



DRAFT ANNUAL BUDGET OF
**MAKHUDUTHAMAGA LOCAL
MUNICIPALITY**

2013/2014

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 - **All public libraries of the municipality**
 - **At www.makhuduthamaga.gov.za**
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Abbreviations and Acronyms

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

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1.1 Mayor's report.

MADAM SPEAKER
CHIEF- WHIP OF THE COUNCIL
MEMBERS OF THE EXECUTIVE COMMITTEE
TRADITIONAL LEADERS
HONORABLE COUNCILORS
LEADERS FROM DIFFERENT SECTORS
MUNICIPAL MANAGER AND STAFF
MEMBERS OF THE COMMUNITY
LADIES AND GENTLEMEN

Madam speaker

We are gathered here today, a year after the fourth democratic local government elections held on the 18th of May 2011. On the 18th of May 2011, it was voters and not the politicians who were the main players. These voters now expect that we must honour the commitment that we made in our election manifestos. Today we are here before the members of our communities to account on the work done and our plans for the future.

Madam Speaker

One of the elements of participatory governance is for the community to foster participation in the IDP process.

The act requires the council to consider the views of the community when finalizing the plan. The public will be given enough time through public hearings to express views on the draft budget.

Today, we are tabling the 2013/14 Draft Annual budget to this council for approval.

OWN REVENUE AND GRANTS

The total budget for 2013/14 financial year is R264.4 million

The total operational expenditure is R153.1 million

The total capital expenditure is R 111.2 million

This money comes from both the National and Provincial governments, as yearly grants and other part of the money comes from our own municipality through our local revenue sources.

PROPERTY RATES

Our main own revenue source is property rate, which is the tax that is imposed on the market value of land and buildings.

Our municipality has started to implement the Property Rates Act in July 2009 and is billing all government and business buildings.

Since the implementation of the Municipal Property Rates Act (MPRA), we have been finding it difficult to collect the projected amounts. There are findings that our tariffs for property Rates are very high and so during 2012/13 financial year these tariffs are reduced from 3 cents to 2 cents in

a rand to make property rates affordable and to encourage debtors to pay their accounts.

CORPORATE SERVICES

This department has been allocated R16.7 million.

PLANNING AND LED

These departments are allocated R10.6 million.

BUDGET AND TREASURY

The department of Budget and Treasury has been allocated R56.9 million.

TECHNICAL SERVICES

HOUSING

Local municipalities are not responsible for housing but the Department of Cooperate Governance, Human Settlements and Traditional Affairs (CoGHSTA). We get allocation from CoGHSTA and we are only required to identify beneficiaries.

We are allocating R11 million for the extension of municipal offices.

REPAIRS AND MAINTANCE OF ROADS AND BRIDGES

We have complied with the requirements that a minimum of 8% of the operational budget which is R153 million, must be put aside for repairs and maintenance. We are therefore allocating R17 million for road maintenance.

MIG PROJECTS

1. Maila Mapitsane = R1500, 000.00
2. Kutupu Road and Storm Water = R3000, 000.00
3. Vierfontein to Rietfontein Road = R7, 069, 613.00
4. Moretsele Access Road = R2, 000, 000.00
5. Vlak/Kome Access Bridge = R1, 500, 000.00
6. Madibaneng Access Bridge = R1, 000, 000.00
7. Construction of Kalafong Access Road = R315, 955.61
8. Maila Mapitane/Mokadi Bridge = R1, 173,836
9. Madibong road and stormwater = R3, 299, 977.00
10. Access road to water treatment station at Riverside = R1, 665, 753.00

LET US LEARN TO DO MORE WITH THE LITTLE THAT WE HAVE.
THANK YOU!!!!!!

1.2 Council resolutions.



LOCAL MUNICIPALITY

COUNCIL RESOLUTIONS

Ref: 3/2/1/3

RESOLUTION No. 69

AGENDA ITEM: SC/13.1/03//2013 FIRST DRAFT IDP BUDGET 2013/2014

RESOLUTION ON THE TABLING AND ADOPTION OF DRAFT IDP/BUDGET 2013/2014-2015/2016

NOTING THAT:

1. The Local Government Municipal Systems Act 32 of 2000 section 34 a municipal council must review its integrated development plan annually in accordance with the assessment of its performance measurements in terms of section 41,
2. Local Government Municipal Finance Management Act 56 of 2003 section 24 the municipal council must at least 90 days before the start of the budget year consider tabling of the annual budget
 - 2.1 The annual budget for the financial year 2013/2014 and the multi year and single year capital appropriations amount to the total of **R264, 428,340.66** budgeted revenue and **R264,377,529.72** budgeted expenditure. Capital appropriation amount to **R111,220,667.47** and operational expenditure amounts to **R153,156,862.25** as set out in the following tables:
 - 2.1.1 Budget summary as contained in table A1
 - 2.1.2 Budgeted financial performance (revenue and expenditure by standards classification) as contained in table A2.
 - 2.1.3 Budgeted financial performance (revenue and expenditure by municipal vote) as contained in table A3
 - 2.1.4 Budgeted financial performance (revenue by source and expenditure by (revenue by source and expenditure by type) as contained in table A4.

- 2.1.5 Multi –year and single year capital appropriations by municipal votes and standards classification and associated funding by source as contained in table A5
- 2.2 The financial position, Cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 2.2.1 Budget financial position as contained in table A6
 - 2.2.2 Budget Cash flows as contained in table A7
 - 2.2.3 Cash backed reserves and accumulated surplus reconciliation as contained in table A8
 - 2.2.4 Asset management as contained in table A9
 - 2.2.5 Basic service delivery measurement as contained in table A10
3. The Council of Makhuduthamaga 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 2013:
4. In Compliance with the above mentioned Legislations, Makhuduthamaga Municipal Council at its Special Council Meeting held at Municipal council on 27 March 2013.

RESOLVED THAT:

- The Draft Integrated Development Plan/Budget 2013/2014-2015/2016 be adopted as tabled.
- The tariffs for property rates be two cents in a rand rate

Mover: Mayor, Cllr Matlala M.A**Seconder: Cllr Lethuba M.P****Speaker: Cllr. Makaleng M.M****Municipal Manager: Mr. ME Moropa**Signature:  _____Signature:  _____Date: 27/03/2013Date: 27/03/2013

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 and equitably to all communities.

The municipality's financial management strategies 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 on expenditures of noncore and 'nice to have' items as indicated in MFMA circular number 66 and 67.

The municipality has embarked on implementing a range of revenue enhancement strategies to improve the collection of debt owed by consumers for property rates and to generate revenue from new sources available. Furthermore, the municipality has budgeted to undertake a number of customer care workshops in which customers will among other things be engaged and shown the importance of their responsibility to pay rates and to ensure the municipality truly involves all citizens in the process of ensuring a people lead government. The workshops will also assist the municipality to gather information on challenges faced by the customers to pay their accounts on time and such information will be used by the management of the municipality to encourage and improve debt collection.

National Treasury's MFMA Circular No. 51, 54, 55, 58, 59, 66, and 67 were used to guide the compilation of the 2013/14 Draft Annual Budget.

- The main challenges experienced during the compilation of the 2013/14 MTREF can be summarised as follows:
 - The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and cash position of the municipality;
 - The municipality's inability to generate enough own revenue to assist in addressing the infrastructure challenges in our communities.
 - Failure by the municipality to adhere to due dates as set out in the IDP/Budget process plan that was approved by council in October 2012.
- The following budget principles and guidelines directly informed the compilation of the 2013/14 MTREF:
 - The budget was prepared on a zero base principle.
 - The annual DoRA for 2013 was considered in preparation of our draft annual budget for 2013/2014 to 2014/2015.
 - The 2012/13 Adjustment Budget priorities and targets, as well as the base line allocations contained in that Adjustment Budget were considered as the upper limits for the new baselines for the 2013/14 annual budget;

- Only programmes and capital projects contained in the municipality's Integrated Development Plan will be budgeted for during the 2013/2014, 2014/2015 and 2015/2016 to ensure that the budget remain an implementation tool for the municipality's IDP.
- For the 2013/2014 financial year, tariffs for property rates will remain 2 cents in a rand to make property rates affordable to our communities and to encourage debtors to pay their accounts.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- Electricity projects will only be funded by the Integrated National Electrification Programme Grant (INEG).

In view of the aforementioned, the following table is a consolidated overview of the draft 2013/14 Medium-term Revenue and Expenditure Framework as compared to the past budget year:

Table 1 Consolidated Overview of the 2013/14 MTREF

R thousand	Adjustment budget 2012/2013	Budget Year 2013/2014	Budget year + 1 2014/2015	Budget + 2 2015/2016
Total Revenue	243,959,058.09	264,428,340.66	300,980,494.73	363,742,438.20
Total Operating Expenditure	146,298,051.25	153,156,862.25	161,792,326.92	176,214,676.26
Operating Surplus/ (Deficit for the year)	97,661,006.84	111,271,478.41	139,188,167.81	187,527,761.94
Capital Expenditure	97,612,768.25	111,220,667.47	138,648,782.27	186,906,816.51

Total revenue has grown by 8.39% per cent or R20, 469,282.57 million for the 2013/14 financial year when compared to the 2012/13 Adjustments Budget. For the two outer years, total revenue will increase by 13.82 and 20.85 per cent respectively, equating to a total revenue growth of R119.7 million over the MTREF when compared to the 2012/13 financial year. The total revenue includes the grants allocations from the national treasury.

Total operating expenditure for the 2013/14 financial year has been appropriated at R153.1 million and translates into an operating budgeted surplus of R111.2 million as indicated in table A4. When compared to the 2012/13 Adjustments Budget, operational expenditure has grown by 4.69 per cent in the 2013/14 budget and grown by 5.64 and 8.91 per cent for each of the respective outer years of the MTREF. The operating surplus for the two outer years steadily increases to R139.1 million and then R187.5 million respectively. These surpluses will be used to fund capital expenditure and to further ensure cash backing of reserves and funds.

The capital budget of R111.2 million for 2013/14 has grown by 13.94 per cent when compared to the 2012/13 Adjustment Budget. The increase is due to various prioritised projects to address the backlog in roads and bridges infrastructure and the renewal of our old existing infrastructure. Due to

affordability constraints of the municipality, some of our projects has been allocated budget to be completed in two financial years as indicated in table A5.

The capital expenditure increases to R 138.6 million in the 2014/15 financial year and then R186.9 million in 2015/2016. Of the total capital budget for 2013/2014an amount of R 49.8 million is funded by MIG for roads and bridges and Sports ground improvements. Electricity projects are funded by INEG grant to the total amount of R5 million. The rest of the capital projects and acquisitions of new assets will be funded by equitable share to the amount of R56.4 million

❖ Operating Revenue Framework

For Makhuduthamaga local municipality to continue improving the quality of services provided to its communities it needs to generate the required sustainable revenue to meet its funding requirements. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and high level of unemployment in our municipality. The expenditure required to address these challenges will always exceed available funding; hence difficult choices have to be made in relation to balancing expenditures against realistically anticipated revenues. The fact is that, we cannot increase the property rates tariffs in the near future as we still have very low level of revenue collection for the property rates which make 53.5 per cent of the total own revenue. The municipality has resolved to retain the property rates tariffs unadjusted at 2 cents in a rand.

In an attempt to ensure a strong revenue base, the municipality has also reviewed its revenue enhancement strategy to improve revenue collection in the 2013/2014 financial year and the two outer years.

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

- National Treasury's guidelines and macroeconomic policy;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs; (e.g. Waste collection project)
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2013/14 MTREF (classified by main revenue source)

Table 2 Summary of revenue classified by main revenue source

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1										
Revenue By Source											
Property rates	2	17,956	24,906	41,358	27,270	27,270	27,270	27,270	26,270	28,897	31,786
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	39	93	100	100	100	100	100	120	170
Interest earned - external investments		2,194	3,048	3,672	5,235	3,435	3,435	3,435	4,085	4,493	4,942
Interest earned - outstanding debtors		-	2,945	6,745	5,251	5,251	5,251	5,251	5,251	5,776	6,353
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-
Licences and permits		3,092	2,399	2,466	4,400	4,400	4,400	4,400	4,400	4,840	5,324
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		86,698	114,159	128,573	146,479	146,479	146,479	146,479	160,440	184,356	231,809
Other revenue	2	566	-	704	25,545	7,559	7,559	7,559	9,013	10,004	11,435
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		110,506	147,496	183,610	214,279	194,493	194,493	194,493	209,558	238,485	291,820

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

The total revenue for the municipality excluding capital transfers amount to R209.5 million for 2013/2014, R238.4 million for 2014/2015 and R291.8 million for 2015/2016. The total operating revenue has increased by R15.1 million from 2012/2013 budget year which is as a result of increases in allocations for our equitable share, FMG and MSIG grants. The total operating revenue continue to grow by R 28.9 million and R53.4 million for 2014/2015 and 2015/2016 respectively.

Revenue from government grants forms a significant percentage of the total operating revenue for the municipality for all of the 2013/2014 MTREF. This clearly indicate that our municipality is dependent on government grants which contribute 76.56% of the total operating revenue in 2013/2014 budget year and across the whole 2013/2014 MTREF.

Revenue generated from rates and service charges forms 23.44% of the total operating revenue of the municipality for 2013/2014 and dropped to 22.53%, and 20.42% for 2014/15 and 2015/2016 respectively.

Other revenue consists of various items such as income received for selling tender documents, VAT recovery and other allocations from LG SITA for skills development.

