



ANNUAL BUDGET OF  
**MAKHUDUTHAMAGA LOCAL  
MUNICIPALITY**

**2013/2014**

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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		
IGF	Internally Generated Funds		

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## 1.1 Mayor's report.

# **BUDGET SPEECH FOR FINANCIAL YEAR 2013/2014**

- Madam Speaker, honourable Cllr. Makaleng Mpilo
- Members of Executive Committee
- Chief Whip of Council, honourable Cllr. Malaka Sam
- Chairperson of MPAC, honourable Cllr. Rankwe Tabane
- Chairperson of Audit Committees Mr. Ntwampe R.G
- Chairpersons of Oversight Committee and Honourable Cllrs
- Our Traditional leaders
- Municipal Manager, Mr. Moropa Mogobadi Erick and Directors
- Municipal Officials present here and in absentia those remained in our offices.
- Invited guests
- Members of the Public present here
- The media fraternity

We greet you on this important day of the tabling of 2013/2014 Budget

Madam Speaker

It is my honour to introduce the third budget of this Council under the political leadership of His Worship Mayor, Cllr Matlala Makaeya Alfred who have given us a clear challenges faced by our communities, challenge to turn things around by working together to drive back the frontiers of poverty, reduce inequality and unemployment.

Madam Speaker

The Municipal Finance Management Act No. 56 of 2003 requires the Municipal Council to adopt a credible budget as well as the Service Delivery and Budget Implementation Plan before the start of the financial year.

This budget will present a financial plan of action to fund Municipal priorities, programs and projects as identified in the Integrated Development Plan.

Madam Speaker

Our budget will be divided into Operational and Capital Expenditures which we should emphasize that those allocations are not sufficient to cover all identified needs and aspirations of our communities, but we are saying working together we can push back the frontiers of poverty, reduce unemployment and poverty.

This budget presented today will in the main address the following five key objectives:

- ✓ Service delivery
- ✓ Good Governance
- ✓ Financial Management
- ✓ Infrastructure development
- ✓ Fight against unethical practice

Our budget takes into cognisance the 2030 vision as outlined in the National Development Plan.

Madam Speaker

The application of Sound financial management principles for the Municipality's financial plan is critical to ensure that we remain financially viable and that services are sustainable, economical and equitable.

The Municipality needs to develop relevant revenue enhancement strategy to use optimally the provisions by Municipal Property Rate Act to improve the revenue generation and to reduce grant dependency by 2015/2016. This target should be a reality if we want to sustain the five key objectives I alluded to earlier.

Madam Speaker

The Medium Term Revenue and Expenditure Framework guide us that our budget should cover the period of three financial years, 2013/2014, 2014/2015 and 2015/2016. The 2013/2014 budget was prepared based on a zero base principle and the tariffs for property rate will remain two (2) cents in a rand to ensure that property rate is affordable to our communities and also to encourage debtors to pay their accounts on time.

Madam Speaker

We remain steadfast in addressing the challenges of creating jobs, reducing poverty, building infrastructure and improving our financial sustainability.

An expansion in infrastructure investment is one of the central priorities of 2013/2014 budget.

Our total budget including capital and operational expenditures that we present to this Municipal Council for 2013/2014 financial year is **(R345,9m)** of which **R198,1m** is earmarked for operational expenditure which is **57% of the total budget** and **R147,7m** for Capital expenditure which is **43% of the total budget**.

- The total revenue has grown by 19.2 from **R243, 9m** in 2012/2013 to **R213.7 m** in 2013/2014. For the two outer years the total revenue will increase to R244.6 m in 2014/2015 and R298.5 min 2015/2016. The total revenue includes the grants allocations from the National Treasury. The total revenue will be backed by the internally generated funds to and amount of R77.3 m to fund the budgeted expenditure.

Madam Speaker

The Capital budget of **R147,7m** for 2013/2014 financial year has grown by **51,33%** when compared to **R97,6m** for 2012/2013 financial year. The increase is due to various prioritised projects to address the backlog in roads and bridges infrastructure, the renewal of old existing infrastructure and its maintenance.

The Capital expenditure will decrease to **R113,5m** in 2014/2015 and then increases to **R154,2m** in 2015/2016 financial years. Of the total capital budget for 2013/14 an amount of **R49, 8m** is funded by Municipal Infrastructure Grant (MIG) for roads and bridges and sports improvements. An amount of **R62m** will be coming from the Municipal Savings and the other amounts will be from Equitable Shares and own revenue sources.

The total operating expenditure for the 2013/2014 financial year has been appropriated at **R198, 1m** which has grown by **35,5%** as compared to **R146,2m** in 2012/2013 financial year.

Madam Speaker

Our revenue by source are the following:

- Interest : On investment = **R4 084 511.66**
- Interest : On outstanding Accounts = **R5 250 789.00**
- Property Rates: **R28 813 348.56**
- Traffic Licences: **R6 069 410.50**
- Grants - Equitable Shares: **R157 000 000.00**
- Grants - Finance Management: **R1 550 000.00**
- Grants - Municipal System Improvement: **R890 000.00**
- Grants- Municipal Infrastructure: **R49 870 000.00**
- Tender Documents: **R850 000.00**
- Site Rental: **R100 000.00**
- Other Income: **R8 163 400.00**
- Incentives Grant : Public Works: **R1 000 000.00**
- DOE Grant : **R 5 000 000.00**

Internally generated funds which is the cash from the municipality's savings (Call account) to the amount of R77, 3 million will be used to fund the 2013/2014 annual budget.

