28 629	31 098	33 791
Vote 2 - Public Works	248 275	273 598	304 241	338 624	377 102	420 180
Vote 3 - Public Works	-	-	-	-	-	-
Vote 4 - Municipal Manager	50 096	44 512	60 435	65 952	71 989	78 597
Vote 5 - Municipal Manager	-	-	-	-	-	-
Vote 6 - Community Services	58 274	63 724	69 702	76 265	83 459	91 345
Vote 7 - Community Services	-	-	-	-	-	-
Vote 8 - Councillors	32 900	35 063	37 544	40 266	43 250	46 524
Vote 9 - Councillors	-	-	-	-	-	-
Vote 10 - Finance	75 624	83 586	92 314	103 779	116 019	129 043
Vote 11 - LED	10 201	10 513	10 855	11 231	11 644	12 097
<b>Total future operational costs</b>	<b>497 748</b>	<b>535 281</b>	<b>601 454</b>	<b>664 746</b>	<b>734 561</b>	<b>811 577</b>
<b>Future revenue by source</b>						
Property rates	64 649	71 114	78 225	86 048	86 048	86 048
Property rates - penalties & collection charges	-	-	-	-	-	-
Service charges - electricity revenue	152 738	169 577	188 273	209 029	232 075	257 661
Service charges - water revenue	46 867	51 554	56 709	62 380	68 618	75 480

Vote Description	2012/13 Medium Term Revenue & Expenditure Framework			Forecasts		
	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18
R thousand						
Service charges - sanitation revenue	39 216	43 137	47 451	52 196	57 416	63 157
Service charges - refuse revenue	36 963	40 659	44 725	49 197	54 117	59 529
Rental of facilities and equipment	4 078	4 485	4 934	5 427	5 970	6 567
<i>Other income</i>	14 628	15 804	17 102	215 468	245 318	278 136
<i>Capital grants expenditure</i>	131 667	141 261	153 088	61 192	64 863	68 755
<b>Total future revenue</b>	<b>490 806</b>	<b>537 591</b>	<b>590 507</b>	<b>740 937</b>	<b>814 425</b>	<b>895 333</b>
<b>Net Financial Implications</b>	<b>73 175</b>	<b>67 264</b>	<b>83 675</b>	<b>1</b>	<b>(1)</b>	<b>(1)</b>

## 2.11 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting  
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved.
2. Internship programme  
The municipality is participating in the Municipal Financial Management Internship programme and has employed four interns undergoing training in various divisions of the Financial Services Department. The municipality has successfully employed and trained 9 interns through this programme and a majority of them were appointed by the municipality
3. Budget and Treasury Office  
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee  
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan  
The detail 2012/13 MTREF SDBIP document was submitted to the Major 21 days after the approval of the budget.
6. Annual Report  
Annual report is compiled in terms of the MFMA and National Treasury requirements.

## 2.12 Other supporting documents

**Table 50 MBRR Table SA1 - Supporting detail to budgeted financial performance**

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
<b>REVENUE ITEMS:</b>									
<b>Property rates</b>									
Total Property Rates	53 068	52 074	53 400	63 213	63 213	63 213	64 649	71 114	78 225
<i>less Revenue Foregone</i>									
<b>Net Property Rates</b>	53 068	52 074	53 400	63 213	63 213	63 213	64 649	71 114	78 225
<b>Service charges - electricity revenue</b>									
Total Service charges - electricity revenue	54 883	77 874	102 844	136 879	137 571	136 912	152 738	169 577	188 273
<i>less Revenue Foregone</i>									
<b>Net Service charges - electricity revenue</b>	54 883	77 874	102 844	136 879	137 571	136 912	152 738	169 577	188 273
<b>Service charges - water revenue</b>									
Total Service charges - water revenue	32 339	30 084	37 880	44 214	44 214	43 226	46 867	51 554	56 709
<i>less Revenue Foregone</i>									
<b>Net Service charges - water revenue</b>	32 339	30 084	37 880	44 214	44 214	43 226	46 867	51 554	56 709
<b>Service charges - sanitation revenue</b>									
Total Service charges - sanitation revenue	23 443	28 799	33 194	36 996	36 996	36 698	39 216	43 137	47 451
<i>less Revenue Foregone</i>									
<b>Net Service charges - sanitation revenue</b>	23 443	28 799	33 194	36 996	36 996	36 698	39 216	43 137	47 451
<b>Service charges - refuse revenue</b>									
Total refuse removal revenue	17 394	24 676	30 743	33 070	33 555	33 555	36 963	40 659	44 725
Total landfill revenue									
<i>less Revenue Foregone</i>									
<b>Net Service charges - refuse revenue</b>	17 394	24 676	30 743	33 070	33 555	33 555	36 963	40 659	44 725
<b>Other Revenue by source</b>									
<i>Other</i>	54 289	47 144	6 781	33 966	2 977	2 176	9 628	10 304	11 052
<i>Interest on late payment</i>			-		-	-	-	-	-
<i>Skill development levy</i>			202		5 000	611	5 000	5 500	6 050
<b>Total 'Other' Revenue</b>	54 289	47 144	6 983	33 966	7 977	2 787	14 628	15 804	17 102
<b>EXPENDITURE ITEMS:</b>									
<b>Employee related costs</b>									
Basic Salaries and Wages	67 330	71 450	86 630	93 861	93 756	93 757	104 635	115 099	126 609
Pension and UIF Contributions	17 047	17 548	-	24 675	-	-	-	-	-