❖ Operating Expenditure Framework

The municipality's expenditure framework for the 2013/2014 budget and MTREF is informed by the following:

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

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

Table 5 Summary of operating expenditure by standard classification item

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Expenditure By Type											
Employee related costs	2	13,896	17,307	–	45,038	37,238	37,238	37,238	39,250	41,769	44,682
Remuneration of councillors		13,598	13,670	13,951	15,045	15,591	15,591	15,591	16,464	17,353	18,290
Debt impairment	3	2,566	4,049	7,222	9,038	9,038	9,038	9,038	9,544	10,059	10,602
Depreciation & asset impairment	2	5,072	10,878	9,618	5,500	9,591	9,591	9,591	10,128	10,675	11,251
Finance charges		87	100	9	116	–	–	–	–	–	–
Bulk purchases	2	–	–	–	–	–	–	–	–	–	–
Other materials	8	–	–	–	–	–	–	–	–	–	–
Contracted services		15,969	15,593	30,548	28,720	28,252	28,252	28,252	32,085	33,818	40,726
Transfers and grants		–	–	–	–	–	–	–	–	–	–
Other expenditure	4, 5	60,848	37,912	55,604	50,557	46,688	46,688	46,688	45,686	48,118	50,663
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–
Total Expenditure		112,036	99,509	116,953	154,015	146,398	146,398	146,398	153,157	161,792	176,215

The budgeted allocation for employee related costs for the 2013/2014 financial year totals R39.2 million, which equals 25.6 per cent of the total operating expenditure. The recent Salary and Wage Collective Agreement and MFMA Circular number 67 was taken in to consideration when calculating the salary increases. Our municipality has budgeted a 6.85% cost of living increase adjustment for 2013/2014 to be implemented from 1 July 2013 for all section 55 employees. An increase of 6.4% and 7% has been included in the outer years respectively.

For section 57 employees we have budgeted a 6.85% increase for 2013/2014 financial year. As part of the municipality's cost reprioritization and cash management strategy to make enough funds available to fund capital projects, non critical vacancies on the municipal structure were not funded.

In addition expenditure for overtime was only budgeted for the municipal drivers and political offices personnel for emergencies.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality budget and a provision for increases for 2013/2014 have been made at 5.6%.

The provision of debt impairment for 2013/2014 was determined based on an annual collection rate of 36.67 per cent or R10 million and the Debt Write-off Policy of the municipality. For the 2013/14 financial year this amount equates to R9.5 million and escalates to R10.6 million by 2015/16. 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.

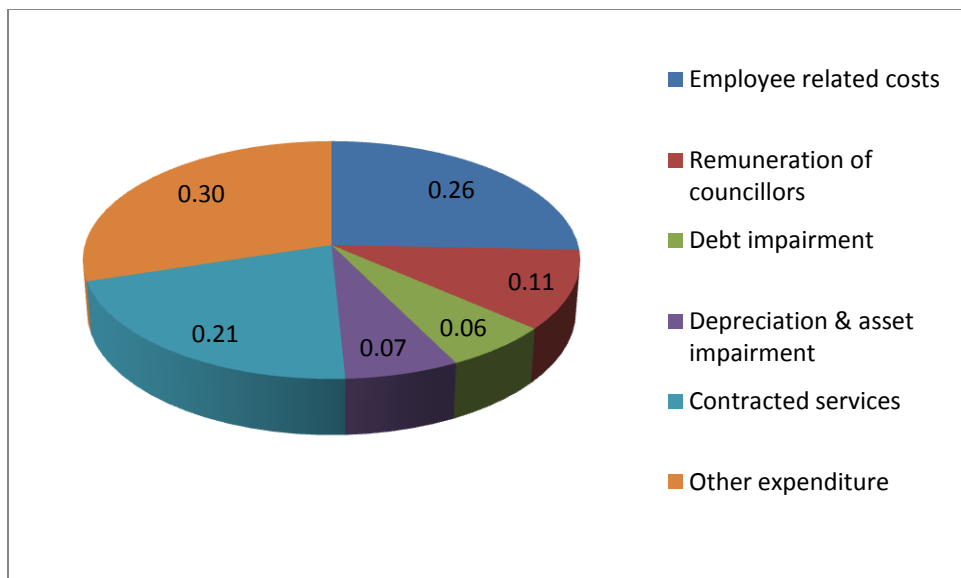
Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy and GRAP 17. Budget appropriations in this regard total R10.1 million for the 2013/2014 financial year and equates to 6.6 per cent of the total operating expenditure.

Contracted services comprises of security services, cleaning services, repairs and maintenance for infrastructure assets and operating leases for office equipments and machinery. Security and cleaning services have been allocated R8.2 million and R3 million for 2013/14 respectively. The costs of these services increase to R9.1 million and R3.3 million by 2015/2016. Repairs and maintenance has been budgeted at 13.53 percent of the total operational budget taking in to consideration guidelines contained in MFMA circular number 66 and 67. It include repairs and maintenance for other assets at R2.8 million, repairs and maintenance for community assets at R0.8 million and repairs and maintenance for infrastructure assets at R17 million.

Other expenditure comprises of various line items relating to the daily operations of the municipality. Amongst other expenditures comprised in this group of expenditures for 2013/2014 financial year, we have budgeted incentives for ward committees at R3.9 million, training and capacity building of councillors and ward committees at R2.4 million, mayor's special programmes at R1.1 million, publications and branding of the municipality at R600 thousands, Audit fees at R1.6 million, revenue collection costs at R1.5 million, bursary fund at R1.6 million, travel and accommodation at R1.6 million, acquisition of land and land scarping at R1.3 million, SMME support and LED programmes at R2.4 million, free basic electricity at R4 million, waste management programmes at R3.4 million, disaster management programmes and sports and culture promotions at R1.5 million.

The following bar chart gives a breakdown of the main expenditure categories for the 2013/14 financial year.

Table 6 Main Operational Expenditure categories for 2013/2014 financial year



Priority given to repairs and maintenance

Considering national treasury circular number 54, 55, 58, 59, 66 and 67 our municipality has put repairs and maintenance as one of the priorities to preserving and maintaining the municipality's current infrastructure, to ensure that the existing assets are good working conditions and to lengthen the assets life span. The 2013/14 budget and MTREF provide for a growth in the area of asset maintenance, as informed by the repairs and maintenance plan of the municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. In our municipality's case, all repairs and maintenance services for our infrastructure assets will be done through contracted services as indicated in table SA1 of the A schedule.

Free Basic Services: Electricity tokens

The municipality gives free basic electricity tokens to poor households within the municipal jurisdictions to assist them as they cannot afford the electricity costs. Our municipality does not have a licence to sell electricity and therefore buys the tokens from Eskom for the affected households who registered with the municipality. To receive these free services the households are required to register in terms of the municipality's Indigent Policy. The target is to register 110 000 or more indigent households during the 2013/14 financial year, a process which is reviewed annually. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table MBRR Table A10 (Basic Service Delivery Measurement)

The cost of the free basic electricity of the registered indigent households is financed through the local government equitable share received in terms of the annual Division of Revenue Act.

Capital expenditure

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

Table 3 2013/14 Medium-term capital budget per vote

Description	Current Year	%	Budget Year	%	Budget Year +1	%	Budget Year + 2	%
R thousand	2012/2013		2013/2014		2014/2015		2015/2016	
Vote 3 - Economic Development and Planning	1,650,000.00	2%	1,267,200.00	1%	333,907.20	0%	111,197.00	0%
Vote 4 - Infrastructure Development	85,605,875.92	88%	103,862,945.87	93%	131,895,465.30	95%	179,788,820.43	96%
Vote 5 - Community Services	700,000.00	1%	100,000.00	0%	105,400.00	0%	111,091.60	0%
Vote 6 - Corporate Services	3,500,000.00	4%	2,000,000.00	2%	2,108,000.00	2%	2,221,832.00	1%
Vote 7 - Budget and Treasury	6,156,892.33	6%	3,990,521.60	4%	4,206,009.77	3%	4,433,134.29	2%
	97,612,768.25	100%	111,220,667.47	100%	138,648,782.27	100%	186,666,075.32	100%

For 2013/2014 an amount of R111.2 million has been appropriated for the capital expenditure which will be funded by MIG, DOE grant and equitable share. For 2014/2015 and 2015/2016 the budget has been appropriated at R 138.6 million and R186.9 million respectively.

Infrastructure and development vote is appropriated the highest allocation of R 103.8 million in 2013/2014 which equates to 93 per cent of the total capital budget, followed by budget and Treasury at 4% per cent of the total capital budget . The remaining 3 per cent is allocated to economic development and planning at 1 per cent, and corporate services at 2 per cent .

Renewal of existing assets has been allocating R3.1 million for 2013/2014 which is 2.79 percent of the total capital budget. For 2014/15 and 2016/17 the expenditure for renewal of existing assets significantly decreases to R105 thousands and R111 thousands respectively. Total budget appropriated for new assets amount to 97.21 per cent or R108.1 million of the total capital budget for 2013/2014 financial year. Further detail relating to asset classes and proposed capital expenditure is contained in Table MBRR Table A9 (Asset Management). In addition to the MBRR Table A9, MBRR Tables SA34a, b, c and d 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. Some of the projects to be undertaken over the medium-term includes, amongst others:

- Construction of roads, bridges and storm water – R96.4 million
- Electricity projects – R 5 million
- Office buildings – 2.5 million
- Acquisition of plant – R2.6 million
- Community Assets – R316000

1.4 ANNUAL BUDGET TABLES (A1 to A10)

The following are the ten main A schedule tables for the annual budget of Makhuduthamaga municipality for the 2013/2014 MTREF.

1.4.1 Table 7 MBRR A1 – Annual Budget Summary

LIM473 Makhuduthamaga - Table A1 Budget Summary

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousands										
Financial Performance										
Property rates	17,956	24,906	41,358	27,270	27,270	27,270	27,270	26,270	28,897	31,786
Service charges	-	-	-	-	-	-	-	-	-	-
Investment revenue	2,194	3,048	3,672	5,235	3,435	3,435	3,435	4,085	4,493	4,942
Transfers recognised - operational	86,698	114,159	128,573	146,479	146,479	146,479	146,479	160,440	184,356	231,809
Other own revenue	3,659	5,383	10,007	35,296	17,310	17,310	17,310	18,764	20,740	23,283
Total Revenue (excluding capital transfers and contributions)	110,506	147,496	183,610	214,279	194,493	194,493	194,493	209,558	238,485	291,820
Employee costs	13,896	17,307	-	45,038	37,238	37,238	37,238	39,250	41,769	44,682
Remuneration of councillors	13,598	13,670	13,951	15,045	15,591	15,591	15,591	16,464	17,353	18,290
Depreciation & asset impairment	5,072	10,878	9,618	5,500	9,591	9,591	9,591	10,128	10,675	11,251
Finance charges	87	100	9	116	-	-	-	-	-	-
Materials and bulk purchases	-	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	79,383	57,553	93,374	88,315	83,978	83,978	83,978	87,315	91,995	101,990
Total Expenditure	112,036	99,509	116,953	154,015	146,398	146,398	146,398	153,157	161,792	176,215
Surplus/(Deficit)	(1,530)	47,987	66,657	60,264	48,095	48,095	48,095	56,401	76,693	115,606
Transfers recognised - capital	30,330	33,401	40,129	45,436	49,466	49,466	49,466	54,870	62,495	71,922
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	28,800	81,388	106,786	105,700	97,561	97,561	97,561	111,271	139,188	187,528
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	28,800	81,388	106,786	105,700	97,561	97,561	97,561	111,271	139,188	187,528
Capital expenditure & funds sources										
Capital expenditure	58,482	65,938	73,100	105,314	97,613	97,613	97,613	111,221	138,649	186,666
Transfers recognised - capital	58,482	65,938	73,100	105,314	97,613	97,613	97,613	111,221	138,649	186,666
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-
Total sources of capital funds	58,482	65,938	73,100	105,314	97,613	97,613	97,613	111,221	138,649	186,666
Financial position										
Total current assets	79,427	144,731	170,221	134,635	162,437	162,437	162,437	179,247	199,011	210,301
Total non current assets	154,219	207,445	164,011	428,387	244,890	244,890	244,890	361,906	488,670	515,059
Total current liabilities	8,216	27,274	28,973	29,000	29,000	29,000	29,000	31,900	35,090	36,985
Total non current liabilities	-	-	203	9,038	9,038	9,038	9,038	9,544	10,059	-
Community wealth/Equity	225,431	324,901	305,056	524,984	369,290	369,290	369,290	499,710	642,532	688,374
Cash flows										
Net cash from (used) operating	45,313	55,906	115,650	97,717	90,446	90,446	90,446	110,249	122,537	129,154
Net cash from (used) investing	(32,492)	(46,323)	(109,945)	(104,964)	(97,263)	(97,263)	(97,263)	(117,016)	(126,764)	(133,610)
Net cash from (used) financing	-	-	203	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	65,178	74,761	80,670	73,424	73,853	73,853	73,853	67,087	62,859	58,404
Cash backing/surplus reconciliation										
Cash and investments available	65,178	74,681	80,670	60,023	60,452	60,452	60,452	53,134	48,778	51,412
Application of cash and investments	#REF!	(5,750)	(48,378)	(18,614)	(26,445)	(26,445)	(26,445)	(89,906)	(105,793)	(104,570)
Balance - surplus (shortfall)	#REF!	80,430	129,048	78,637	86,897	86,897	86,897	143,040	154,571	155,982
Asset management										
Asset register summary (WDV)	-	-	2,136	-	-	-	-	-	-	-
Depreciation & asset impairment	5,072	10,878	9,618	5,500	9,591	9,591	10,128	10,128	10,675	11,251
Renewal of Existing Assets	-	-	-	5,000	5,000	5,000	5,000	3,100	105	111
Repairs and Maintenance	13,179	11,507	-	17,577	16,827	16,827	20,722	20,722	21,841	28,102
Free services										
Cost of Free Basic Services provided	2,000	2,500	-	3,000	3,000	3,000	4,000	4,000	4,216	4,444
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