**TOTAL : R 345 995 586.26**

Madam Speaker

Our allocations per Department are as follows:

1. Infrastructure

As we mentioned that infrastructure development is among the five key objectives and also is among the pillars to drive National Development Plan. In responding to this National call, we will expand our infrastructure projects as follows from **MIG**:

- ✓ Upgrading of Masemola Sports ground – **R6,4m**
- ✓ Kutupu road and storm water phase 2 - **R5,1m**
- ✓ Jane-furse Police station to Marangrang Access Road-**R11,2m**
- ✓ Rietfontein storm water control - **R 4m**
- ✓ Mohloding/Mamajekele Access bridge - **R 7,4m**
- ✓ Madibong Storm water - **R 6,8m**
- ✓ Riverside Storm water - **R3,7m**

**TOTAL :R 48,4m**

MIG overheads - **R 1,4m**

Madam Speaker

The following Infrastructure Projects will be funded from **Own Revenue(Internally generated funds)**:

- ✓ Access road to Mathibeng Tribal Office - **R 5m**
- ✓ Access road to Sekwati Tribal Office - **R 5,3m**
- ✓ Access road to Seopela Tribal Office - **R1m**
- ✓ Access road to Masemola Tribal Office - **R3,6m**
- ✓ Access road from Jane-furse Comprehensive to New Jane-furse Hospital - **R3,5m**
- ✓ Construction of Maololo Access bridge - **R1,6m**
- ✓ Access road to Seopela Tribal Office Phase 2-**R 500 000.00**
- ✓ Access road to Mogashoa Manamane and Mogashoa Dithlakaneng Tribal Offices - **R1,5m**
- ✓ Access road to Maila Mapitsane Tribal office – **R1m**
- ✓ Access road to Ga-Mampana Tribal Office - **R7m**
- ✓ Design and Construction of Access road to Ga-Maloma Tribal Office - **R3,6m**
- ✓ Design and Construction of Access road to Mashabela Tribal Office - **R5,3m**
- ✓ Design and Construction of Access road to Mashegoana/Legare/Tswaledi Tribal Offices -**R3,5m**
- ✓ Construction of Access road to Tisana Tribal Office phase 2 - **R3,5m**
- ✓ Construction of Access road to Ga-Mampana Tribal Office phase 2 - **R 8m**
- ✓ Rehabilitation of R579 Jane-furse to Nebo phase 2 - **R 7,3m**

**TOTAL : R 62m**

Madam Speaker

From our **Equitable Shares**, we will fund the Infrastructure Projects as follows:

- ✓ Access road to Mogashoa Manamane and Dithlakaneng Tribal Offices Phase 2- **R6,4m**
  - ✓ Access road to Maila Mapitsane Tribal office Phase 2 - **R7,5m**
  - ✓ Design and Construction of Access road to Marulaneng Tribal Office - **R5,2m**
  - ✓ Construction of Access road to Tjatane Tribal Office - **R3,5m**
  - ✓ Rehabilitation of R579 Jane-furse to Nebo - **R1,2m**
- TOTAL : R23, 9m**

Madam Speaker

On Electricity projects we are still awaiting confirmation of capacity from Eskom for various villages and we put aside **R2, 9m**.

Capacity from Eskom was confirmed for the following projects:

- ✓ Tswaing Electrification - **R520 000.00**
  - ✓ Mahlolwaneng Electrification - **R400 000.00**
  - ✓ Makgwabe Electrification - **R560 000.00**
  - ✓ Mphane Electrification - **R608 000.00**
- TOTAL : R5m**

Madam Speaker

The Infrastructure development should go along with maintenance of old ones for it to remain useful and we put aside **R18m** for repair and maintenance of infrastructure assets.

Madam Speaker

## 2. Budget and Treasury

Among the five key objectives financial management is paramount, and it is this department that is entrusted with the responsibility of ensuring sound and sustainable management of municipal finances.

We are presenting this 2013/2014 financial year budget with a base line of Qualified Audit Opinion from Auditor General for the financial year 2011/2012.



Madam Speaker

This is a restoration of public trust in the Municipality under the leadership of His Worship Mayor, Cllr Matlala Makaeya Alfred that he does not want anything but Clean Audit by 2014.

The allocations for Budget and Treasury for the 2013/2014 financial year is **R79.6m**

Madam Speaker

### 3. Corporate Services

The basic administrative support and the strategic provision of good governance and fight against unethical practice to all departments should be driven from this department.

The important functions such as Human resources, Training and Development, to mentioned few but not limited are administered in this department as well.

The budget for Corporate Services for 2013/2014 financial year is **R18, 5m**

Madam Speaker

### 4. Planning and Development

The Jane-furse growth point and the three sub-growth points being Apel-cross, Schoonord and Phokwane can only become a reality through the efforts of this department with the support of all of us.

SMME's support is very key to enhance job creation and reducing poverty and is this department that will drive it.

The budget for Planning and Development for 2013/2014 financial year is **R16, 2m**

Madam Speaker

### 5. Community Services

We mentioned earlier on that other key objective is service delivery, which include Waste Collections. This is a function that has been outsourced in the past years and we plan to take it over **100%** as the Municipality in the financial year 2013/2014.

Public Safety and Management of NEBO and Sekhukhune Driving Licence Testing Centres (DLTC) to ensure that revenue target is realised, depend on the support we give to this department.

The budget for Community Services for 2013/2014 financial year is **R24, 6m**

Madam Speaker

6. Municipal Manager's Office

The Accounting Officer is the head of administration and takes the overall administrative leadership and accountability of the Municipality.

It is upon this office to ensure the credibility of information, validate key controls, provide assurance on Management of information and validate quality of information provided to Executive Committee, subsequently to council for decision making

The budget for this office for 2013/2014 financial year is **R4m**

Madam Speaker

7. Mayor's Office

The Mayor is the Political head, provides strategic leadership and takes the overall responsibility and accountability of the institution.

The special programmes, Mayoral Outreach programmes and Corporate Branding and Marketing amongst others are functions within this office.

The budget for this office for 2013/2014 financial year is **R 6,3m**

Madam Speaker

8. Speaker's Office

The Speaker is responsible for coordination of council activities to process and adopt strategic frameworks, policies and By-Laws. The council should play oversight role.

This office is also responsible for Councillor's welfare programme, Ward Committees and Public Participation

The budget for this office for 2013/2014 financial year is **R25m**.

Madam Speaker

We take this opportunity to present the 2013/2014 financial year budget with outer years 2014/2015 and 2015/2016.

This budget is also presented together with budget related policies as prescribed by the law namely:

- Banking and Investment Policy
- Tariff Policy
- Indigent Policy
- Supply Chain Management Policy
- Budgeting Policy
- Revenue enhancement Policy
- Credit Control and Debts Policy
- Assets Management Policy

We have a budget that gives effect to the challenges you have set us, to expand infrastructure, create jobs, confront poverty and inequality.

This budget is our collective statement and many have contributed constructively.

Our sincere appreciation goes to all who provide the encouragement, criticism and ideas that keep us alert, and assist in making the Municipality work better.

Minister of Finance Pravin Gordhan said: "We will not turn away from our challenges. We must confront them boldly, and with hope. In harnessing all the resources at our disposal, we have to do more, with less, we have to work smarter and harder".