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Medical Aid Contributions	-	-	15 018	-	16 347	16 328	17 443	19 188	21 107
Overtime	2 343	4 534	8 597	6 908	9 323	9 335	11 313	12 444	13 688
Performance Bonus	-	-	6 868	1 000	8 713	8 731	8 823	9 705	10 676
Motor Vehicle Allowance	5 291	7 020	-	9 752	-	-	-	-	-
Cellphone Allowance	-	-	4 541	-	5 009	4 900	5 938	6 531	7 185
Housing Allowances	-	377	272	405	431	426	897	986	1 085
Other benefits and allowances	-	-	342	-	306	302	469	516	567
Payments in lieu of leave	-	-	1 370	-	1 645	1 646	457	503	553
Long service awards	-	-	3 688	-	2 610	2 610	-	-	-
Post-retirement benefit obligations	-	-	419	-	822	822	-	-	-
<b>sub-total</b>	<b>92 011</b>	<b>100 929</b>	<b>127 745</b>	<b>136 601</b>	<b>138 962</b>	<b>138 857</b>	<b>149 975</b>	<b>164 972</b>	<b>181 470</b>
<u>Less: Employees costs capitalised to PPE</u>									
<b>Total Employee related costs</b>	<b>92 011</b>	<b>100 929</b>	<b>127 745</b>	<b>136 601</b>	<b>138 962</b>	<b>138 857</b>	<b>149 975</b>	<b>164 972</b>	<b>181 470</b>
<b>Depreciation &amp; asset impairment</b>									
Depreciation of Property, Plant & Equipment	-	-	74 158	20 823	45 672	73 529	30 623	34 639	38 796
<b>Total Depreciation &amp; asset impairment</b>	<b>-</b>	<b>-</b>	<b>74 158</b>	<b>20 823</b>	<b>45 672</b>	<b>73 529</b>	<b>30 623</b>	<b>34 639</b>	<b>38 796</b>
<b>Bulk purchases</b>									
Electricity Bulk Purchases	43 165	56 867	74 519	115 026	110 000	112 535	121 626	138 046	156 682
Water Bulk Purchases	1 464	-	-	-	-	-	-	-	-
<b>Total bulk purchases</b>	<b>44 629</b>	<b>56 867</b>	<b>74 519</b>	<b>115 026</b>	<b>110 000</b>	<b>112 535</b>	<b>121 626</b>	<b>138 046</b>	<b>156 682</b>
<b>Contracted services</b>									
Professional services	885	1 319	14 307	8 470	8 070	13 920	8 340	8 840	9 371
Land fill site	-	-	24 335	-	9 840	9 840	8 000	8 480	8 989
<b>sub-total</b>	<b>885</b>	<b>1 319</b>	<b>38 642</b>	<b>8 470</b>	<b>17 910</b>	<b>23 760</b>	<b>16 340</b>	<b>17 320</b>	<b>18 360</b>
<b>Total contracted services</b>	<b>885</b>	<b>1 319</b>	<b>38 642</b>	<b>8 470</b>	<b>17 910</b>	<b>23 760</b>	<b>16 340</b>	<b>17 320</b>	<b>18 360</b>
<b>General expenses</b>	<b>70 080</b>	<b>84 921</b>	<b>39 522</b>	<b>9 914</b>	<b>40 758</b>	<b>39 278</b>	<b>43 731</b>	<b>45 998</b>	<b>50 349</b>
Repairs and maintenance	17 969	16 823	-	27 722	-	-	-	-	-
Indigent subsidy	5 355	9 366	5 302	19 018	3 307	3 307	16 056	17 662	19 428
Audit fees	-	-	3 003	3 400	3 400	3 400	3 604	3 820	4 049
Arts and culture	-	-	1 223	1 500	-	-	1 000	1 000	1 000
Bursaries	-	-	2	2 000	2 000	-	1 500	1 500	1 500
Departmental electricity	-	-	4 737	20 357	11 485	11 485	12 174	12 905	13 679
Departmental water	-	-	57	1 746	1 482	1 482	1 571	1 665	1 765
Insurance	-	-	3 432	1 200	3 432	622	3 600	3 816	4 045
Mayoral donations	-	-	435	3 000	2 000	2 695	1 800	1 800	1 800
Meter reading services	-	-	1 929	2 515	2 075	2 075	2 280	2 417	2 562
Security services	-	-	5 295	4 650	7 381	7 381	7 824	8 293	8 791
LED Projects	-	-	2 139	5 000	2 000	3 062	7 000	7 000	7 000