1.4.2 Table MBRR A2 – Budgeted Financial Performance (Standard Classification)

LIM473 Makhuduthamaga - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue - Standard										
Governance and administration		140,836	182,076	223,739	259,715	243,959	243,959	264,428	300,980	363,742
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		140,836	182,076	223,739	259,715	243,959	243,959	264,428	300,980	363,742
Corporate services		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	140,836	182,076	223,739	259,715	243,959	243,959	264,428	300,980	363,742
Expenditure - Standard										
Governance and administration		63,715	95,198	107,676	103,776	109,494	109,494	109,114	115,218	121,809
Executive and council		29,845	25,062	24,874	34,493	33,890	33,890	35,480	37,475	39,633
Budget and treasury office		15,452	44,567	54,711	51,142	58,924	58,924	56,903	60,045	63,414
Corporate services		18,418	25,569	28,090	18,141	16,680	16,680	16,731	17,698	18,761
Community and public safety		16,307	8,984	13,537	28,941	15,982	15,982	18,400	25,346	17,882
Community and social services		1,420	4,090	6,089	12,131	6,737	6,737	8,652	9,153	9,681
Sport and recreation		1,040	890	930	1,500	1,500	1,500	1,300	1,370	1,444
Public safety		11,770	3,545	5,694	7,711	5,145	5,145	5,747	6,112	6,535
Housing		2,076	458	825	7,600	2,600	2,600	2,700	8,711	222
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		33,531	36,953	66,569	117,273	108,976	108,976	127,252	150,014	208,298
Planning and development		4,231	3,068	4,210	12,021	11,771	11,771	10,642	10,256	10,876
Road transport		29,300	33,885	62,359	105,252	97,205	97,205	116,610	139,757	197,422
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		16,815	22,395	27,943	9,338	9,459	9,459	9,611	9,864	15,133
Electricity		16,815	22,395	27,943	9,338	9,459	9,459	9,611	9,864	15,133
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	130,368	163,530	215,725	259,329	243,911	243,911	264,378	300,441	363,121
Surplus/(Deficit) for the year		10,468	18,546	8,014	387	48	48	51	539	621

1.4.3 Table MBRR A3 – Budgeted Financial Performance (Municipal Vote)**LIM473 Makhuduthamaga - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Revenue by Vote	1									
Vote 1 - Council		-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Economic Development and Planning		-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure Development		-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-
Vote 6 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 7 - Budget and Treasury		140,836	182,076	223,739	259,715	243,959	243,959	264,428	300,980	363,742
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	140,836	182,076	223,739	259,715	243,959	243,959	264,428	300,980	363,742
Expenditure by Vote to be appropriated	1									
Vote 1 - Council		20,985	22,089	22,599	31,153	30,580	30,580	31,958	33,738	35,651
Vote 2 - Office of the Municipal Manager		8,859	2,973	2,275	3,339	3,309	3,309	3,522	3,737	3,982
Vote 3 - Economic Development and Planning		4,231	3,068	4,210	12,021	11,771	11,771	10,642	10,256	10,876
Vote 4 - Infrastructure Development		48,192	58,655	91,126	122,190	109,263	109,263	128,921	158,332	212,777
Vote 5 - Community Services		14,230	8,526	12,712	21,341	13,382	13,382	15,700	16,635	17,660
Vote 6 - Corporate Services		18,418	25,569	28,090	18,141	16,680	16,680	16,731	17,698	18,761
Vote 7 - Budget and Treasury		15,452	44,567	54,711	51,142	58,924	58,924	56,903	60,045	63,414
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	130,368	165,447	215,725	259,329	243,911	243,911	264,378	300,441	363,121
Surplus/(Deficit) for the year	2	10,468	16,629	8,014	387	48	48	51	539	621

1.4.4 Table MBRR A4 – Budgeted Financial Performance (Operational Revenue and Expenditure)

LIM473 Makhuduthamaga - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1										
Revenue By Source											
Property rates	2	17,956	24,906	41,358	27,270	27,270	27,270	27,270	26,270	28,897	31,786
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	39	93	100	100	100	100	100	120	170
Interest earned - external investments		2,194	3,048	3,672	5,235	3,435	3,435	3,435	4,085	4,493	4,942
Interest earned - outstanding debtors		-	2,945	6,745	5,251	5,251	5,251	5,251	5,251	5,776	6,353
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-
Licences and permits		3,092	2,399	2,466	4,400	4,400	4,400	4,400	4,400	4,840	5,324
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		86,698	114,159	128,573	146,479	146,479	146,479	146,479	160,440	184,356	231,809
Other revenue	2	566	-	704	25,545	7,559	7,559	7,559	9,013	10,004	11,435
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		110,506	147,496	183,610	214,279	194,493	194,493	194,493	209,558	238,485	291,820
Expenditure By Type											
Employee related costs	2	13,896	17,307	-	45,038	37,238	37,238	37,238	39,250	41,769	44,682
Remuneration of councillors		13,598	13,670	13,951	15,045	15,591	15,591	15,591	16,464	17,353	18,290
Debt impairment	3	2,566	4,049	7,222	9,038	9,038	9,038	9,038	9,544	10,059	10,602
Depreciation & asset impairment	2	5,072	10,878	9,618	5,500	9,591	9,591	9,591	10,128	10,675	11,251
Finance charges		87	100	9	116	-	-	-	-	-	-
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8	-	-	-	-	-	-	-	-	-	-
Contracted services		15,969	15,593	30,548	28,720	28,252	28,252	28,252	32,085	33,818	40,726
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	60,848	37,912	55,604	50,557	46,688	46,688	46,688	45,686	48,118	50,663
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Expenditure		112,036	99,509	116,953	154,015	146,398	146,398	146,398	153,157	161,792	176,215
Surplus/(Deficit)		(1,530)	47,987	66,657	60,264	48,095	48,095	48,095	56,401	76,693	115,606
Transfers recognised - capital		30,330	33,401	40,129	45,436	49,466	49,466	49,466	54,870	62,495	71,922
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		28,800	81,388	106,786	105,700	97,561	97,561	97,561	111,271	139,188	187,528
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		28,800	81,388	106,786	105,700	97,561	97,561	97,561	111,271	139,188	187,528
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		28,800	81,388	106,786	105,700	97,561	97,561	97,561	111,271	139,188	187,528
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		28,800	81,388	106,786	105,700	97,561	97,561	97,561	111,271	139,188	187,528

1.4.5 Table 11 MBRR A5 – Budgeted Capital Expenditure (By Vote & Standard Classification)

LIM473 Makhuduthamaga - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Coucil		-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Economic Development and Planning		-	-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure Development		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Coucil		-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Economic Development and Planning		-	-	-	1,650	1,650	1,650	1,650	1,267	334	111
Vote 4 - Infrastructure Development		54,070	62,598	68,437	96,615	85,606	85,606	85,606	103,863	131,895	179,789
Vote 5 - Community Services		2,912	-	-	700	700	700	700	100	105	111
Vote 6 - Corporate Services		500	2,074	957	3,500	3,500	3,500	3,500	2,000	2,108	2,222
Vote 7 - Budget and Treasury		1,000	1,267	3,706	2,849	6,157	6,157	6,157	3,991	4,206	4,433
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		58,482	65,938	73,100	105,314	97,613	97,613	97,613	111,221	138,649	186,666
Total Capital Expenditure - Vote		58,482	65,938	73,100	105,314	97,613	97,613	97,613	111,221	138,649	186,666
Capital Expenditure - Standard											
Governance and administration		1,500	3,341	4,663	6,349	9,657	9,657	9,657	5,991	6,314	6,655
Executive and council		-	-	-	-	-	-	-	-	-	-
Budget and treasury office		1,000	1,267	3,706	2,849	6,157	6,157	6,157	3,991	4,206	4,433
Corporate services		500	2,074	957	3,500	3,500	3,500	3,500	2,000	2,108	2,222
Community and public safety		2,912	4,505	3,469	14,415	9,415	9,415	9,415	9,580	8,605	111
Community and social services		-	-	-	200	200	200	200	-	-	-
Sport and recreation		-	-	-	6,215	6,215	6,215	6,215	6,980	-	-
Public safety		2,912	-	-	500	500	500	500	100	105	111
Housing		-	4,505	3,469	7,500	2,500	2,500	2,500	2,500	8,500	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		53,041	34,835	64,969	78,750	72,740	72,740	72,740	90,650	118,729	169,900
Planning and development		-	-	-	1,650	1,650	1,650	1,650	1,267	334	111
Road transport		53,041	34,835	64,969	77,100	71,090	71,090	71,090	89,383	118,395	169,789
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		1,029	23,258	-	5,800	5,800	5,800	5,800	5,000	5,000	10,000
Electricity		1,029	23,258	-	5,800	5,800	5,800	5,800	5,000	5,000	10,000
Water		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	58,482	65,938	73,100	105,314	97,613	97,613	97,613	111,221	138,649	186,666
Funded by:											
National Government		58,482	65,938	73,100	105,314	97,613	97,613	97,613	111,221	138,649	186,666
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	58,482	65,938	73,100	105,314	97,613	97,613	97,613	111,221	138,649	186,666
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-	-
Total Capital Funding	7	58,482	65,938	73,100	105,314	97,613	97,613	97,613	111,221	138,649	186,666

1.4.6 Table MBRR A6 – Budgeted Financial Position

LIM473 Makhuduthamaga - Table A6 Budgeted Financial Position

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
ASSETS											
Current assets											
Cash		65,178	74,681	80,670	60,023	60,452	60,452	60,452	53,134	48,778	51,412
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	14,135	35,025	71,160	74,391	101,763	101,763	101,763	125,880	149,987	158,629
Other debtors		-	-	17,884	-	-	-	-	-	-	-
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	114	35,025	507	221	221	221	221	234	246	260
Total current assets		79,427	144,731	170,221	134,635	162,437	162,437	162,437	179,247	199,011	210,301
Non current assets											
Long-term receivables		-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		-	-	1,172	-	-	-	-	-	-	-
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	154,219	207,445	161,875	428,387	244,890	244,890	244,890	361,906	488,670	515,059
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		-	-	964	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		154,219	207,445	164,011	428,387	244,890	244,890	244,890	361,906	488,670	515,059
TOTAL ASSETS		233,647	352,175	334,232	563,022	407,327	407,327	407,327	541,154	687,681	725,359
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits		-	-	-	-	-	-	-	-	-	-
Trade and other payables	4	8,216	27,274	28,973	29,000	29,000	29,000	29,000	31,900	35,090	36,985
Provisions		-	-	-	-	-	-	-	-	-	-
Total current liabilities		8,216	27,274	28,973	29,000	29,000	29,000	29,000	31,900	35,090	36,985
Non current liabilities											
Borrowing		-	-	203	-	-	-	-	-	-	-
Provisions		-	-	-	9,038	9,038	9,038	9,038	9,544	10,059	-
Total non current liabilities		-	-	203	9,038	9,038	9,038	9,038	9,544	10,059	-
TOTAL LIABILITIES		8,216	27,274	29,176	38,038	38,038	38,038	38,038	41,444	45,149	36,985
NET ASSETS	5	225,431	324,901	305,056	524,984	369,290	369,290	369,290	499,710	642,532	688,374
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		225,431	324,901	305,056	524,984	369,290	369,290	369,290	499,710	642,532	688,374
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	225,431	324,901	305,056	524,984	369,290	369,290	369,290	499,710	642,532	688,374

1.4.7 Table MBRR A7 – Budgeted Cash Flows

LIM473 Makhuduthamaga - Table A7 Budgeted Cash Flows

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		313	28,559	44,620	40,045	24,289	24,289	24,289	43,576	46,624	49,142
Government - operating	1	86,698	114,143	128,573	146,479	146,479	146,479	146,479	156,218	169,631	178,791
Government - capital	1	28,401	33,401	40,129	45,436	45,436	45,436	45,436	50,510	56,237	59,274
Interest		2,194	5,394	10,417	5,235	5,235	5,235	5,235	5,759	6,334	6,676
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(72,293)	(125,591)	(108,088)	(139,362)	(130,877)	(130,877)	(130,877)	(145,814)	(156,289)	(164,729)
Finance charges		-	-	-	(116)	(116)	(116)	(116)	-	-	-
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		45,313	55,906	115,650	97,717	90,446	90,446	90,446	110,249	122,537	129,154
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	660	350	350	350	350	-	-	-
Decrease (Increase) in non-current debtors		-	(28,559)	(52,056)	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(32,492)	(17,764)	(58,548)	(105,314)	(97,613)	(97,613)	(97,613)	(117,016)	(126,764)	(133,610)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(32,492)	(46,323)	(109,945)	(104,964)	(97,263)	(97,263)	(97,263)	(117,016)	(126,764)	(133,610)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	203	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	203	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		12,821	9,583	5,909	(7,246)	(6,817)	(6,817)	(6,817)	(6,766)	(4,227)	(4,456)
Cash/cash equivalents at the year begin:	2	52,358	65,178	74,761	80,670	80,670	80,670	80,670	73,853	67,087	62,859
Cash/cash equivalents at the year end:	2	65,178	74,761	80,670	73,424	73,853	73,853	73,853	67,087	62,859	58,404