It is my honour to present on behalf of the Mayor this proposed budget and the current budget related policies for adoption by this council.

Thank you

## 1.2 Council resolutions



### LOCAL MUNICIPALITY

### COUNCIL RESOLUTIONS

Ref: 3/2/1/3

#### RESOLUTION No. 153 OF 2012/13 FINANCIAL YEAR

AGENDA ITEM: SC/13.6./05/2012 FINAL DRAFT IDP/BUDGET 2013/2014-2015/2016

#### RESOLUTION ON THE ADOPTION OF 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 30 days before the start of the budget year consider approval of the annual budget
  - 2.1 The annual budget for the financial year 2013/2014 and the multi year and single year capital appropriations to the total amount of **R 268,641459.72** budgeted revenue and **R345, 918,086.26** budgeted expenditure. An amount of **R77, 354,126.58**, the cash balance from the municipality's call account and Traffic bank account is used to fund the expenditure in excess of the budgeted revenue. Capital appropriation amount to **R147, 797, 401.41** and operational expenditure amounts to **R198, 198, 184.85** 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 of 31 May 2013, held at Ga-Masemola.

**RESOLVED THAT:**

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

**Mover: Cllr Mampane A**

**Secunder: Cllr Manchidi M**

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

**Municipal Manager: Mr. ME Moropa**

**Signature:** 

**Signature:** 

**Date:** 31/05/2013

**Date:** 31/05/2013

### 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 55, 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**

Description	Adjusted Budget 2012/13	Budget Year 2013/14	Budget Year + 1 2014/15	Budget Year + 2 2015/16
Total revenue	243 959 058.09	268 641 459.72	307 102 716.76	370 476 882.43
Total Operating Expenditure	146 298 051.25	198 198 184.85	193 459 855.28	216 150 375.32
Operating Surplus/ (Deficit of the Year)	97 661 006.84	70 443 274.87	113 642 861.48	154 326 507.11
Capital Expenditure	97 612 768.25	147 719 901.41	113 562 261.48	154 206 507.11
Internally Generated Funds	-	77 354 126.54	-	-
<b>Surplus/ (Deficit of the Year)</b>	<b>48 238.59</b>	<b>77 500.00</b>	<b>80 600.00</b>	<b>120 000.00</b>

Total revenue has grown by 10 per cent or R24.6 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 14 per cent and 21 per cent respectively, equating to a total revenue growth of R 101.8 million over the MTREF when compared to the 2012/13 financial year. The total revenue includes the grants allocations from the national treasury and internally generated savings from the municipality's call account and traffic account will be used to fund the expenditure in excess of the budgeted revenue.

Total operating expenditure for the 2013/14 financial year has been appropriated at R198.1 million and translates into an operating budgeted surplus of R147.7 million as indicated in table A4. When compared to the 2012/13 Adjustments Budget, operational expenditure has grown by 35.5 per cent in the 2013/14 budget and grown by 9.09 per cent by 2015/16. The operating surplus for the two outer years decreases to R113.5 million and then increase to R154.3 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 R147.7 million for 2013/14 has grown by 51.33 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 decreases to R 113.5 million in the 2014/15 financial year and then increases to R154.2 million in 2015/2016. Of the total capital budget for 2013/2014 an amount of R 49.8 million is funded by MIG for roads and bridges and Sports ground improvements. An amount of R 62 million from the municipality 's investments (Call Account) will be used to fund the capital expenditure to address the service delivery backlogs and the remaining capital projects and acquisitions of new assets will be funded by equitable share to the amount of R 23.9 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, council 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 56 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**

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
<b>Revenue By Source</b>											
Property rates	2	17 956	24 906	41 358	27 270	27 270	27 270	27 270	28 813	31 695	34 864
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		-	-	-	-	-	-	-	10	15	20
Licences and permits		3 092	2 399	2 466	3 520	3 520	3 520	3 520	4 848	6 519	7 169
Agency services		-	-	-	880	880	880	880	1 212	1 630	1 792
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	1 219	704	25 545	7 559	7 559	7 559	9 013	10 004	11 435
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>110 506</b>	<b>148 715</b>	<b>183 610</b>	<b>214 279</b>	<b>194 493</b>	<b>194 493</b>	<b>194 493</b>	<b>213 771</b>	<b>244 608</b>	<b>298 555</b>

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

The total revenue for the municipality excluding capital transfers amount to R213.7 million for 2013/2014, R244.6 million for 2014/2015 and R298.5 million for 2015/2016. The total operating revenue has increased by R19.2 million from 2012/2013 budget year which is as a result of increases in allocations for our equitable share, FMG and MSIG grants.

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 75% of the total operating revenue in 2013/2014 budget year and 75.35 percent in 2014/15 and 77.65 in 2015/16.

Revenue generated from rates and service charges forms 16 per cent of the total operating revenue of the municipality for 2013/2014 and decrease to 15 per cent, and 14 per cent 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. Refer to table SA1 for more details.

### ❖ 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 2013/2014 budget and MTREF (classified per main type of operating expenditure):

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

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											
<b>Expenditure By Type</b>											
Employee related costs	2	13 896	17 307	25 672	45 038	37 238	37 238	37 238	55 151	58 681	62 788
Remuneration of councillors		13 598	13 670	13 951	15 045	15 591	15 591	15 591	16 703	17 605	18 556
Debt impairment	3	2 566	4 049	7 222	9 038	9 038	9 038	9 038	12 563	12 151	12 807
Depreciation & asset impairment	2	5 072	10 878	9 618	5 500	9 591	9 591	9 591	24 066	16 739	17 643
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	34 211	40 626	43 048
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	60 848	37 912	55 604	50 557	46 688	46 688	46 688	55 504	47 658	61 308
Loss on disposal of PPE											
<b>Total Expenditure</b>		<b>112 036</b>	<b>99 509</b>	<b>142 625</b>	<b>154 015</b>	<b>146 398</b>	<b>146 398</b>	<b>146 398</b>	<b>198 198</b>	<b>193 460</b>	<b>216 150</b>

### Employee Related Costs

The budget allocation for employee related costs for the 2013/2014 financial year is R55.1 million, which equals to 27.83 per cent of the total operating expenditure. The recent Salary and Wage

Collective Agreement and MFMA Circular number 66 and 67 was taken in to consideration when calculating the salary increases. The 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 two outer years respectively.