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<i>Telephone expenses</i>	-	-	2 203	2 231	2 231	1 713	2 320	2 459	2 607
<i>Training</i>	-	-	556	5 000	5 000	257	5 000	5 500	6 050
<i>Transport</i>	-	-	9 893	8 000	9 327	9 263	5 000	5 500	6 050
<i>Fuel</i>	-	-	-	-	-	-	4 147	4 562	5 018
<i>Bank charges</i>			1 096	-	1 143	1 143	1 212	1 285	1 362
<i>Water chemicals</i>			1 468	-	1 721	1 585	1 825	1 934	2 050
<i>Rental of vehicles</i>			391	-	405	391	14 829	15 719	16 662
<i>Licences</i>			337	-	388	390	3 555	3 768	3 995
<b>Total 'Other' Expenditure</b>	<b>93 404</b>	<b>111 109</b>	<b>83 020</b>	<b>117 253</b>	<b>99 537</b>	<b>89 530</b>	<b>140 028</b>	<b>148 603</b>	<b>159 761</b>
Other Expenditure	17 969	16 823	22 828	27 722	23 790	21 771	28 500	32 171	35 487
<b>Total Repairs and Maintenance Expenditure</b>	<b>17 969</b>	<b>16 823</b>	<b>22 828</b>	<b>27 722</b>	<b>23 790</b>	<b>21 771</b>	<b>28 500</b>	<b>32 171</b>	<b>35 487</b>

**Table 51 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)**

Description	Vote 3 - Public Works	Vote 4 - Municipal Manager	Vote 5 - Municipal Manager	Vote 6 - Community Services	Vote 7 - Community Services	Vote 8 - Councillors	Vote 10 - Finance	Vote 11 - LED	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Total
R thousand											
<b>Property rates - penalties &amp; collection charges</b>											
Service charges - electricity revenue									152 738		152 738
Service charges - sanitation revenue			39 216								39 216
Service charges - refuse revenue			36 963								36 963
Rental of facilities and equipment						4 078					4 078
Interest earned - outstanding debtors			21 444								21 444
Total Revenue (excluding capital transfers and contributions)	-		5 000								5 000
Gains on disposal of PPE							1 500				1 500
<b>Expenditure By Type</b>	-	-	102 623	-	-	4 078	1 500	-	152 738	-	260 939
<b>Remuneration of councillors</b>											
Debt impairment	9 046	47 888		33 845		35 229	6 397		14 641	2 930	149 975
Depreciation & asset impairment							11 421				11 421
Finance charges	-	4 304		-		1 848	-		16 849	-	23 002
Bulk purchases									30 623		30 623
Other materials	-	1 702		-		(1 846)	4 878		-	-	4 734
Contracted services		121 626									121 626
Other expenditure		14 829		16 164		8 000					38 993
0	13 332	57 926		87		15 043	10 204		13 511	7 272	117 375
<b>Total Expenditure</b>	<b>22 378</b>	<b>248 275</b>	<b>-</b>	<b>50 096</b>	<b>-</b>	<b>58 274</b>	<b>32 900</b>	<b>-</b>	<b>75 624</b>	<b>10 201</b>	<b>497 749</b>
Contributions recognised – capital	(22 378)	(248 275)	102 623	(50 096)	-	(54 196)	(31 400)	-	77 114	(10 201)	(236 810)
Surplus/(Deficit) after taxation	(22 378)	(248 275)	102 623	(50 096)	-	(54 196)	(31 400)	-	77 114	(10 201)	(236 810)