1.4.8 Table MBRR A8 – Cash backed reserves/Accumulated surplus reconciliation

LIM473 Makhuduthamaga - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash and investments available											
Cash/cash equivalents at the year end	1	65,178	74,761	80,670	73,424	73,853	73,853	73,853	67,087	62,859	58,404
Other current investments > 90 days		-	(80)	-	(13,401)	(13,401)	(13,401)	(13,401)	(13,953)	(14,082)	(6,992)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		65,178	74,681	80,670	60,023	60,452	60,452	60,452	53,134	48,778	51,412
Application of cash and investments											
Unspent conditional transfers		8,216	-	4,638	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	#REF!	(5,750)	(53,017)	(18,614)	(26,445)	(26,445)	(26,445)	(89,906)	(105,793)	(104,570)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		#REF!	(5,750)	(48,378)	(18,614)	(26,445)	(26,445)	(26,445)	(89,906)	(105,793)	(104,570)
Surplus(shortfall)		#REF!	80,430	129,048	78,637	86,897	86,897	86,897	143,040	154,571	155,982

1.4.9 Table MBRR table A9 – Asset Management

LIM473 Makhuduthamaga - Table A9 Asset Management

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	58,482	65,938	–	100,314	92,613	92,613	108,121	138,543	186,555
Infrastructure - Road transport		53,041	34,835	–	72,100	66,090	66,090	86,383	118,395	169,789
Infrastructure - Electricity		1,029	23,258	–	5,800	5,800	5,800	5,000	5,000	10,000
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure		54,070	58,093	–	77,900	71,890	71,890	91,383	123,395	179,789
Community		–	–	–	8,065	8,065	8,065	7,297	334	352
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets		–	–	–	–	–	–	–	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets	2	–	–	–	5,000	5,000	5,000	3,100	105	111
Infrastructure - Road transport		–	–	–	5,000	5,000	5,000	3,000	–	–
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	5,000	5,000	5,000	3,000	–	–
Community		–	–	–	–	–	–	100	105	111
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets		–	–	–	–	–	–	–	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
Total Capital Expenditure	4	53,041	34,835	–	77,100	71,090	71,090	89,383	118,395	169,789
Infrastructure - Road transport		1,029	23,258	–	5,800	5,800	5,800	5,000	5,000	10,000
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure		54,070	58,093	–	82,900	76,890	76,890	94,383	123,395	179,789
Community		–	–	–	8,065	8,065	8,065	7,397	439	463
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets		–	–	–	–	–	–	–	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	2	58,482	65,938	–	105,314	97,613	97,613	111,221	138,649	186,666
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport										
Infrastructure - Electricity										
Infrastructure - Water										
Infrastructure - Sanitation										
Infrastructure - Other										
Infrastructure										
Community										
Heritage assets										
Investment properties				1,172						
Other assets										
Agricultural Assets										
Biological assets										
Intangibles				964						
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	–	–	2,136	–	–	–	–	–	–
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		5,072	10,878	9,618	5,500	9,591	9,591	10,128	10,675	11,251
Repairs and Maintenance by Asset Class		13,179	11,507	–	17,577	16,827	16,827	20,722	21,841	28,102
Infrastructure - Road transport		13,179	11,507	–	16,127	16,127	16,127	17,030	17,949	24,000
Infrastructure - Electricity		–	–	–	200	250	250	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure		13,179	11,507	–	16,327	16,377	16,377	17,030	17,949	24,000
Community		–	–	–	400	400	400	800	843	889
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets		–	–	–	850	50	50	2,892	3,048	3,213
TOTAL EXPENDITURE OTHER ITEMS		18,251	22,385	9,618	23,077	26,418	26,418	30,850	32,516	39,353
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	4.7%	5.1%	5.1%	2.8%	0.1%	0.1%
Renewal of Existing Assets as % of deprechn"		0.0%	0.0%	0.0%	90.9%	52.1%	52.1%	30.6%	1.0%	1.0%
R&M as a % of PPE		8.5%	5.5%	0.0%	4.1%	6.9%	6.9%	5.7%	4.5%	5.5%
Renewal and R&M as a % of PPE		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

1.4.11 Table 16 MBRR table A10 – Basic Service delivery measurement

LIM473 Makhuduthamaga - Table A10 Basic service delivery measurement

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		9,000	9,981	9,981	9,981	9,981	9,981	9,981	9,981	9,981
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		2,000	2,500	3,000	3,000	3,000	4,000	4,216	4,444	
Refuse (removed once a week)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided (minimum social package)		2,000	2,500	-	3,000	3,000	4,000	4,216	4,444	
Highest level of free service provided										
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		-	-	-	-	-	-	-	-	-
Property rates (other exemptions, reductions and rebates)		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-
Electricity/other energy		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies	6	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of free services provided (total social package)		-	-	-	-	-	-	-	-	

PART 2 – SUPPORTING DOCUMENTS

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 are 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 IDP and budget time schedule on 31 August 2012.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

This is the second review of the IDP as adopted by Council in May 2011. It started in September 2012 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2013/14 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 first 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

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2013/14 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2013/14 MTREF:

- Municipality's growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2012/13 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51 and 54, 55, 58, 59, 66 and 67 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The consultation schedule for draft 2012/13 MTREF as tabled before Council on 27 March 2013 is published on the municipality's website, and hard copies are made available at customer care offices, municipal notice boards and the municipality's community libraries.

All documents in the appropriate format (electronic and printed) will be 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 Committees will be utilised to facilitate the community consultation process. The applicable dates and venues will be published on the local community radio station and on average attendance of 250 people is expected to attend per meeting. Individual sessions are scheduled with organised businesses and other stakeholders to further ensure transparency and interaction. Other stakeholders involved in the consultation include churches, non-governmental institutions, local chiefs, traditional healers youth, people with disabilities and community-based organisations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects will be addressed, and where relevant will be considered as part of the finalisation of the 2013/14 MTREF.

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.

Our municipal IDP that provides a five year 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 municipal council, was first adopted on 31 May 2011. This 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.

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 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 2013/14 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 17 IDP Strategic Objectives

2013/2014 Financial year	2014/2015 Financial year
To maximally harness opportunities for revenue generation	To provide sustainable waste management infrastructure
To improve institutional capacity for MLM to achieve its municipal objectives	To facilitate provision of bulk infrastructure in areas earmarked for development
To improve access to viable roads, facilitate tarring and possibility	To create an enabling environment to stimulate economic growth and development by 2014

To facilitate provision of post connection to 3861 households by 2014	To maximise natural resources for tourism promotion
To facilitate provision of adequate public transport	To reduce high grant dependency
To facilitate for provision of educational facilities and equipments	To intensify HIV/AIDS awareness
To provide safe and clean environment	To ensure improved Land Use Management

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. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:

- Provide waste removal;
- Provide roads and storm water;
- Provide municipal planning services; and
- Maintaining the infrastructure of the municipality.

2. Economic growth and development that leads to sustainable job creation by:

- Ensuring there is a clear structural plan for the municipality;
- Ensuring planning processes function in accordance with set timeframes;
- Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.

3.1 Fight poverty and build clean, healthy, safe and sustainable communities:

- Effective implementation of the Indigent Policy;
- Working with the provincial department of health to assist on matters affecting primary health care.
- Extending waste removal services and ensuring effective municipal cleansing;
- Working with strategic partners such as SAPS to address crime;
- Ensuring safe working environments by effective enforcement of building and health regulations;
- Promote viable, sustainable communities through proper zoning; and
- Promote environmental sustainability by protecting wetlands and key open spaces.

3.2 Integrated Social Services for empowered and sustainable communities

- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated.
- Provision of bursaries for well deserving students who are financially needy.

4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
 - Optimising effective community participation in the ward committee system; and
 - Implementing Batho Pele in the revenue management strategy.
- 5.1 Promote sound governance through:
 - Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
 - Reviewing the use of contracted services
 - Continuing to implement the infrastructure management strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
 - Review of the organizational structure to optimize the use of personnel;

The 2013/14 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 18 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

LIM473 Makhuduthamaga - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand												
To improve investment of surplus cash.	Increase revenue generation through interests on investments.			2,194	3,048	3,672	5,235	3,435	3,435	4,085	4,493	4,942
To maximally harness opportunities for revenue generation	Improved collection rate on interests for overdue accounts.			-	2,945	6,745	5,251	5,251	5,251	5,251	5,776	6,353
	Improved revenue collection rate for property rates debtors			17,039	24,906	41,358	27,270	27,270	27,270	26,270	28,897	31,786
	Improved collection rate at the municipal testing stations.			3,092	2,399	2,466	4,400	4,400	4,400	4,400	4,840	5,324
	Receipt of the total equitable share grant allocated for our municipality			88,352	111,893	126,283	143,213	143,213	143,213	157,000	181,822	229,192
	Receipt of total allocation of FMG grant.			1,500	1,515	1,500	1,500	1,500	1,500	1,550	1,600	1,650
	Receipt of total allocation of MSIG grant.			735	750	790	800	800	800	890	934	967
	Receipt of total allocation of MIG grant.			27,924	20,401	30,129	45,466	45,466	45,466	49,870	57,495	61,922
	Improved revenue collection on rental of municipal assets.			-	34	93	100	100	100	100	120	170
	Improve collection rate on VAT input and other revenue			-	9,184	96	21,514	7,559	7,559	9,013	10,004	11,435
	Receipt of total allocation of EPWP grant.			-	-	608	966	966	966	1,000	-	-
	Receipt of total allocation of DOE grant.			-	5,000	10,000	4,000	4,000	4,000	5,000	5,000	10,000
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	140,836	182,076	223,739	259,715	243,959	243,959	264,428	300,980	363,742

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, assesses 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 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:

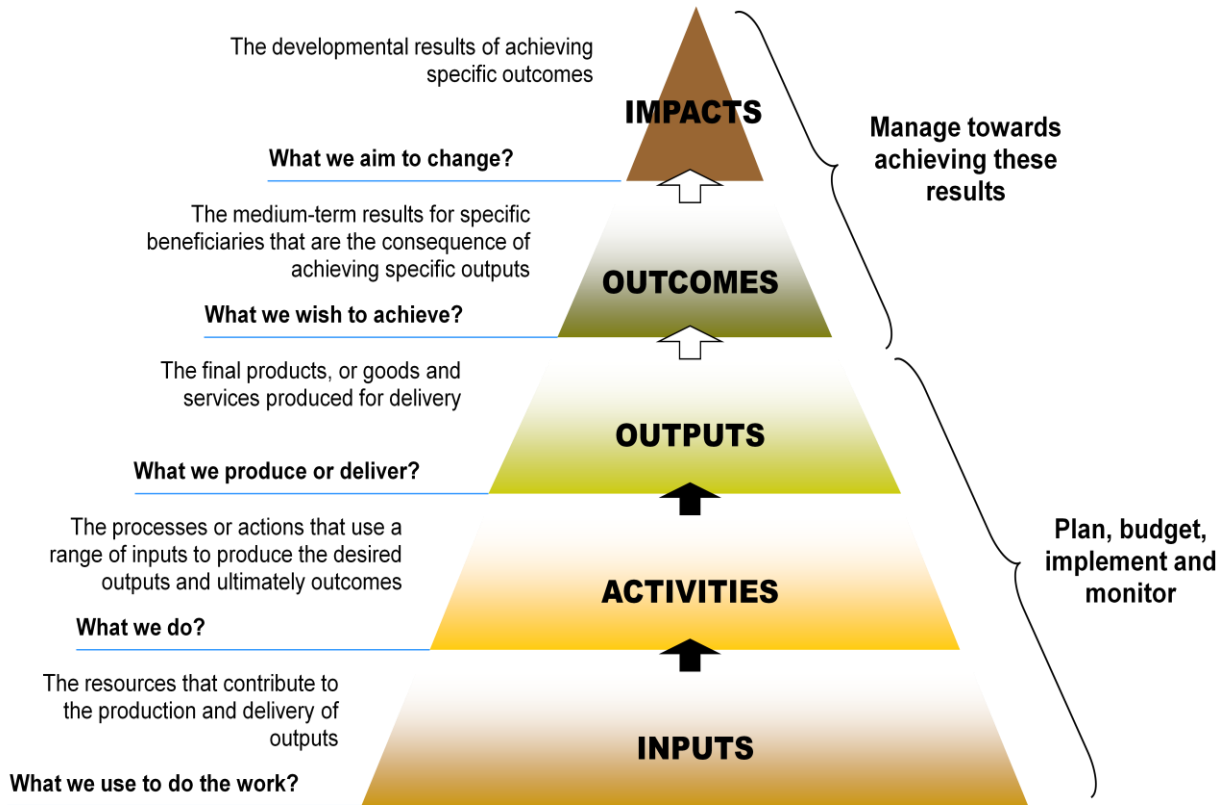


Figure 1 Definition of performance information concepts

The following table sets out the municipalities main performance objectives and benchmarks for the 2013/14 MTREF.