The total employee related costs has increased from R37.2 million in 2012/13 to R55.1 million in 2013/14 which reflect a 48.12% increase. This is as a result of inclusion of new positions on the municipal structure as the municipality is growing and the positions which were not funded during the adjustment budget for 2012/13. Furthermore an increase was made at 7% for section 57 employees for 2013/14 budget year, 6.4 per cent and 7 per cent for 2014/15 and 2015/16 respectively.

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.

### **Remuneration of Councillors**

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 increase for 2013/2014 have been made at 10%. For the two outer years, increase has been appropriated at 5.4 per cent for each budget year.

### **Debt Impairment**

The provision of debt impairment for 2013/2014 was determined based on an annual collection rate of 36.67 per cent or R15 million and the Debt Write-off Policy of the municipality. For the 2013/14 financial year this amount equates to R12.5 million and escalates to R12.8 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.

### **Depreciation**

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy and GRAP 17. The projections were made taking into consideration the municipality's assets value as recorded in the 2011/12 AFS and new acquisitions for the current year 2012/13 and 2013/14 budget year. Budget appropriations in this regard total R24.06 million for the 2013/2014 financial year and equates to 12.14 per cent of the total operating expenditure. It decreases to R 17.6 million in 2015/16 budget year.

### **Contracted Services**

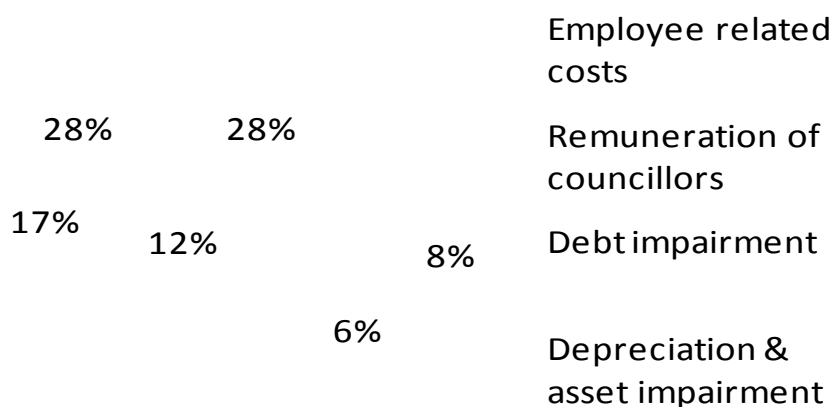
Contracted services comprises of security services, cleaning services, repairs and maintenance for infrastructure assets and operating leases for office equipments and machinery. Security and

cleaning services have been allocated R8.9 million and R4.1 million for 2013/14 respectively. The costs of these services increase to R9.9 million and R4.5 million by 2015/2016. Repairs and maintenance has been budgeted at 10% percent of the total operational budget and 6% of the Asset value as per 2011/2012 AFS taking in to consideration guidelines contained in MFMA circular number 66 and 67. It include repairs and maintenance for other assets at R0.805 million, repairs and maintenance for community assets at R1 million and repairs and maintenance for infrastructure assets at R18 million (R17.5 million for Roads and bridges and R0.5 million for Electricity).

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, the municipality have budgeted incentives for ward committees at R3.7 million, training and capacity building of councillors and ward committees at R1.7 million, mayor’s special programmes at R0.6 million, publications and branding of the municipality at R733 thousands, Audit fees at R1.6 million, revenue collection costs at R1.5 million, bursary fund at R2 million, travel and accommodation at R1.6 million, acquisition of land and land scarping at R925 thousands, SMME support and LED programmes at R3.7 million, Tourism programmes at R2.3 million, free basic electricity at R4 million, waste management programmes at R3 million, disaster management programmes and sports and culture promotions at R1 million. For further details on other expenditure refer to table SA1

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

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 the 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 in 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. 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 the municipality's case, all repairs and maintenance services for the infrastructure assets will be done through contracted services as indicated in table SA1 of the A schedule. The repairs and maintenance budget for 2013/14 amount to R19.8 million and R26.1 million and R27.7 million for 2014/15 and 2015/16 respectively.

Repairs and maintenance expenditure budget amounts to 10 per cent of the municipality's budgeted operational expenditure for 2013/2014 which is compliant with the National Treasury MFMA circular number 66 and 67 guidelines. For 2014/15 and 2015/16 the repairs and maintenance is budgeted at 13.5 per cent and 12.8 per cent of the budgeted operational expenditure respectively.

Repairs and maintenance expenditure for 2013/14 amounts to 5 per cent of the municipality's PPE as per the 2011/12 Annual financial Statements. The municipality is still in a process to verify its assets to identify the assets that needs renewal rather than repairs and hence only the assets that were verified have been allocated budget for repairs. This has led to the municipality not been able to budget repairs and maintenance at 8 per cent of the PPE as required in the MFMA circular number 66 and 67.

## **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 basic 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 and it has been allocated at R4 million for 2013/2014, R4.2 million and R4.4 million for 2014/15 and 2015/16 respectively.

## Capital expenditure

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

**Table 4 2013/14 Medium-term capital budget per vote**

Capital Expenditure										
Vote Description	Ref	Current Year 2012/2013			2013/14 MTREF					
R thousand	1	Original Budget	Adjusted Budget	%	Budget Year 2013/14	%	Budget Year + 1 2014/2015	%	Budget Year + 2 2015/16	%
Vote 3 - Economic Development and Planning		1 650 000.00	1 650 000.00	2%	950 400.00	1%	-	0%	-	0%
Vote 4 - Infrastructure Development		96 614 945.87	85 605 875.92	88%	136 898 979.81	93%	109 071 051.80	96%	152 238 872.02	99%
Vote 5 - Community Services		700 000.00	700 000.00	1%	3 880 000.00	3%	2 350 000.00	2%	-	0%
Vote 6 - Corporate Services		3 500 000.00	3 500 000.00	4%	2 000 000.00	1%	1 308 000.00	1%	1 089 432.00	1%
Vote 7 - Budget and Treasury		2 848 600.00	6 156 892.33	6%	3 990 521.60	3%	833 209.77	1%	878 203.09	1%
<b>Total</b>		<b>105 313 545.87</b>	<b>97 612 768.25</b>	<b>100%</b>	<b>147 719 901.41</b>	<b>100%</b>	<b>113 562 261.57</b>	<b>100%</b>	<b>154 206 507.11</b>	<b>100%</b>

## New Capital Assets

For 2013/2014 an amount of R147.7 million has been appropriated for the capital expenditure which will be funded by MIG to the amount of R49.7 million , Internal savings from the municipality 's call account to the amount of R62 million and equitable share to the amount of R 23.9 million. For 2014/2015 and 2015/2016 the budget has been appropriated at R 113 million and R154 million respectively.