**Table 52 MBRR Table SA3 – Supporting detail to Statement of Financial Position**

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>									
<b>ASSETS</b>									
<b><u>Call investment deposits</u></b>									
Call deposits < 90 days	1 158	1 166	750	1 286	750	750	750	750	750
Other current investments > 90 days	-	-	-	-	-	-	-	-	-
<b>Total Call investment deposits</b>	<b>1 158</b>	<b>1 166</b>	<b>750</b>	<b>1 286</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>	<b>750</b>
<b><u>Consumer debtors</u></b>									
Consumer debtors	175 219	204 242	282 099	300 000	330 000	330 000	360 000	390 000	400 000
Less: Provision for debt impairment	(15 345)	(115 478)	(228 616)	(202 478)	(278 616)	(278 616)	(23 002)	(48 304)	(76 136)
<b>Total Consumer debtors</b>	<b>159 873</b>	<b>88 764</b>	<b>53 483</b>	<b>97 522</b>	<b>51 384</b>	<b>51 384</b>	<b>336 998</b>	<b>341 696</b>	<b>323 864</b>
<b><u>Debt impairment provision</u></b>									
Balance at the beginning of the year	105 797	15 345	115 478	170 478	228 616	228 616	-	23 002	48 304
Contributions to the provision	12 826	128 214	115 009	65 000	30 000	30 000	23 002	25 302	27 832
Bad debts written off	(103 278)	(28 081)	(1 871)	(33 000)	20 000	20 000	-	-	-
<b>Balance at end of year</b>	<b>15 345</b>	<b>115 478</b>	<b>228 616</b>	<b>202 478</b>	<b>278 616</b>	<b>278 616</b>	<b>23 002</b>	<b>48 304</b>	<b>76 136</b>
<b><u>Property, plant and equipment (PPE)</u></b>									
PPE at cost/valuation (excl. finance leases)	579 883	635 108	1 442 363	795 108	1 442 363	1 442 363	1 509 147	1 580 125	1 677 497
Leases recognised as PPE	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation	-	-	230 560	-	276 231	304 089	30 623	65 262	104 059
<b>Total Property, plant and equipment (PPE)</b>	<b>579 883</b>	<b>635 108</b>	<b>1 211 803</b>	<b>795 108</b>	<b>1 166 131</b>	<b>1 138 274</b>	<b>1 478 524</b>	<b>1 514 863</b>	<b>1 573 438</b>
<b>LIABILITIES</b>									
<b><u>Current liabilities - Borrowing</u></b>									
Short term loans (other than bank overdraft)	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities	4 048	3 972	3 135	3 000	3 000	3 000	3 000	3 000	3 000
<b>Total Current liabilities - Borrowing</b>	<b>4 048</b>	<b>3 972</b>	<b>3 135</b>	<b>3 000</b>	<b>3 000</b>	<b>3 000</b>	<b>3 000</b>	<b>3 000</b>	<b>3 000</b>
<b><u>Trade and other payables</u></b>									
Trade and other creditors	35 812	59 654	69 213	40 000	40 000	40 000	30 000	30 000	30 000
Unspent conditional transfers	2 699	9 716	2 379	-	-	-	-	-	-
VAT	1 852	13 086	13 962	13 000	13 000	13 000	13 000	13 000	13 000
<b>Total Trade and other payables</b>	<b>40 363</b>	<b>82 455</b>	<b>85 554</b>	<b>53 000</b>	<b>53 000</b>	<b>53 000</b>	<b>43 000</b>	<b>43 000</b>	<b>43 000</b>