Table 21 MBRR Table SA8 - Performance indicators and benchmarks

LIM473 Makhuduthamaga - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid / Operating Expenditure	0.1%	0.1%	-0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.4%	0.3%	-0.4%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
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%
Safety of Capital											
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%
Liquidity											
Current Ratio	Current assets/current liabilities	9.7	5.3	5.9	4.6	5.6	5.6	5.6	5.6	5.7	5.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	9.7	5.3	5.9	4.6	5.6	5.6	5.6	5.6	5.7	5.7
Liquidity Ratio	Monetary Assets/Current Liabilities	7.9	2.7	2.8	2.1	2.1	2.1	2.1	1.7	1.4	1.4
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		1.4%	0.0%	-14.5%	64.0%	54.5%	54.5%	54.5%	96.8%	93.9%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			1.4%	90.6%	86.9%	64.0%	54.5%	54.5%	54.5%	96.8%	93.9%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	12.8%	23.6%	48.5%	34.7%	52.3%	52.3%	52.3%	60.1%	62.9%	54.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))										
Creditors to Cash and Investments		0.0%	36.5%	30.2%	39.5%	39.3%	39.3%	39.3%	47.6%	55.8%	63.3%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW) Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	Total Volume Losses (kℓ) Total Cost of Losses (Rand '000)										
Employee costs	Employee costs/(Total Revenue - capital revenue)	12.6%	11.6%	14.0%	21.0%	19.1%	19.1%	19.1%	18.7%	17.5%	15.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	27.6%	23.1%	23.6%	9.4%	8.0%	8.0%		7.9%	7.3%	6.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	11.9%	7.7%	6.1%	8.2%	8.7%	8.7%		9.9%	9.2%	9.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	4.7%	7.4%	5.2%	2.6%	4.9%	4.9%	4.9%	4.8%	4.5%	3.9%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	4.4	3.4	10.5	13.0	13.0	13.0	8.3	7.8	8.1	9.0
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	78.7%	140.4%	214.8%	271.8%	371.8%	371.8%	371.8%	477.4%	516.9%	496.4%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	11.1	13.6	9.7	7.5	8.1	8.1	8.1	7.0	6.2	5.2

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. Our municipality is not planning to make use of borrowed funds to fund its capital expenditure for 2013/2014 MTREF.

2.3.1.2 *Safety of Capital*

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, and overdraft and tax provisions as a percentage of funds and reserves. The debt equity ratio of our municipality remains at 0:1 or zero per cent for 2013/2014 as our municipality does not have borrowings or overdraft and the ratio remain stable for the two outer years.

2.3.1.3 *Liquidity*

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2012/13 MTREF the current ratio is 4.59, in the 2013/14 financial year and 4.99 and 4.35 for the two outer years of the MTREF respectively. Going forward it will be necessary to maintain these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to settle its current liabilities as they fall due. 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 or more. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2013/14 MTREF our municipality ratio indicates that we will be able to meet our creditor obligations. This is also supported by the cash flow projections appropriated to ensure that cash out flow is always covered by cash inflow or availability of surplus funds to settle the obligations.

2.3.1.4 *Revenue Management*

- As part of the financial sustainability strategy, an aggressive revenue management framework has been put in place 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, and credit control and debt collection.
- The significant percentage of our debtors are government departments which did not pay their accounts because of various reasons provided to the municipality which includes budget issues and lack of certain information from the municipality 's side. We have worked hard to compile all information required to prove the accuracy of the billings and submitted it to all affected departments. The municipality has also appointed a debt collector who is currently in communication with all municipal debtors to settle their accounts.

2.3.1.5 *Creditors Management*

- The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. As our liquidity ratio is in good order we did not encounter cash flow problems to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the municipality's business.

2.3.1.6 *Other Indicators*

- Employee costs as a percentage of operating revenue continues to increase for the 2013/14 MTREF as the municipality is filling critical vacancies to assist in efficient acceleration of service delivery to address the municipality's backlog.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also increasing to ensure that the municipality's existing assets are properly maintained and repaired to lengthen their life span and to keep them in good working conditions.

2.3.2 Free Basic Services: basic electricity tokens for indigent households

The free basic electricity token assists residents that have difficulty paying for electricity services and are registered as indigent households in terms of the Indigent Policy of the municipality.

For the 2012/13 financial year registered indigents have been provided with a fifty (50) KWh token per household per month at a total cost R3 million to the municipality. The cost of free basic electricity increases to R4 million for 2012/2013 financial year. The total amount of units provided per household remains at 50 KWh.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 16 MBRR A10 (Basic Service Delivery Measurement)

2.4 Overview of budget related-policies

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

2.4.1 Review of credit control and debt collection procedures/policies

The Collection Policy as approved by Council in May 2012 is currently under review. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for

money there has been a need to review the tariff for property rates and certain components to encourage our customers to pay their accounts as they complained with current rate and to achieve a higher collection rate. In addition emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, the municipality is planning to introduce an Integrated Indigent Exit Programme which aims to link the registered indigent households to development, skills and job opportunities. The programme also seeks to ensure that all departments as well as external role players are actively involved in the reduction of the number of registered indigent households.

The 2013/14 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 37 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the municipality's cash levels. In addition, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy.

2.4.2 Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process is utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

2.4.3 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in May 2012. This policy is under review and the amended policy will be considered by Council in due course of which the amendments will be extensively consulted on.

2.4.4 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations. The Budget and Virement Policy was approved by Council in May 2012.

2.4.5 Cash Management and Investment Policy

The municipality's Cash Management and Investment Policy was adopted by Council in May 2012. The aim of the policy is to ensure that the municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

2.4.6 Tariff Policies

The municipality's tariff policy provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policy was adopted by council on May 2012 and is currently under review.

2.5 Overview of budget assumptions

2.5.1 External factors

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the municipality's available cash.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2013/14 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for electricity and water; and
- The increase in the cost of remuneration.

2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The municipality is not planning to use borrowing to fund its capital projects and therefore no interests are to be paid. The municipality is forecasting to have surplus cash for investment and cash management and investment policy will be applied when investing such funds to generate revenue.

2.5.4 Collection rate for revenue services

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

The rate of revenue collection is currently expressed as a percentage (29 per cent) of annual billings. Cash flow is assumed to be 29 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy.

2.5.5 Salary increases

We have budgeted salary increases as per the collective agreement and National Treasury Circular number 67. We budgeted an increase of 6.85 per cent, 6.4 per cent and 7 per cent for 2013/2014, 2014/2015 and 2015/2016 respectively.

2.5.6 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.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

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

Table 22 Breakdown of the operating revenue over the medium-term

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source											
Property rates	2	17,956	24,906	41,358	27,270	27,270	27,270	27,270	26,270	28,897	31,786
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	39	93	100	100	100	100	100	120	170
Interest earned - external investments		2,194	3,048	3,672	5,235	3,435	3,435	3,435	4,085	4,493	4,942
Interest earned - outstanding debtors		-	2,945	6,745	5,251	5,251	5,251	5,251	5,251	5,776	6,353
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-
Licences and permits		3,092	2,399	2,466	4,400	4,400	4,400	4,400	4,400	4,840	5,324
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		86,698	114,159	128,573	146,479	146,479	146,479	146,479	160,440	184,356	231,809
Other revenue	2	566	-	704	25,545	7,559	7,559	7,559	9,013	10,004	11,435
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		110,506	147,496	183,610	214,279	194,493	194,493	194,493	209,558	238,485	291,820

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

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

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

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

The proposed tariff reduction for the 2013/14 MTREF for Property rates can be shown as follows:

Table 4 Approved tariff reduction over the medium-term

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

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

Table 23 MBRR SA15 – Detail Investment Information

LIM473 Makhuduthamaga - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Parent municipality										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		26,265	60,050	61,882	75,000	75,000	75,000	63,000	65,000	69,000
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	26,265	60,050	61,882	75,000	75,000	75,000	63,000	65,000	69,000
Entities										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		26,265	60,050	61,882	75,000	75,000	75,000	63,000	65,000	69,000

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted operating surplus of R111 million, R139 million and R187 million in each of the MTREF financial years. This surplus is intended to partly fund capital expenditure as well as ensure adequate cash backing of reserves and funds.

2.6.2 Cash Flow Management

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

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

Table 28 MBRR Table A7 - Budget cash flow statement

LIM473 Makhuduthamaga - Table A7 Budgeted Cash Flows

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		313	28,559	44,620	40,045	24,289	24,289	24,289	43,576	46,624	49,142
Government - operating	1	86,698	114,143	128,573	146,479	146,479	146,479	146,479	156,218	169,631	178,791
Government - capital	1	28,401	33,401	40,129	45,436	45,436	45,436	45,436	50,510	56,237	59,274
Interest		2,194	5,394	10,417	5,235	5,235	5,235	5,235	5,759	6,334	6,676
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(72,293)	(125,591)	(108,088)	(139,362)	(130,877)	(130,877)	(130,877)	(145,814)	(156,289)	(164,729)
Finance charges		-	-	-	(116)	(116)	(116)	(116)	-	-	-
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		45,313	55,906	115,650	97,717	90,446	90,446	90,446	110,249	122,537	129,154
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	660	350	350	350	350	-	-	-
Decrease (increase) in non-current debtors		-	(28,559)	(52,056)	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(32,492)	(17,764)	(58,548)	(105,314)	(97,613)	(97,613)	(97,613)	(117,016)	(126,764)	(133,610)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(32,492)	(46,323)	(109,945)	(104,964)	(97,263)	(97,263)	(97,263)	(117,016)	(126,764)	(133,610)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	203	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	203	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		12,821	9,583	5,909	(7,246)	(6,817)	(6,817)	(6,817)	(6,766)	(4,227)	(4,456)
Cash/cash equivalents at the year begin:	2	52,358	65,178	74,761	80,670	80,670	80,670	80,670	73,853	67,087	62,859
Cash/cash equivalents at the year end:	2	65,178	74,761	80,670	73,424	73,853	73,853	73,853	67,087	62,859	58,404

The above table shows a net decrease in cash held for all financial years of the 2013/2014 MTREF due to poor collection of revenue from property rates and is boosted by the opening balance of our bank account. The amount of R43 million cash inflow from rate payers and other for 2013/2014 is made up of R30 million from debtors and the remaining balance is from all other sources of own revenue.

2.6.3 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 29 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

LIM473 Makhuduthamaga - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Cash and investments available											
Cash/cash equivalents at the year end	1	65,178	74,761	80,670	73,424	73,853	73,853	73,853	67,087	62,859	58,404
Other current investments > 90 days		-	(80)	-	(13,401)	(13,401)	(13,401)	(13,401)	(13,953)	(14,082)	(6,992)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		65,178	74,681	80,670	60,023	60,452	60,452	60,452	53,134	48,778	51,412
Application of cash and investments											
Unspent conditional transfers		8,216	-	4,638	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	#REF!	(4,472)	(53,017)	(18,614)	(26,445)	(26,445)	(26,445)	(89,906)	(105,793)	(104,570)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		#REF!	(4,472)	(48,378)	(18,614)	(26,445)	(26,445)	(26,445)	(89,906)	(105,793)	(104,570)
Surplus(shortfall)		#REF!	79,152	129,048	78,637	86,897	86,897	86,897	143,040	154,571	155,982

From the above table it can be seen that the cash and investments available total R53 million in the 2013/14 financial year and decrease to R41 million by 2015/16.

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

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

Funding compliance measurement

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

Table 30 MBRR SA10 – Funding compliance measurement

LIM473 Makhuduthamaga Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	65,178	74,761	80,670	73,424	73,853	73,853	73,853	67,087	62,859	58,404
Cash + investments at the yr end less applications - R'000	18(1)b	2	#REF!	79,152	129,048	78,637	86,897	86,897	86,897	143,040	154,571	155,982
Cash year end/monthly employee/supplier payments	18(1)b	3	11.1	13.6	9.7	7.5	8.1	8.1	8.1	7.0	6.2	5.2
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	28,800	82,567	81,114	105,700	97,561	97,561	97,561	111,271	139,188	187,528
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	32.7%	60.1%	(40.1%)	(6.0%)	(6.0%)	(6.0%)	(9.7%)	4.0%	4.0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	1.4%	90.6%	86.9%	64.0%	54.5%	54.5%	54.5%	96.8%	93.9%	89.2%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	14.3%	16.2%	17.4%	33.0%	33.0%	33.0%	33.0%	36.2%	34.7%	33.2%
Capital payments % of capital expenditure	18(1)c;19	8	55.6%	26.9%	80.1%	100.0%	100.0%	100.0%	100.0%	105.2%	91.4%	71.6%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	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	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	147.8%	154.2%	(16.5%)	36.8%	0.0%	0.0%	23.7%	19.2%	5.8%
Long term receivables % change - incr(decr)	18(1)a	12	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)	13	8.5%	5.5%	6.9%	4.1%	6.9%	6.9%	8.5%	5.7%	4.5%	5.5%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	4.7%	5.1%	5.1%	0.0%	2.8%	0.1%	0.1%

2.7 Expenditure on grants and reconciliations of unspent funds

Table 31 MBRR SA19 - Expenditure on transfers and grant programmes

LIM473 Makhuduthamaga - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		90,587	114,144	128,573	146,479	146,479	146,479	160,440	184,356	231,809
Local Government Equitable Share		88,352	111,894	126,283	143,213	143,213	143,213	157,000	181,822	229,192
Finance Management		1,500	1,500	1,500	1,500	1,500	1,500	1,550	1,600	1,650
Municipal Systems Improvement		735	750	790	800	800	800	890	934	967
EPWP Incentive		-	-	-	966	966	966	1,000	-	-
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	90,587	114,144	128,573	146,479	146,479	146,479	160,440	184,356	231,809
Capital Transfers and Grants										
National Government:		-	33,401	40,129	45,436	45,436	45,436	54,870	62,495	71,922
Municipal Infrastructure Grant (MIG)			28,401	30,129	41,436	41,436	41,436	49,870	57,495	61,922
DOE Grant			5,000	10,000	4,000	4,000	4,000	5,000	5,000	10,000
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	-	33,401	40,129	45,436	45,436	45,436	54,870	62,495	71,922
TOTAL RECEIPTS OF TRANSFERS & GRANTS		90,587	147,545	168,702	191,915	191,915	191,915	215,310	246,851	303,731

Table 32 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds**LIM473 Makhuduthamaga - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds**