Infrastructure and development vote is appropriated the highest allocation of R 136.8 million in 2013/2014 which equates to 93 per cent of the total capital budget to build roads and bridges, followed by budget and Treasury at 3% per cent of the total capital budget . The remaining 4 per cent is allocated to economic development and planning at 1 per cent, corporate services at 1 per cent and Community services at 2%. For further detailed information on the capital budget, refer to table SA 36 which provide projects names and respective ward allocations.

## Renewal of existing Assets

Renewal of existing assets has been allocated R7.3 million for 2013/2014 which is 5 percent of the total capital budget. For 2014/15 and 2015/16 the expenditure for renewal of existing assets significantly decreases to Zero respectively. This is because the municipality is under the process of verifying of assets to determine assets that need renewal; hence the municipality did not manage to comply with the Circular number 66's 40% requirement for renewal of assets in 2013/2014 capital budget. Total budget appropriated for new assets amount to 95% per cent or R140.2 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 – R 136.8 million

- Office buildings – 2.5 million
- Acquisition of plant – R2.6 million
- Community Assets – R1.3 million

#### **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 5 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
<b>Financial Performance</b>										
Property rates	17 956	24 906	41 358	27 270	27 270	27 270	27 270	28 813	31 695	34 864
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	6 602	10 007	35 296	17 310	17 310	17 310	20 434	24 064	26 939
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>110 506</b>	<b>148 715</b>	<b>183 610</b>	<b>214 279</b>	<b>194 493</b>	<b>194 493</b>	<b>194 493</b>	<b>213 771</b>	<b>244 608</b>	<b>298 555</b>
Employee costs	13 896	17 307	25 672	45 038	37 238	37 238	37 238	55 151	58 681	62 788
Remuneration of councillors	13 598	13 670	13 951	15 045	15 591	15 591	15 591	16 703	17 605	18 556
Depreciation & asset impairment	5 072	10 878	9 618	5 500	9 591	9 591	9 591	24 066	16 739	17 643
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	102 278	100 435	117 163
<b>Total Expenditure</b>	<b>112 036</b>	<b>99 509</b>	<b>142 625</b>	<b>154 015</b>	<b>146 398</b>	<b>146 398</b>	<b>146 398</b>	<b>198 198</b>	<b>193 460</b>	<b>216 150</b>
<b>Surplus/(Deficit)</b>	<b>(1 530)</b>	<b>49 206</b>	<b>40 985</b>	<b>60 264</b>	<b>48 095</b>	<b>48 095</b>	<b>48 095</b>	<b>15 573</b>	<b>51 148</b>	<b>82 405</b>
Transfers recognised - capital	30 330	33 361	40 129	45 436	49 466	49 466	49 466	54 870	62 495	71 922
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>28 800</b>	<b>82 567</b>	<b>81 114</b>	<b>105 700</b>	<b>97 561</b>	<b>97 561</b>	<b>97 561</b>	<b>70 443</b>	<b>113 643</b>	<b>154 327</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>28 800</b>	<b>82 567</b>	<b>81 114</b>	<b>105 700</b>	<b>97 561</b>	<b>97 561</b>	<b>97 561</b>	<b>70 443</b>	<b>113 643</b>	<b>154 327</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>31 275</b>	<b>65 938</b>	<b>73 100</b>	<b>105 314</b>	<b>97 613</b>	<b>97 613</b>	<b>97 613</b>	<b>147 720</b>	<b>113 562</b>	<b>154 207</b>
Transfers recognised - capital	31 275	65 938	73 100	105 314	97 613	97 613	97 613	85 717	113 562	154 207
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	62 003	-	-
<b>Total sources of capital funds</b>	<b>31 275</b>	<b>65 938</b>	<b>73 100</b>	<b>105 314</b>	<b>97 613</b>	<b>97 613</b>	<b>97 613</b>	<b>147 720</b>	<b>113 562</b>	<b>154 207</b>
<b>Financial position</b>										
Total current assets	79 427	144 811	170 221	165 544	199 655	199 655	199 655	152 562	198 714	268 622
Total non current assets	154 219	207 445	164 011	283 328	255 918	255 918	255 918	364 961	435 230	522 200
Total current liabilities	8 216	27 274	28 973	29 000	43 840	43 840	43 840	31 900	35 090	36 985
Total non current liabilities	-	-	203	9 116	9 116	9 116	9 116	12 563	12 151	12 807
Community wealth/Equity	225 431	324 981	305 056	410 756	402 617	402 617	402 617	473 060	586 703	741 030
<b>Cash flows</b>										
Net cash from (used) operating	45 313	55 906	115 650	97 717	95 474	95 474	95 474	86 980	134 085	192 353
Net cash from (used) investing	(32 492)	(46 323)	(109 741)	(104 964)	(97 263)	(97 263)	(97 263)	(147 720)	(113 562)	(131 207)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>65 178</b>	<b>74 761</b>	<b>80 670</b>	<b>73 424</b>	<b>78 881</b>	<b>78 881</b>	<b>78 881</b>	<b>18 142</b>	<b>38 664</b>	<b>99 810</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	65 178	74 761	80 670	73 424	78 881	78 881	78 881	18 142	38 664	99 810
Application of cash and investments	#REF!	(4 472)	(48 378)	(29 819)	(24 541)	(24 541)	(24 541)	(53 611)	(71 959)	(111 645)
<b>Balance - surplus (shortfall)</b>	<b>#REF!</b>	<b>79 233</b>	<b>129 048</b>	<b>103 243</b>	<b>103 422</b>	<b>103 422</b>	<b>103 422</b>	<b>71 753</b>	<b>110 623</b>	<b>211 455</b>
<b>Asset management</b>										
Asset register summary (WDV)	154 219	207 445	164 011	283 328	255 918	255 918	368 839	368 839	450 327	563 911
Depreciation & asset impairment	5 072	10 878	9 618	5 500	9 591	9 591	24 066	24 066	16 739	17 643
Renewal of Existing Assets	-	-	-	5 000	5 000	5 000	5 000	7 300	-	-
Repairs and Maintenance	13 179	11 507	11 226	17 577	16 827	16 827	19 806	19 806	26 114	27 753
<b>Free services</b>										
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	-	-	-	-	-	-	-	-	-	-
<b>Households below minimum service level</b>										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-