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<b>R thousand</b>									
<b><u>Non current liabilities – Borrowing</u></b>									
Borrowing	41 208	35 868	32 763	25 000	32 763	32 763	-	-	-
Finance leases (including PPP asset element)	90	57	20	-	-	-	-	-	-
<b>Total Non current liabilities – Borrowing</b>	<b>41 298</b>	<b>35 925</b>	<b>32 783</b>	<b>25 000</b>	<b>32 763</b>	<b>32 763</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Provisions - non-current</u></b>									
Retirement benefits	20 657	21 400	25 580	22 000	25 580	25 580	25 580	25 580	25 580
<i>List other major provision items</i>									
Refuse landfill site rehabilitation	9 297	18 929	36 545	25 000	36 545	36 545	33 223	33 223	33 223
Other	-	-	-	-	-	-	-	-	-
<b>Total Provisions - non-current</b>	<b>29 953</b>	<b>40 330</b>	<b>62 125</b>	<b>47 000</b>	<b>62 125</b>	<b>62 125</b>	<b>58 803</b>	<b>58 803</b>	<b>58 803</b>
<b>CHANGES IN NET ASSETS</b>									
<b><u>Accumulated Surplus/(Deficit)</u></b>									
Accumulated Surplus/(Deficit) - opening balance	547 122	585 898	1 949 742	638 897	1 840 258	1 840 258	-	109 977	207 172
GRAP adjustments	(22 481)	1 315	-	-	-	-	-	-	-
Restated balance	524 641	587 212	1 949 742	638 897	1 840 258	1 840 258	-	109 977	207 172
Surplus/(Deficit)	88 932	7 477	(8 918)	85 296	98 372	25 934	66 234	69 573	72 728
Other adjustments	-	-	(100 566)	128 377	(8 120)	47 613	43 742	27 623	27 258
<b>Accumulated Surplus/(Deficit)</b>	<b>613 573</b>	<b>594 689</b>	<b>1 840 258</b>	<b>852 570</b>	<b>1 930 510</b>	<b>1 913 804</b>	<b>109 977</b>	<b>207 172</b>	<b>307 158</b>
<b><u>Reserves</u></b>									
Housing Development Fund	-	-	-	-	-	-	-	-	-
Capital replacement	-	-	-	-	-	-	-	-	-
Self-insurance	-	-	-	-	-	-	-	-	-
Other reserves	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
<b>Total Reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>613 573</b>	<b>594 689</b>	<b>1 840 258</b>	<b>852 570</b>	<b>1 930 510</b>	<b>1 913 804</b>	<b>109 977</b>	<b>207 172</b>	<b>307 158</b>

**Table 53 MBRR Table SA9 – Social, economic and demographic statistics and assumptions**

Description of economic indicator	2001 Census	2007 Survey	2008/9	2009/10	2010/11	Current Year 2011/12	2012/13 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>									
Population	129	108	115	115	115	115	115	115	115
Females aged 5 - 14	27	23	24	24	24	24	24	24	24
Males aged 5 - 14	23	20	21	21	21	21	21	21	21
Females aged 15 - 34	51	43	45	45	45	45	45	45	45
Males aged 15 - 34	49	42	44	44	44	44	44	44	44
Unemployment	30	25	27	27	27	27	27	27	27
<b>Detail on the provision of municipal services for A10</b>									
Total municipal services	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Household service targets (000)									
Water:									
Piped water inside dwelling	27 842	29 918	29 918	48 000	28 748	-	28 748	28 748	28 748
Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	-	-	-	-	3 088	-	3 088	3 088	3 088
Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total	27 842	29 918	29 918	48 000	31 836	-	31 836	31 836	31 836
Total number of households	27 842	29 918	29 918	48 000	31 836	-	31 836	31 836	31 836
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	-	23 948	23 948	39 000	27 220	-	27 220	30 220	30 220
Flush toilet (with septic tank)	2 417	-	-	-	-	-	-	-	-
Chemical toilet	-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)	5 700	6 000	6 000	6 000	4 616	-	4 616	1 616	1 616
Minimum Service Level and Above sub-total	8 117	29 948	29 948	45 000	31 836	-	31 836	31 836	31 836
Total number of households	8 117	29 948	29 948	45 000	31 836	-	31 836	31 836	31 836
Energy:									
Electricity (at least min.service level)	2 945	2 945	2 945	2 945	2 945	-	2 945	2 945	2 945
Electricity - prepaid (min.service level)	6 541	6 541	6 541	6 541	28 891	-	28 891	28 891	28 891
Minimum Service Level and Above sub-total	9 486	9 486	9 486	9 486	31 836	-	31 836	31 836	31 836