Description	Ref	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										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		67,705	86,698	114,159	128,589	130,121	130,121	146,479	156,218	169,631
Conditions met - transferred to revenue		67,705	86,698	114,159	128,589	130,121	130,121	146,479	156,218	169,631
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Provincial Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
District Municipality:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Other grant providers:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Total operating transfers and grants revenue		67,705	86,698	114,159	128,589	130,121	130,121	146,479	156,218	169,631
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	30,330	33,401	41,659	44,159	44,159	45,436	50,510	56,237
Conditions met - transferred to revenue		-	30,330	33,401	41,659	44,159	44,159	45,436	50,510	56,237
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Provincial Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
District Municipality:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Other grant providers:										
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		-	30,330	33,401	41,659	44,159	44,159	45,436	50,510	56,237
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		67,705	117,028	147,560	170,248	174,280	174,280	191,915	206,728	225,868
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

2.8 Allocations and grants made by the municipality.

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

2.9 Councillor and employee benefits

Table 33 MBRR SA22 - Summary of councillor and staff benefits

LIM473 Makhuduthamaga - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	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
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		6,653	8,459	8,462	8,958	8,585	8,585	9,360	9,884	10,418
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		2,262	2,876	2,877	3,046	2,919	2,919	3,182	3,360	3,542
Cellphone Allowance		434	552	552	585	560	560	611	645	680
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		1,345	1,711	1,711	1,812	1,736	1,736	1,893	1,999	2,107
Sub Total - Councillors		10,695	13,598	13,603	14,400	13,801	13,801	15,045	15,888	16,746
% Increase	4		27.1%	0.0%	5.9%	(4.2%)	-	9.0%	5.6%	5.4%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		-	1,636	1,944	2,554	2,369	2,369	2,774	2,929	3,087
Pension and UIF Contributions		-	306	364	478	472	472	427	450	475
Medical Aid Contributions		-	98	116	153	153	153	120	127	134
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	720	856	1,124	1,124	1,124	416	440	464
Cellphone Allowance	3	-	68	80	106	106	106	163	172	181
Housing Allowances	3	-	196	232	305	305	305	1,228	1,297	1,367
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		-	3,024	3,593	4,720	4,529	4,529	5,127	5,415	5,707
% Increase	4		-	18.8%	31.4%	(4.0%)	-	13.2%	5.6%	5.4%
Other Municipal Staff										
Basic Salaries and Wages		13,585	9,523	10,289	20,821	16,998	16,998	23,727	25,055	26,408
Pension and UIF Contributions		-	1,825	2,343	4,741	3,871	3,871	5,403	5,706	6,014
Medical Aid Contributions		-	384	662	1,340	1,094	1,094	1,527	1,612	1,699
Overtime		-	68	134	271	221	221	309	326	344
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	1,075	2,617	5,296	4,324	4,324	6,035	6,373	6,717
Cellphone Allowance	3	-	153	499	1,009	824	824	1,150	1,214	1,280
Housing Allowances	3	-	245	396	802	654	654	913	965	1,017
Other benefits and allowances	3	-	115	197	398	325	325	453	479	505
Payments in lieu of leave		-	507	171	345	282	282	394	416	438
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		13,585	13,896	17,307	35,022	28,592	28,592	39,911	42,146	44,422
% Increase	4		2.3%	24.6%	102.4%	(18.4%)	-	39.6%	5.6%	5.4%
Total Parent Municipality		24,280	30,517	34,503	54,142	46,921	46,921	60,084	63,448	66,875
			25.7%	13.1%	56.9%	(13.3%)	-	28.1%	5.6%	5.4%
Board Members of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% Increase	4		-	-	-	-	-	-	-	-
Senior Managers of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% Increase	4		-	-	-	-	-	-	-	-
Other Staff of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% Increase	4		-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		24,280	30,517	34,503	54,142	46,921	46,921	60,084	63,448	66,875
% Increase	4		25.7%	13.1%	56.9%	(13.3%)	-	28.1%	5.6%	5.4%
TOTAL MANAGERS AND STAFF	5	13,585	16,919	20,900	39,742	33,121	33,121	45,038	47,560	50,129

2.10 Monthly targets for revenue, expenditure and cash flow

The following tables shows how the municipality is planning to receive its budgeted revenue and spend funds appropriated per cost centre, standard classification and the cash inflow and out flow per month.

Table 365 MBRR SA25 - Budgeted monthly revenue and expenditure**LIM473 Makhuduthamaga - Supporting Table SA25 Budgeted monthly revenue and expenditure**

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand																
Revenue By Source																
Property rates		2,272	2,272	2,272	2,272	2,272	2,272	2,272	2,272	2,272	2,272	1,272	26,270	28,897	31,786	
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rental of facilities and equipment		-	-	45	-	-	20	-	-	25	-	10	100	120	170	
Interest earned - external investments		350	370	345	315	410	320	395	370	400	350	300	160	4,085	4,942	
Interest earned - outstanding debtors		460	475	487	490	410	415	420	430	435	437	450	342	5,251	6,353	
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Licences and permits		380	385	350	389	380	320	310	415	319	390	400	362	4,400	5,324	
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers recognised - operational		58,550	890	-	49,000	-	-	-	-	52,000	-	-	160,440	184,356	231,809	
Other revenue		500	1,550	2,000	-	3,500	1,400	-	63	-	-	-	9,013	10,004	11,435	
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and contribution)		62,512	5,942	5,499	52,466	6,972	4,747	3,397	3,551	55,451	3,449	3,422	209,558	238,485	291,820	
Expenditure By Type																
Employee related costs		3,271	3,271	3,271	3,271	3,271	3,271	3,271	3,271	3,271	3,271	3,271	39,250	41,769	44,682	
Remuneration of councillors		1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	16,464	17,353	18,290	
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	9,544	10,059	10,602	
Depreciation & asset impairment		844	844	844	844	844	844	844	844	844	844	844	10,128	10,675	11,251	
Finance charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bulk purchases		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contracted services		947	3,447	4,447	1,947	5,947	1,447	4,747	1,947	3,447	947	947	32,085	33,818	40,726	
Transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other expenditure		3,400	6,875	8,000	4,500	6,000	5,000	1,800	3,000	1,500	2,500	1,400	45,686	48,118	50,663	
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure		9,834	15,809	17,934	11,934	17,434	11,934	12,034	10,434	10,434	8,934	7,834	153,157	161,792	176,215	
Surplus/(Deficit)		52,679	(9,866)	(12,434)	40,533	(10,461)	(7,186)	(8,636)	(6,883)	45,018	(5,484)	(4,411)	(16,464)	56,401	115,606	
Transfers recognised - capital		-	25,800	-	10,500	-	15,000	-	3,570	-	-	-	54,870	62,495	71,922	
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions		52,679	15,934	(12,434)	51,033	(10,461)	7,814	(8,636)	(3,313)	45,018	(5,484)	(4,411)	(16,464)	111,271	187,528	
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	1	52,679	15,934	(12,434)	51,033	(10,461)	7,814	(8,636)	(3,313)	45,018	(5,484)	(4,411)	(16,464)	111,271	187,528	

Table 37 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

LIM473 Makhuduthamaga - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2013/14											Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand																
Revenue by Vote																
Vote 1 - Coucil													-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Economic Development and Planning		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Budget and Treasury		62,512	31,742	5,499	62,966	6,972	19,747	3,397	7,121	55,451	3,449	3,422	2,146	264,428	300,980	363,742
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
Total Revenue by Vote		62,512	31,742	5,499	62,966	6,972	19,747	3,397	7,121	55,451	3,449	3,422	2,146	264,428	300,980	363,742
Expenditure by Vote to be appropriated																
Vote 1 - Coucil		2,100	2,300	350	8,500	2,800	5,500	1,800	1,500	1,950	2,100	1,450	1,608	31,958	33,738	35,651
Vote 2 - Office of the Municipal Manager		310	290	280	280	350	450	500	295	240	259	125	143	3,522	3,737	3,982
Vote 3 - Economic Development and Planning		1,650	890	950	1,700	350	560	690	450	890	890	890	732	10,642	10,256	10,876
Vote 4 - Infrastructure Development		7,500	27,900	15,600	25,000	18,900	15,000	5,000	3,500	2,900	2,500	2,700	2,421	128,921	158,332	212,777
Vote 5 - Community Services		1,400	1,600	2,000	800	954	2,200	1,110	984	967	945	1,120	1,620	15,700	16,635	17,660
Vote 6 - Corporate Services		1,900	2,600	1,590	1,890	1,600	890	1,200	980	945	976	989	1,171	16,731	17,698	18,761
Vote 7 - Budget and Treasury		2,500	2,900	3,670	4,560	5,100	3,570	6,400	2,950	3,800	3,700	15,000	2,753	56,903	60,045	63,414
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
Total Expenditure by Vote		17,360	38,480	24,440	42,730	30,054	28,170	16,700	10,659	11,692	11,370	22,274	10,449	264,378	300,441	363,121
Surplus/(Deficit) before assoc.		45,152	(6,738)	(18,941)	20,236	(23,082)	(8,423)	(13,303)	(3,538)	43,759	(7,921)	(18,852)	(8,303)	51	539	621
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	45,152	(6,738)	(18,941)	20,236	(23,082)	(8,423)	(13,303)	(3,538)	43,759	(7,921)	(18,852)	(8,303)	51	539	621

Table 39 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

LIM473 Makhuduthamaga - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Multi-year expenditure to be appropriated	1															
Vote 1 - Council													-	-	-	-
Vote 2 - Office of the Municipal Manager													-	-	-	-
Vote 3 - Economic Development and Planning													-	-	-	-
Vote 4 - Infrastructure Development													-	-	-	-
Vote 5 - Community Services													-	-	-	-
Vote 6 - Corporate Services													-	-	-	-
Vote 7 - Budget and Treasury													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - Council													-	-	-	-
Vote 2 - Office of the Municipal Manager													-	-	-	-
Vote 3 - Economic Development and Planning		800	-	-	467	-	-	-	-	-	-	-	0	1,267	334	111
Vote 4 - Infrastructure Development		4,300	15,000	12,300	23,800	17,400	14,400	4,300	2,800	2,400	2,700	2,700	1,763	103,863	131,895	179,789
Vote 5 - Community Services		-	-	100	-	-	-	-	-	-	-	-	-	100	105	111
Vote 6 - Corporate Services		300	-	500	200	-	350	250	400	-	-	-	-	2,000	2,108	2,222
Vote 7 - Budget and Treasury		600	2,000	500	891	-	-	-	-	-	-	-	(0)	3,991	4,206	4,433
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
Capital single-year expenditure sub-total	2	6,000	17,000	13,400	25,358	17,400	14,750	4,550	3,200	2,400	2,700	2,700	1,763	111,221	138,649	186,666
Total Capital Expenditure	2	6,000	17,000	13,400	25,358	17,400	14,750	4,550	3,200	2,400	2,700	2,700	1,763	111,221	138,649	186,666

Table 40 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

LIM473 Makhuduthamaga - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital Expenditure - Standard	1															
<i>Governance and administration</i>		900	2,000	1,000	1,091	-	350	250	400	-	-	-	(0)	5,991	6,314	6,655
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		600	2,000	500	891	-	-	-	-	-	-	-	(0)	3,991	4,206	4,433
Corporate services		300	-	500	200	-	350	250	400	-	-	-	-	2,000	2,108	2,222
<i>Community and public safety</i>		-	1,500	1,600	500	2,000	1,000	1,500	-	-	-	-	1,480	9,580	8,605	111
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	500	1,500	-	2,000	-	1,500	-	-	-	-	1,480	6,980	-	-
Public safety		-	-	100	-	-	-	-	-	-	-	-	-	100	105	111
Housing		-	1,000	-	500	-	1,000	-	-	-	-	-	-	2,500	8,500	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		5,100	11,000	10,300	22,767	14,900	14,400	1,320	2,800	2,400	2,700	2,700	263	90,650	118,729	169,900
Planning and development		800	-	-	467	-	-	-	-	-	-	-	0	1,267	334	111
Road transport		4,300	11,000	10,300	22,300	14,900	14,400	1,320	2,800	2,400	2,700	2,700	263	89,383	118,395	169,789
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	2,500	500	1,000	500	-	-	-	-	-	-	500	5,000	5,000	10,000
Electricity		-	2,500	500	1,000	500	-	-	-	-	-	-	500	5,000	5,000	10,000
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	2	6,000	17,000	13,400	25,358	17,400	15,750	3,070	3,200	2,400	2,700	2,700	2,243	111,221	138,649	186,666

Table 41 MBRR SA30 - Budgeted monthly cash flow

LIM473 Makhuduthamaga - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand													1		
Cash Receipts By Source															
Property rates	2,272	3,200	2,320	3,340	2,430	2,350	2,340	2,300	2,490	2,450	2,510	2,061	30,063	31,660	32,212
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	45	-	-	20	-	-	25	-	-	10	100	120	170
Interest earned - external investments	350	370	345	315	410	320	395	370	400	350	300	160	4,085	4,493	4,942
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	380	385	350	389	380	320	310	415	319	390	400	362	4,400	4,840	5,324
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	58,550	890	-	49,000	-	-	-	-	52,000	-	-	-	160,440	184,356	231,809
Other revenue	500	1,550	2,000	-	3,500	1,400	-	63	-	-	-	-	9,013	10,004	11,435
Cash Receipts by Source	62,052	6,395	5,060	53,044	6,720	4,410	3,045	3,148	55,234	3,190	3,210	2,592	208,101	235,473	285,893
Other Cash Flows by Source															
Transfer receipts - capital	-	25,800	-	10,500	-	15,000	-	3,570	-	-	-	-	54,870	62,495	71,922
Contributions recognised - capital & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	62,052	32,195	5,060	63,544	6,720	19,410	3,045	6,718	55,234	3,190	3,210	2,592	262,971	297,968	357,815
Cash Payments by Type															
Employee related costs	3,271	3,271	3,271	3,271	3,271	3,271	3,271	3,271	3,271	3,271	3,271	3,271	39,250	41,769	44,682
Remuneration of councillors	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	16,464	17,353	18,290
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	947	3,447	4,447	1,947	5,947	1,447	4,747	1,947	3,447	947	947	1,869	32,085	33,818	40,726
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	3,400	6,875	8,000	4,500	6,000	5,000	1,800	3,000	1,500	2,500	1,400	1,711	45,686	48,118	50,663
Cash Payments by Type	8,990	14,965	17,090	11,090	16,590	11,090	11,190	9,590	9,590	8,090	6,990	8,222	133,485	141,058	154,361
Other Cash Flows/Payments by Type															
Capital assets	6,000	17,000	13,400	25,358	17,400	14,750	4,550	3,200	2,400	2,700	2,700	1,763	111,221	138,649	186,666
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	14,990	31,965	30,490	36,448	33,990	25,840	15,740	12,790	11,990	10,790	9,690	9,985	244,706	279,707	341,027
NET INCREASE/(DECREASE) IN CASH HELD	47,063	230	(25,430)	27,096	(27,270)	(6,430)	(12,695)	(6,071)	43,244	(7,600)	(6,480)	(7,393)	18,265	18,261	16,788
Cash/cash equivalents at the month/year begin:	73,853	120,916	121,146	95,716	122,812	95,542	89,113	76,418	70,346	113,591	105,991	99,511	73,853	92,118	110,379
Cash/cash equivalents at the month/year end:	120,916	121,146	95,716	122,812	95,542	89,113	76,418	70,346	113,591	105,991	99,511	92,118	92,118	110,379	127,166

2.11 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.