**1.4.2 Table 6 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
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		140 836	182 076	223 739	259 715	243 959	243 959	345 996	307 103	370 477
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office		140 836	182 076	223 739	259 715	243 959	243 959	345 996	307 103	370 477
Corporate services		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	140 836	182 076	223 739	259 715	243 959	243 959	345 996	307 103	370 477
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		63 715	81 858	103 013	97 428	99 837	99 837	127 588	124 343	132 567
Executive and council		29 845	25 062	24 874	34 493	33 890	33 890	35 439	37 312	39 905
Budget and treasury office		15 452	33 300	51 005	48 294	52 767	52 767	75 646	70 432	74 426
Corporate services		18 418	23 496	27 133	14 641	13 180	13 180	16 503	16 599	18 236
<i>Community and public safety</i>		16 307	8 984	13 537	28 241	15 382	15 382	22 159	21 153	20 808
Community and social services		1 420	4 090	6 089	12 131	6 737	6 737	10 521	8 496	9 086
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	7 011	4 545	4 545	10 032	10 308	10 278
Housing		2 076	458	825	7 600	2 600	2 600	306	979	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		15 199	7 531	18 132	19 008	21 720	21 720	38 581	36 254	42 910
Planning and development		4 231	3 068	4 210	10 371	10 121	10 121	13 955	9 431	10 094
Road transport		10 968	4 463	13 921	8 637	11 599	11 599	24 626	26 823	32 816
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		16 815	1 137	7 943	9 338	9 459	9 459	9 870	11 710	19 865
Electricity		16 815	1 137	7 943	9 338	9 459	9 459	9 870	11 710	19 865
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3	112 036	99 509	142 625	154 015	146 398	146 398	198 198	193 460	216 150
<b>Surplus/(Deficit) for the year</b>		28 800	82 567	81 114	105 700	97 561	97 561	147 797	113 643	154 327

**1.4.3 Table 7 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
<b>Revenue by Vote</b>	1									
Vote 1 - Coucil		-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 3 - Economic Development and Planning		-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure Development		-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-
Vote 6 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 7 - Budget and Treasury		140 836	182 076	223 739	259 715	243 959	243 959	345 996	307 103	370 477
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	140 836	182 076	223 739	259 715	243 959	243 959	345 996	307 103	370 477
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Coucil		20 985	22 089	22 599	31 153	30 580	30 580	31 365	32 987	35 293
Vote 2 - Office of the Municipal Manager		8 859	2 973	2 275	3 339	3 309	3 309	4 075	4 326	4 612
Vote 3 - Economic Development and Planning		4 231	3 068	4 210	10 371	10 121	10 121	13 955	9 431	10 094
Vote 4 - Infrastructure Development		29 860	6 058	22 689	25 575	23 657	23 657	34 802	39 512	52 681
Vote 5 - Community Services		14 230	8 526	12 712	20 641	12 782	12 782	21 854	20 174	20 808
Vote 6 - Corporate Services		18 418	23 496	27 133	14 641	13 180	13 180	16 503	16 599	18 236
Vote 7 - Budget and Treasury		15 452	33 300	51 005	48 294	52 767	52 767	75 646	70 432	74 426
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	112 036	99 509	142 625	154 015	146 398	146 398	198 198	193 460	216 150
<b>Surplus/(Deficit) for the year</b>	2	28 800	82 567	81 114	105 700	97 561	97 561	147 797	113 643	154 327

### 1.4.4 Table 8 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
<b>Revenue By Source</b>											
Property rates	2	17 956	24 906	41 358	27 270	27 270	27 270	27 270	28 813	31 695	34 864
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		-	-	-	-	-	-	-	10	15	20
Licences and permits		3 092	2 399	2 466	3 520	3 520	3 520	3 520	4 848	6 519	7 169
Agency services		-	-	-	880	880	880	880	1 212	1 630	1 792
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	1 219	704	25 545	7 559	7 559	7 559	9 013	10 004	11 435
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>110 506</b>	<b>148 715</b>	<b>183 610</b>	<b>214 279</b>	<b>194 493</b>	<b>194 493</b>	<b>194 493</b>	<b>213 771</b>	<b>244 608</b>	<b>298 555</b>
<b>Expenditure By Type</b>											
Employee related costs	2	13 896	17 307	25 672	45 038	37 238	37 238	37 238	55 151	58 681	62 788
Remuneration of councillors		13 598	13 670	13 951	15 045	15 591	15 591	15 591	16 703	17 605	18 556
Debt impairment	3	2 566	4 049	7 222	9 038	9 038	9 038	9 038	12 563	12 151	12 807
Depreciation & asset impairment	2	5 072	10 878	9 618	5 500	9 591	9 591	9 591	24 066	16 739	17 643
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	34 211	40 626	43 048
Transfers and grants		-	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	60 848	37 912	55 604	50 557	46 688	46 688	46 688	55 504	47 658	61 308
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>112 036</b>	<b>99 509</b>	<b>142 625</b>	<b>154 015</b>	<b>146 398</b>	<b>146 398</b>	<b>146 398</b>	<b>198 198</b>	<b>193 460</b>	<b>216 150</b>
<b>Surplus/(Deficit)</b>		<b>(1 530)</b>	<b>49 206</b>	<b>40 985</b>	<b>60 264</b>	<b>48 095</b>	<b>48 095</b>	<b>48 095</b>	<b>15 573</b>	<b>51 148</b>	<b>82 405</b>
Transfers recognised - capital		30 330	33 361	40 129	45 436	49 466	49 466	49 466	54 870	62 495	71 922
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>28 800</b>	<b>82 567</b>	<b>81 114</b>	<b>105 700</b>	<b>97 561</b>	<b>97 561</b>	<b>97 561</b>	<b>70 443</b>	<b>113 643</b>	<b>154 327</b>
Taxation		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>28 800</b>	<b>82 567</b>	<b>81 114</b>	<b>105 700</b>	<b>97 561</b>	<b>97 561</b>	<b>97 561</b>	<b>70 443</b>	<b>113 643</b>	<b>154 327</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>28 800</b>	<b>82 567</b>	<b>81 114</b>	<b>105 700</b>	<b>97 561</b>	<b>97 561</b>	<b>97 561</b>	<b>70 443</b>	<b>113 643</b>	<b>154 327</b>
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>28 800</b>	<b>82 567</b>	<b>81 114</b>	<b>105 700</b>	<b>97 561</b>	<b>97 561</b>	<b>97 561</b>	<b>70 443</b>	<b>113 643</b>	<b>154 327</b>