Description of economic indicator	2001 Census	2007 Survey	2008/9	2009/10	2010/11	Current Year 2011/12	2012/13 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Total number of households	9 486	9 486	9 486	9 486	31 836	-	31 836	31 836	31 836
Refuse:									
Removed at least once a week	27 842	29 918	29 918	48 000	24 386	-	31 836	31 836	31 836
Minimum Service Level and Above sub-total	27 842	29 918	29 918	48 000	24 386	-	31 836	31 836	31 836
Removed less frequently than once a week	-	-	-	-	7 450	-	-	-	-
Below Minimum Service Level sub-total	-	-	-	-	7 450	-	-	-	-
Total number of households	27 842	29 918	29 918	48 000	31 836	-	31 836	31 836	31 836
Municipal in-house services	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Household service targets (000)									
Water:									
Piped water inside dwelling	27 842	29 918	29 918	48 000	28 748	-	28 748	28 748	28 748
Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	-	-	-	-	3 088	-	3 088	3 088	3 088
Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total	27 842	29 918	29 918	48 000	31 836	-	31 836	31 836	31 836
Total number of households	27 842	29 918	29 918	48 000	31 836	-	31 836	31 836	31 836
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	-	23 948	23 948	39 000	27 220	-	27 220	30 220	30 220
Flush toilet (with septic tank)	2 417	-	-	-	-	-	-	-	-
Chemical toilet	-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)	5 700	6 000	6 000	6 000	4 616	-	4 616	1 616	1 616
Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total	8 117	29 948	29 948	45 000	31 836	-	31 836	31 836	31 836
Total number of households	8 117	29 948	29 948	45 000	31 836	-	31 836	31 836	31 836
Energy:									
Electricity (at least min.service level)	2 945	2 945	2 945	2 945	2 945	-	2 945	2 945	2 945
Electricity - prepaid (min.service level)	6 541	6 541	6 541	6 541	6 541	6 541	6 541	6 541	6 541
Minimum Service Level and Above sub-total	9 486	9 486	9 486	9 486	9 486	6 541	9 486	9 486	9 486
Total number of households	9 486	9 486	9 486	9 486	9 486	6 541	9 486	9 486	9 486
Refuse:									
Removed at least once a week	27 842	29 918	29 918	48 000	24 386	-	31 836	31 836	31 836

Description of economic indicator	2001 Census	2007 Survey	2008/9	2009/10	2010/11	Current Year 2011/12	2012/13 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Minimum Service Level and Above sub-total	27 842	29 918	29 918	48 000	24 386	-	31 836	31 836	31 836
Removed less frequently than once a week	-	-	-	-	7 450	-	-	-	-
Below Minimum Service Level sub-total	-	-	-	-	7 450	-	-	-	-
Total number of households	27 842	29 918	29 918	48 000	31 836	-	31 836	31 836	31 836
Services provided by 'external mechanisms'	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Names of service providers									
Eskom									
Electricity - prepaid (min.service level)					22 350	(6 541)	22 350	22 350	22 350
Minimum Service Level and Above sub-total	-	-	-	-	22 350	(6 541)	22 350	22 350	22 350
Total number of households	-	-	-	-	22 350	(6 541)	22 350	22 350	22 350

**Table 54 MBRR SA32 – List of external mechanisms**

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
MASHININI ENTERPRISE	Yrs	1	Management of land fill site and plant hire	30 June 2013	16 800
GOVERNMENT GARAGE	Yrs	3	Hiring of vehicles	30 June 2015	43 200
ISINTU	Yrs	1	Cleaning of VIP toilets in Paul Roux and Rosendal	30 June 2013	1 440
LITTLE VENICE	Yrs	1	Electricity Disconnections	30 June 2013	180
KOPANANG SERVICES	Yrs	1	Meter reading services	30 June 2013	2 280
G4S	Mths	Monthly	Cash collection services	N/A	204
SEBATA MUNICIPAL SOLUTION	Mths	Monthly	Old financial system	N/A	144
BCX	Yrs	N/A	Financial system	N/A	3 000
LITHOTEC SALES	Mths	Monthly	Printing of Municipal accounts	N/A	516
BETHLEHEM HYDRO	Yrs	N/A	Private power generation	N/A	7 200
GC TECH	Mths	Monthly	Internet service provider	N/A	180
BOHLOKONG COMPUTER SOLUTION	Mths	Monthly	IT service provider	N/A	3 120
DINATLA	Yrs	1	Debt collection	30 June 2013	3 600

### 2.13 Municipal manager's quality certificate

I ....., municipal manager of Dihlabeng Local Mnicipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name \_\_\_\_\_

Municipal manager of Dihlabeng Local Municipality

Signature \_\_\_\_\_

Date \_\_\_\_\_