2.12 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 42 MBRR SA 34a - Capital expenditure on new assets by asset class

LIM473 Makhuduthamaga - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		54,070	58,093	64,969	77,900	71,890	71,890	91,383	123,395	179,789
Infrastructure - Road transport		53,041	34,835	64,969	72,100	66,090	66,090	86,383	118,395	169,789
Roads, Pavements & Bridges		53,041	34,835	64,969	72,100	66,090	66,090	86,383	118,395	169,789
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		1,029	23,258	-	5,800	5,800	5,800	5,000	5,000	10,000
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		1,029	23,258	-	5,800	5,800	5,800	5,000	5,000	10,000
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation	2	-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	-	-	-	-	-	-	-	-	-
Community		-	-	-	8,065	8,065	8,065	7,297	334	352
Parks & gardens		-	-	-	1,650	1,650	1,650	317	334	352
Sportsfields & stadia		-	-	-	6,215	6,215	6,215	6,980	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	200	200	200	-	-	-
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		4,412	7,845	8,131	14,349	12,657	12,657	9,441	14,814	6,414
General vehicles		-	-	-	-	-	-	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		500	2,074	957	3,500	3,500	3,500	2,000	2,108	2,222
Furniture and other office equipment		1,000	1,267	3,706	2,849	6,157	6,157	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	4,505	3,469	7,500	2,500	2,500	2,500	8,500	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		2,912	-	-	500	500	500	4,941	4,206	4,192
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	58,482	65,938	73,100	100,314	92,613	92,613	108,121	138,543	186,555

Table 43 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class**LIM473 Makhuduthamaga - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class**

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	5,000	5,000	5,000	3,000	-	-
Infrastructure - Road transport		-	-	-	5,000	5,000	5,000	3,000	-	-
Roads, Pavements & Bridges		-	-	-	5,000	5,000	5,000	3,000	-	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation	2	-	-	-	-	-	-	-	-	-
Gas	3	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	100	105	111
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing	8	-	-	-	-	-	-	100	105	111
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
General vehicles		-	-	-	-	-	-	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	1	-	-	-	5,000	5,000	5,000	3,100	105	111

Table 44 MBRR SA34c - Repairs and maintenance expenditure by asset class

LIM473 Makhuduthamaga - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		13,179	11,507	11,226	16,327	16,377	16,377	17,030	17,949	24,000
Infrastructure - Road transport		13,179	11,507	11,226	16,127	16,127	16,127	17,030	17,949	24,000
Roads, Pavements & Bridges		13,179	11,507	11,226	16,127	16,127	16,127	17,030	17,949	24,000
Storm water										
Infrastructure - Electricity		-	-	-	200	250	250	-	-	-
Generation										
Transmission & Reticulation										
Street Lighting					200	250	250			
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation										
Gas	2									
Other	3									
Community		-	-	-	400	400	400	800	843	889
Parks & gardens										
Sportsfields & stadia					400	400	400	800	843	889
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		-	-	-	850	50	50	2,892	3,048	3,213
General vehicles										
Specialised vehicles										
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other					850	50	50	2,892	3,048	3,213
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Repairs and Maintenance Expenditure	1	13,179	11,507	11,226	17,577	16,827	16,827	20,722	21,841	28,102

Table 45 MBRR SA35 - Future financial implications of the capital budget**LIM473 Makhuduthamaga - Supporting Table SA35 Future financial implications of the capital budget**

Vote Description	Ref	2013/14 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Coucil		-	-	-				
Vote 2 - Office of the Municipal Manager		-	-	-				
Vote 3 - Economic Development and Planning		1,267	334	111				
Vote 4 - Infrastructure Development		103,863	131,895	179,789				
Vote 5 - Community Services		100	105	111				
Vote 6 - Corporate Services		2,000	2,108	2,222				
Vote 7 - Budget and Treasury		3,991	4,206	4,433				
0		-	-	-				
0		-	-	-				
0		-	-	-				
0		-	-	-				
0		-	-	-				
0		-	-	-				
0		-	-	-				
0		-	-	-				
0		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		111,221	138,649	186,666	-	-	-	-

Table 46 MBRR SA36 - Detailed capital budget per municipal vote

LIM473 Makhuduthamaga - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2013/14 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2011/12	Current Year 2012/13 Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Ward location	New or renewal
Parent municipality:																
List all capital projects grouped by Municipal Vote																
7500 - Roads and Bridges	4	Maia Mapitsane access bridge (MIG)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	1,500	3,920	1,500,000.00	-	-		New	
		Upgrading of Masemola Sports ground (MIG)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	6,980	6,215	6,979,922.87	-	-		New	
		Kutupu road and storm water phase2 (MIG)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3,000	9,016	3,000,000.00	-	-		New	
		Vierfontein to Rietfontein Link road Phase2 (MIG)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	7,070	6,216	7,069,613.59	-	-		New	
		Moretsele Access Road Phase 2 (MIG)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	2,000	6,493	2,000,000.00	-	-		New	
		Vlaka/Kome access bridge (MIG)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	1,500	4,466	1,500,000.00	-	-		New	
		Madibaneng Acces bridge (MIG)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	1,000	4,047	1,000,000.00	-	-		New	
		Jane Furse Police station to Marangrang access road (MIG)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	7,309		3,809,149.69	3,500,000.00	-		New	
		Rietfontein storm water control (MIG)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3,600		3,600,000.00	-	-		New	
		Access road to Jane furse artificial pitch (MIG)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	4,000		4,000,000.00	-	-		New	
		Mohlala/Ngwanatswana pedestrian bridge (MIG)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	2,470		2,469,841.88	-	-		New	
		Pshiring access bridge (MIG)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3,500		3,500,000.00	-	-		New	
		Mogashoa Manamane access bridge (MIG)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	4,500		3,500,000.00	1,000,000.00	-		New	
		Cabrieve/Khayelitsha access bridge (MIG)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3,700		3,700,000.00	-	-		New	
		Moripane/Riverside access bridge (MIG)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3,700		1,179,294.84	2,520,705.16	-		New	
		Lobethal/Tisane access bridge (MIG)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	4,000		-	4,000,000.00	-		New	
		Access roads to Peter Nchabeleng sports field (MIG)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	4,500		-	4,500,000.00	-		New	
		Access road to Jane Furse Library (MIG)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3,800		-	3,800,000.00	-		New	
		Matlwaneng access bridge (MIG)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3,800		-	3,800,000.00	-		New	
		Access from masemola filling station to Magalies clinic			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	1,500		-	1,500,000.00	-		New	
		Manotong/Setebong access bridge (MIG)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	4,000		-	4,000,000.00	-		New	
		Moraba access bridge (MIG)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3,800		-	3,800,000.00	-		New	
		Makhutso access bridge (MIG)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	4,000		-	4,000,000.00	-		New	
		Manganeng access bridge (MIG)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3,800		-	3,800,000.00	-		New	
		Skotiphola access road (MIG)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	1,296		-	1,295,510.14	-		New	
		Ngwanamatlang access bridge (MIG)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	4,500		-	4,500,000.00	-		New	
		Expansion of Jane Furse artificial turf (MIG)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	4,359		-	4,359,250.00	-		New	

Table 47 MBRR 36: Detailed capital budget per municipal vote (continued)

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2012/13 Medium Term Revenue & Expenditure Framework			Project information	
										Audited Outcome 2010/11	Current Year 2011/12 Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Ward location	New or renewal
R thousand	4			2	6	3	3	5								
		Madibong Storm Water			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3,000			-	3,000,000.00		-	New
		Riverside storm Water			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3,000			-	3,000,000.00		-	New
		Access road to Sekwati tribal office (ES)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3,870			3,870,000.00	-	-	-	New
		Access bridge to Seopela tribal office (ES)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	1,000			1,000,000.00	-	-	-	New
		Access road to Masemola tribal office (ES)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	2,330			1,110,000.00	1,220,000.00	-	-	New
		Construction of Jane Furse road to hlatlolanang (ES)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3,500			3,500,000.00	-	-	-	New
		Construction of Maololo Acces bridge (ES)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	2,000			2,000,000.00	-	-	-	New
		Construction of access road to Seopela tribal office phase 2 (ES)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	500			500,000.00	-	-	-	New
		Construction of access road to Mogashoa Manamane and Dithlak			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	8,200			8,200,000.00	-	-	-	New
		Construction of access road to maila mapitsane tribal office (ES)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	8,500			8,500,000.00	-	-	-	New
		Construction of access road to Tisane tribal office (ES)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	1,000			1,000,000.00	-	-	-	New
		Construction of access road to ga-Mampane tribal office (ES)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	19,375			8,375,123.00	11,000,000.00	-	-	New
		Design and Construction of acces road to ga-Maloma tribal office			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	6,500			6,500,000.00	-	-	-	New
		Design and Construction of access road to Mashabela tribal office			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	5,000			-	5,000,000.00	-	-	New
		Design and Construction of access road to Marulaneng tribal offic			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	-			-	-	-	-	New
		Design and Construction of access road to Mashegoana/Legare/			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	-			-	-	-	-	New
		Construction of access road to Mohlala Madibaneng tribal office (Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	11,000			-	11,000,000.00	-	-	New
		Construction of access road to Maila Mashupye tribal office (ES)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	12,000			-	12,000,000.00	-	-	New
		Construction of access road to Mathibeng tribal office (ES)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	10,000			-	10,000,000.00	-	-	New
		Construction of acces road from Mathapisa to kgaruthuthu			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	800			-	800,000.00	-	-	New
		Construction of access road to Maila Segolo tribal office (ES)			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	11,000			-	11,000,000.00	-	-	New
		Rehab Of R579 Jane Furse To Ne			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3,000			3,000,000.00	-	-	-	Renewal
		Roads and Stormwater Projects			Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	171,118						171,118	New
		Municipal Vehicles			Yes	Other Assets	General vehicles	Not available	6,229			600,000.00	2,740,400.00	2,888,381.60		New
		Office Equipments and Furniture			Yes	Other Assets	Furniture and other office equipment	Not available	1,873			790,521.60	527,000.00	555,458.00		New
		Plant Acquisition			Yes	Other Assets	Plant & equipment	Not available	2,622			2,600,000.00	10,540.00	11,109.16		New
		IT Infrastructure			Yes	Other Assets	Computers - software & programming	Not available	5,280			2,000,000.00	1,596,810.00	1,683,037.74		New
		Market Stalls			Yes	Other Assets	Buildings	Not available	950			950,400.00	-	-		New
		Development Of Parks & Cemetery			Yes	Community	Cemeteries	Not available	966			316,800.00	316,200.00	333,274.80		New
		Capital Infrastructure Assets(Electricity)			Yes	Infrastructure - Electricity	Transmission & Peticulation	Not available	20,000			5,000,000.00	5,000,000.00	10,000,000.00		New
		Extention Of Municipal Office			Yes	Infrastructure - Other	Buildings	Not available	11,000			2,500,000.00	8,500,000.00	-		New
		Renewal Of Testing Satation						Not available	249			100,000.00	72,676.02	76,600.52		Renewal

2.13 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 Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.
2. Internship programme
The municipality is participating in the Municipal Financial Management Internship programme and has employed eight interns undergoing training in various divisions of the Budget and Treasury Department, Risk management and Audit section. The two year training contract for this intern ends in December 2013. Since the introduction of the Internship programme the municipality has successfully trained 14 interns and employed 6 of the total trained on permanent positions. Three of this total was permanently employed by the district municipality and one was employed by one of the local municipalities.
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 SDBIP document is at a draft stage and will be finalised after approval of the 2013/14 MTREF in June 2012 directly aligned and informed by the 2013/14 MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training
The MFMA training module in electronic format is presented at the municipality and training is ongoing.
8. Policies
An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009 was announced in Government Gazette 33016 on 12 March 2010. The ratios as prescribed in the Regulations have been complied with.