### 1.4.5 Table 9 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
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - Coucil		-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 3 - Economic Development and Planning		-	-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure Development		-	-	-	34 975	25 850	25 850	25 850	38 230	49 101	16 449
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	34 975	25 850	25 850	25 850	38 230	49 101	16 449
<b>Single-year expenditure to be appropriated</b>	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	950	-	-
Vote 4 - Infrastructure Development		54 070	62 598	68 437	61 640	59 756	59 756	59 756	98 669	59 970	135 790
Vote 5 - Community Services		-	-	-	700	700	700	700	3 880	2 350	-
Vote 6 - Corporate Services		563	2 074	957	3 500	3 500	3 500	3 500	2 000	1 308	1 089
Vote 7 - Budget and Treasury		1 439	1 267	3 706	2 849	6 157	6 157	6 157	3 991	833	878
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		56 072	65 938	73 100	70 338	71 763	71 763	71 763	109 490	64 461	137 758
<b>Total Capital Expenditure - Vote</b>		56 072	65 938	73 100	105 314	97 613	97 613	97 613	147 720	113 562	154 207
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		2 002	3 341	4 663	6 349	9 657	9 657	9 657	5 991	2 141	1 968
Executive and council		-	-	-	-	-	-	-	-	-	-
Budget and treasury office		1 439	1 267	3 706	2 849	6 157	6 157	6 157	3 991	833	878
Corporate services		563	2 074	957	3 500	3 500	3 500	3 500	2 000	1 308	1 089
<b>Community and public safety</b>		2 677	4 505	3 469	14 415	9 415	9 415	9 415	12 790	8 850	-
Community and social services		-	-	-	200	200	200	200	1 380	-	-
Sport and recreation		-	-	-	6 215	6 215	6 215	6 215	6 410	-	-
Public safety		-	-	-	500	500	500	500	2 500	2 350	-
Housing		2 677	4 505	3 469	7 500	2 500	2 500	2 500	2 500	6 500	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		26 596	34 835	64 969	78 750	72 740	72 740	72 740	128 940	102 571	152 239
Planning and development		-	-	-	1 650	1 650	1 650	1 650	950	-	-
Road transport		26 596	34 835	64 969	77 100	71 090	71 090	71 090	127 989	102 571	152 239
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	23 258	-	5 800	5 800	5 800	5 800	-	-	-
Electricity		-	23 258	-	5 800	5 800	5 800	5 800	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	3	31 275	65 938	73 100	105 314	97 613	97 613	97 613	147 720	113 562	154 207
<b>Funded by:</b>											
National Government		31 275	65 938	73 100	105 314	97 613	97 613	97 613	85 717	113 562	154 207
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	31 275	65 938	73 100	105 314	97 613	97 613	97 613	85 717	113 562	154 207
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	62 003	-	-
<b>Total Capital Funding</b>	7	31 275	65 938	73 100	105 314	97 613	97 613	97 613	147 720	113 562	154 207

### 1.4.6 Table 10 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
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		65 178	74 761	80 670	73 424	78 881	78 881	78 881	18 142	38 664	99 810
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	14 135	35 025	71 160	74 391	103 045	103 045	103 045	122 994	147 895	155 881
Other debtors		-	-	17 884	17 507	17 507	17 507	17 507	11 193	11 909	12 671
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	114	35 025	507	221	221	221	221	234	246	260
<b>Total current assets</b>		<b>79 427</b>	<b>144 811</b>	<b>170 221</b>	<b>165 544</b>	<b>199 655</b>	<b>199 655</b>	<b>199 655</b>	<b>152 562</b>	<b>198 714</b>	<b>268 622</b>
<b>Non current assets</b>											
Long-term receivables		-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		-	-	1 172	1 172	1 172	1 172	1 172	1 172	1 172	1 172
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	154 219	207 445	161 875	281 493	254 082	254 082	254 082	363 426	433 195	519 664
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		-	-	964	664	664	664	664	364	864	1 364
Other non-current assets		-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>154 219</b>	<b>207 445</b>	<b>164 011</b>	<b>283 328</b>	<b>255 918</b>	<b>255 918</b>	<b>255 918</b>	<b>364 961</b>	<b>435 230</b>	<b>522 200</b>
<b>TOTAL ASSETS</b>		<b>233 647</b>	<b>352 256</b>	<b>334 232</b>	<b>448 872</b>	<b>455 573</b>	<b>455 573</b>	<b>455 573</b>	<b>517 524</b>	<b>633 944</b>	<b>790 822</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits		-	-	-	-	-	-	-	-	-	-
Trade and other payables	4	8 216	27 274	28 973	29 000	43 840	43 840	43 840	31 900	35 090	36 985
Provisions		-	-	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>		<b>8 216</b>	<b>27 274</b>	<b>28 973</b>	<b>29 000</b>	<b>43 840</b>	<b>43 840</b>	<b>43 840</b>	<b>31 900</b>	<b>35 090</b>	<b>36 985</b>
<b>Non current liabilities</b>											
Borrowing		-	-	203	78	78	78	78	-	-	-
Provisions		-	-	-	9 038	9 038	9 038	9 038	12 563	12 151	12 807
<b>Total non current liabilities</b>		<b>-</b>	<b>-</b>	<b>203</b>	<b>9 116</b>	<b>9 116</b>	<b>9 116</b>	<b>9 116</b>	<b>12 563</b>	<b>12 151</b>	<b>12 807</b>
<b>TOTAL LIABILITIES</b>		<b>8 216</b>	<b>27 274</b>	<b>29 176</b>	<b>38 116</b>	<b>52 956</b>	<b>52 956</b>	<b>52 956</b>	<b>44 463</b>	<b>47 241</b>	<b>49 792</b>
<b>NET ASSETS</b>	5	<b>225 431</b>	<b>324 981</b>	<b>305 056</b>	<b>410 756</b>	<b>402 617</b>	<b>402 617</b>	<b>402 617</b>	<b>473 060</b>	<b>586 703</b>	<b>741 030</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		225 431	324 981	305 056	410 756	402 617	402 617	402 617	473 060	586 703	741 030
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests		-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>225 431</b>	<b>324 981</b>	<b>305 056</b>	<b>410 756</b>	<b>402 617</b>	<b>402 617</b>	<b>402 617</b>	<b>473 060</b>	<b>586 703</b>	<b>741 030</b>

## Explanatory Notes: Table A6

### Borrowing

The municipality does not have bank overdrafts, or any bank borrowings. The amount reflecting under borrowing is the Finance lease for Office equipments which lapses in September 2013.