2.14 Other supporting documents

Table 49 MBRR Table SA1 - Supporting detail to budgeted financial performance

LIM473 Makhuduthamaga - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
REVENUE ITEMS:											
Property rates											
Total Property Rates	6	17,956	24,906	41,358	27,270	27,270	27,270	27,270	26,270	28,897	31,786
less Revenue Foregone											
Net Property Rates		17,956	24,906	41,358	27,270	27,270	27,270	27,270	26,270	28,897	31,786
Service charges - electricity revenue											
Total Service charges - electricity revenue	6										
less Revenue Foregone											
Net Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-
Service charges - water revenue											
Total Service charges - water revenue	6										
less Revenue Foregone											
Net Service charges - water revenue		-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue											
Total Service charges - sanitation revenue											
less Revenue Foregone											
Net Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue											
Total refuse removal revenue	6										
Total landfill revenue											
less Revenue Foregone											
Net Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-
Other Revenue by source											
VAT recovery (Conditional Grants)		-	-	-	24,795	6,659	6,659	6,659	8,163	9,104	10,435
Other Revenue		566	1,219	704	200	200	200	200	-	-	-
Tender Documents Sales		-	-	-	550	700	700	700	850	900	1,000
Total 'Other' Revenue	3	566	1,219	704	25,545	7,559	7,559	7,559	9,013	10,004	11,435
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	9,523	10,289	15,262	22,644	18,722	18,722	18,722	19,733	21,000	22,465
Pension and UIF Contributions		1,825	2,502	3,711	4,788	3,959	3,959	3,959	4,172	4,440	4,750
Medical Aid Contributions		384	662	982	4,160	3,439	3,439	3,439	3,625	3,858	4,127
Overtime		68	134	199	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		1,075	2,617	3,882	6,399	5,290	5,290	5,290	5,576	5,934	6,348
Cellphone Allowance		153	499	740	961	795	795	795	838	891	954
Housing Allowances		245	396	588	2,336	1,932	1,932	1,932	2,036	2,167	2,318
Other benefits and allowances		115	37	56	3,751	3,101	3,101	3,101	3,269	3,479	3,721
Payments in lieu of leave		507	171	253	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	4	-	-	-	-	-	-	-	-	-	-
sub-total	5	13,896	17,307	25,672	45,038	37,238	37,238	37,238	39,250	41,769	44,682
Less: Employees costs capitalised to PPE											
Total Employee related costs	1	13,896	17,307	25,672	45,038	37,238	37,238	37,238	39,250	41,769	44,682
Contributions recognised - capital											
List contributions by contract											
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-

Table 49 MBRR Table SA1 - Supporting detail to budgeted financial performance (Continued)

Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment	5,072	10,878	9,618	5,500	9,591	9,591	9,591	10,128	10,675	11,251
Lease amortisation										
Capital asset impairment										
Depreciation resulting from revaluation of PPE										
Total Depreciation & asset impairment	5,072	10,878	9,618	5,500	9,591	9,591	9,591	10,128	10,675	11,251
Bulk purchases										
Electricity Bulk Purchases										
Water Bulk Purchases										
Total bulk purchases	-	-	-	-	-	-	-	-	-	-
Transfers and grants										
Cash transfers and grants	-	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants	-	-	-	-	-	-	-	-	-	-
Total transfers and grants	-	-	-	-	-	-	-	-	-	-
Contracted services										
Repairs and maintenance	13,179	11,507		17,577	16,827	16,827	16,827	20,722	21,841	28,102
Security Services and Cleaning Services	-	-		10,644	11,025	11,025	11,025	11,210	11,816	12,454
Other Contracted Services	2,790	4,086	30,548	500	400	400	400	153	162	170
sub-total	15,969	15,593	30,548	28,720	28,252	28,252	28,252	32,085	33,818	40,726
Allocations to organs of state:										
Electricity										
Water										
Sanitation										
Other										
Total contracted services	15,969	15,593	30,548	28,720	28,252	28,252	28,252	32,085	33,818	40,726
Other Expenditure By Type										
Collection costs	-	-		1,015	895	895	895	1,515	1,597	1,683
Contributions to 'other' provisions	-	-		-	-	-	-	-	-	-
Consultant fees	-	-		-	-	-	-	-	-	-
Audit fees	1,755	1,219		1,899	2,399	2,399	2,399	1,688	1,779	1,876
General expenses	59,093	36,693	55,604	47,644	43,395	43,395	43,395	42,482	44,742	47,104
<i>List Other Expenditure by Type</i>										
Total 'Other' Expenditure	60,848	37,912	55,604	50,557	46,688	46,688	46,688	45,686	48,118	50,663
by Expenditure Item										
Employee related costs										
Other materials										
Contracted Services	13,179	11,507	11,226	17,577	16,827	16,827	16,827	20,722	21,841	28,102
Other Expenditure										
Total Repairs and Maintenance Expenditure	13,179	11,507	11,226	17,577	16,827	16,827	16,827	20,722	21,841	28,102

Table 50 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)**LIM473 Makhuduthamaga - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)**

Description	Ref	Vote 1 - Coucil	Vote 2 - Office of the Municipal Manager	Vote 3 - Economic Development and Planning	Vote 4 - Infrastructure Development	Vote 5 - Community Services	Vote 6 - Corporate Services	Vote 7 - Budget and Treasury	0	0	0	0	0	0	0	0	Total
R thousand	1																
Revenue By Source																	
Property rates								26,270									26,270
Property rates - penalties & collection charges								-									-
Service charges - electricity revenue								-									-
Service charges - water revenue								-									-
Service charges - sanitation revenue								-									-
Service charges - refuse revenue								-									-
Service charges - other								-									-
Rental of facilities and equipment								100									100
Interest earned - external investments								4,085									4,085
Interest earned - outstanding debtors								5,251									5,251
Dividends received								-									-
Fines								-									-
Licences and permits								4,400									4,400
Agency services								-									-
Other revenue								9,013									9,013
Transfers recognised - operational		29,103	3,522	10,642	74,051	15,200	16,731	11,191									160,440
Gains on disposal of PPE								-									-
Total Revenue (excluding capital transfers and contributions)		29,103	3,522	10,642	74,051	15,200	16,731	60,309	-	-	-	-	-	-	-	-	209,558
Expenditure By Type																	
Employee related costs		5,380	2,521	3,867	2,489	8,013	6,337	10,644									39,250
Remuneration of councillors		16,464	-	-	-	-	-	-									16,464
Debt impairment		-	-	-	-	-	-	9,544									9,544
Depreciation & asset impairment		-	-	-	-	-	-	10,128									10,128
Finance charges		-	-	-	-	-	-	-									-
Bulk purchases		-	-	-	-	-	-	-									-
Other materials		-	-	-	-	-	-	-									-
Contracted services		-	-	-	17,480	2,450	317	11,839									32,085
Transfers and grants		-	-	-	-	-	-	-									-
Other expenditure		7,258	1,001	5,509	5,090	4,636	8,078	14,114									45,686
Loss on disposal of PPE								-									-
Total Expenditure		29,103	3,522	9,375	25,058	15,100	14,731	56,268	-	-	-	-	-	-	-	-	153,157
Surplus/(Deficit)																	
Transfers recognised - capital		-	-	1,267	48,993	100	2,000	4,041	-	-	-	-	-	-	-	-	56,401
Contributions recognised - capital		-	-	-	-	-	-	-									-
Contributed assets		-	-	-	-	-	-	-									-
Surplus/(Deficit) after capital transfers & contributions		-	-	1,267	103,863	100	2,000	4,041	-	-	-	-	-	-	-	-	111,271

Table 51 MBRR Table SA3 – Supporting detail to Statement of Financial Position**LIM473 Makhuduthamaga - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'**

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
ASSETS											
Call investment deposits											
Call deposits < 90 days											
Other current investments > 90 days											
Total Call investment deposits	2	-	-	-	-	-	-	-	-	-	-
Consumer debtors											
Consumer debtors		14,135	35,025	71,160	83,429	110,801	110,801	110,801	135,423	160,046	168,688
Less: Provision for debt impairment					(9,038)	(9,038)	(9,038)	(9,038)	(9,544)	(10,059)	(10,059)
Total Consumer debtors	2	14,135	35,025	71,160	74,391	101,763	101,763	101,763	125,880	149,987	158,629
Debt impairment provision											
Balance at the beginning of the year											
Contributions to the provision											
Bad debts written off											
Balance at end of year		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		154,219	207,445	161,875	428,387	244,890	244,890	244,890	361,906	488,670	515,059
Leases recognised as PPE											
Less: Accumulated depreciation											
Total Property, plant and equipment (PPE)	2	154,219	207,445	161,875	428,387	244,890	244,890	244,890	361,906	488,670	515,059
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities											
Total Current liabilities - Borrowing		-	-	-	-	-	-	-	-	-	-
Trade and other payables											
Trade and other creditors		8,216	27,274	24,334	29,000	29,000	29,000	29,000	31,900	35,090	36,985
Unspent conditional transfers				4,638							
VAT											
Total Trade and other payables	2	8,216	27,274	28,973	29,000	29,000	29,000	29,000	31,900	35,090	36,985
Non current liabilities - Borrowing											
Borrowing											
Finance leases (including PPP asset element)				203							
Total Non current liabilities - Borrowing	4	-	-	203	-	-	-	-	-	-	-
Provisions - non-current											
Retirement benefits											
List other major provision items											
Refuse landfill site rehabilitation											
Other					9,038	9,038	9,038	9,038	9,544	10,059	
Total Provisions - non-current		-	-	-	9,038	9,038	9,038	9,038	9,544	10,059	-
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		109,905	224,265		524,984	369,290	369,290	369,290	499,710	642,532	677,229
GRAP adjustments											
Restated balance		109,905	224,265		524,984	369,290	369,290	369,290	499,710	642,532	677,229
Surplus/(Deficit)		28,800	82,567	81,114	105,700	97,561	97,561	97,561	111,271	139,188	187,528
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	138,705	306,832	81,114	630,684	466,851	466,851	466,851	610,981	781,720	864,757
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	138,705	306,832	81,114	630,684	466,851	466,851	466,851	610,981	781,720	864,757
Total capital expenditure includes expenditure on nationally significant priorities:											
Provision of basic services											

Table 52 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

LIM473 Makhuduthamaga - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	1996 Census	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
Demographics												
Population		Census 2001 - Census 2007		263	300	300	300	300	300	300	300	300
Females aged 5 - 14		Census 2001 - Census 2007		149	177	177	177	177	177	177	177	177
Males aged 5 - 14		Census 2001 - Census 2007		114	123	123	123	123	123	123	123	123
Females aged 15 - 34		Census 2001 - Census 2007										
Males aged 15 - 34		Census 2001 - Census 2007										
Unemployment					26	24	21	21	21	21	21	21
Monthly household income (no. of households)												
No income	1, 12	Statistics South Africa 2007 (Community Survey)			144,105	144,105	144,105	144,105	144,105	144,105	144,105	144,105
R1 - R1 600		Statistics South Africa 2007 (Community Survey)			-	-	-	-	-	-	-	-
R1 601 - R3 200		Statistics South Africa 2007 (Community Survey)			-	-	-	-	-	-	-	-
R3 201 - R6 400		Statistics South Africa 2007 (Community Survey)			60,966	60,966	60,966	60,966	60,966	60,966	60,966	60,966
R6 401 - R12 800		Statistics South Africa 2007 (Community Survey)			32,154	32,154	32,154	32,154	32,154	32,154	32,154	32,154
R12 801 - R25 600		Statistics South Africa 2007 (Community Survey)			2,128	2,128	2,128	2,128	2,128	2,128	2,128	2,128
R25 601 - R51 200		Statistics South Africa 2007 (Community Survey)			2,637	2,637	2,637	2,637	2,637	2,637	2,637	2,637
R52 201 - R102 400		Statistics South Africa 2007 (Community Survey)			3,829	3,829	3,829	3,829	3,829	3,829	3,829	3,829
R102 401 - R204 800		Statistics South Africa 2007 (Community Survey)			718	718	718	718	718	718	718	718
R204 801 - R409 600		Statistics South Africa 2007 (Community Survey)			57	57	57	57	57	57	57	57
R409 601 - R819 200		Statistics South Africa 2007 (Community Survey)			9	9	9	9	9	9	9	9
> R819 200		Statistics South Africa 2007 (Community Survey)			235	235	235	235	235	235	235	235
Poverty profiles (no. of households)												
< R2 060 per household per month	13				247,632	247,632	247,632	247,632	247,632	247,632	247,632	247,632
Insert description	2											
Household/demographics (000)												
Number of people in municipal area		Statistics South Africa 2007 (Community Survey)		262,750	262,728	262,728	262,728	262,728	262,728	262,728	262,728	262,728
Number of poor people in municipal area		Statistics South Africa 2007 (Community Survey)										
Number of households in municipal area		Statistics South Africa 2007 (Community Survey)		262,731	262,731	262,731	262,731	262,731	262,731	262,731	53,654	53,654
Number of poor households in municipal area		Statistics South Africa 2007 (Community Survey)			247,632	247,632	247,632	247,632	247,632	247,632	247,632	247,632
Definition of poor household (R per month)			2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060
Housing statistics												
Formal	3				53,645	53,645	53,645	53,645	53,645	53,645	53,645	53,645
Informal												
Total number of households					53,645	53,645	53,645	53,645	53,645	53,645	53,645	53,645
Dwellings provided by municipality	4				-	-	-	-	-	-	-	-
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings					-	-	-	-	-	-	-	-
Economic												
	6											

2.15 Annual Budget of Municipal entities

- The municipality does not have entities.



LOCAL MUNICIPALITY

Quality Certificate

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

- ✓ Draft Annual Budget

For 2013/2014 and supporting documents has been prepared in accordance with Municipal Finance Management Act and regulations made under the Act, and that the Draft Annual Budget for 2013/2014 and supporting documents are consistent with the Integrated Development Plan of the municipality

Print Name: Moropa Mogobadi Erick

Municipal Manager of **Makhuduthamaga Local Municipality (LIM473)**

Signature *Erick*

Date *27/03/2013*