### Cash

The total amount of cash include the call account balance of R 42.3, R60 million and R61.8 million for 2009/10, 2010/11 and 2011/12 respectively. This balance is included in the 2012/2013 and the 2013/14 MTREF through the opening balance in 2012/13 budget year.

#### 1.4.7 Table 11 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
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Ratepayers and other		313	28 559	44 620	40 045	25 287	25 287	25 287	31 383	37 352	54 499
Government - operating	1	86 698	114 143	128 573	146 479	146 479	146 479	146 479	160 440	184 356	231 809
Government - capital	1	28 401	33 401	40 129	45 436	49 466	49 466	49 466	54 870	62 495	71 922
Interest		2 194	5 394	10 417	5 235	5 235	5 235	5 235	4 085	4 493	4 942
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(72 293)	(125 591)	(108 088)	(139 362)	(130 877)	(130 877)	(130 877)	(163 797)	(154 611)	(170 819)
Finance charges		-	-	-	(116)	(116)	(116)	(116)	-	-	-
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>45 313</b>	<b>55 906</b>	<b>115 650</b>	<b>97 717</b>	<b>95 474</b>	<b>95 474</b>	<b>95 474</b>	<b>86 980</b>	<b>134 085</b>	<b>192 353</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
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		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(32 492)	(17 764)	(58 345)	(105 314)	(97 613)	(97 613)	(97 613)	(147 720)	(113 562)	(131 207)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(32 492)</b>	<b>(46 323)</b>	<b>(109 741)</b>	<b>(104 964)</b>	<b>(97 263)</b>	<b>(97 263)</b>	<b>(97 263)</b>	<b>(147 720)</b>	<b>(113 562)</b>	<b>(131 207)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>12 821</b>	<b>9 583</b>	<b>5 909</b>	<b>(7 246)</b>	<b>(1 789)</b>	<b>(1 789)</b>	<b>(1 789)</b>	<b>(60 740)</b>	<b>20 522</b>	<b>61 146</b>
Cash/cash equivalents at the year begin:	2	52 358	65 178	74 761	80 670	80 670	80 670	80 670	78 881	18 142	38 664
Cash/cash equivalents at the year end:	2	65 178	74 761	80 670	73 424	78 881	78 881	78 881	18 142	38 664	99 810

## Explanatory notes to Table A7 - Budgeted Cash Flow Statement

- The budgeted cash flow statement is the first measurement in determining if the budget is funded.
- It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
- It can be seen that the cash levels of the municipality fell significantly over the 2012/13 budget year which also contribute to the net decrease in cash held for 2013/2014 budget year.
- The 2013/14 MTREF provide for a further net decrease in cash of R68.9 million for the 2013/14 financial year and R8.1 million in 2015/16. However this does not result in a negative cash position as the municipality have a favorable cash balance at the beginning of each year.
- Cash Flow from Operating activities;
  - 5.1 Cash from rate payers and other consist of the revenue receipts from the following sources:
    - Property rates debtors = 16.2 million
    - Tender documents and site rental = R 950,000.00
    - Licenses and Permits = R 6.0 million
    - Other revenue = R 8.1 million
- The opening cash balance for 2013/2014 includes R77 million which is considered to fund the deficit from operational surplus in 2013/14 to be able to fund the capital expenditure. (Call Account = R61.8 million and Traffic account = R15.4 million).

### 1.4.8 Table 12 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
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	65 178	74 761	80 670	73 424	78 881	78 881	78 881	18 142	38 664	99 810
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>65 178</b>	<b>74 761</b>	<b>80 670</b>	<b>73 424</b>	<b>78 881</b>	<b>78 881</b>	<b>78 881</b>	<b>18 142</b>	<b>38 664</b>	<b>99 810</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		8 216	-	4 638	-	14 840	14 840	14 840	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	#REF!	(4 472)	(53 017)	(29 819)	(39 381)	(39 381)	(39 381)	(53 611)	(71 959)	(111 645)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>#REF!</b>	<b>(4 472)</b>	<b>(48 378)</b>	<b>(29 819)</b>	<b>(24 541)</b>	<b>(24 541)</b>	<b>(24 541)</b>	<b>(53 611)</b>	<b>(71 959)</b>	<b>(111 645)</b>
<b>Surplus(shortfall)</b>		<b>#REF!</b>	<b>79 233</b>	<b>129 048</b>	<b>103 243</b>	<b>103 422</b>	<b>103 422</b>	<b>103 422</b>	<b>71 753</b>	<b>110 623</b>	<b>211 455</b>

## Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

- The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.

2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2013/14 to 2015/16 the municipality's budget is properly funded and reflect surplus.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the 2013/14 MTREF was fully funded.
7. **N.B The municipality will claim all VAT paid from SARS and hence the line item for Statutory requirements reflects a zero balance for the entire MTREF. The municipality 's post employment benefits for all section 55 employees and councillors are defined contribution plan and therefore the municipality does not have any legal or constructive obligation for the payment of the employees' pension.**



### 1.4.9 Table 13 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
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	58 482	65 938	73 100	100 314	92 613	92 613	140 420	113 562	154 207
Infrastructure - Road transport		53 041	34 835	64 969	72 100	66 090	66 090	121 580	102 571	152 239
Infrastructure - Electricity		1 029	23 258	-	5 800	5 800	5 800	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		54 070	58 093	64 969	77 900	71 890	71 890	121 580	102 571	152 239
Community		-	-	-	8 065	8 065	8 065	7 790	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
6	4 412	7 845	7 167	13 685	11 993	11 993	11 051	10 991	1 968	
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	964	664	664	664	-	-	-
<b>Total Renewal of Existing Assets</b>	2	-	-	-	5 000	5 000	5 000	7 300	-	-
Infrastructure - Road transport		-	-	-	5 000	5 000	5 000	7 300	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	5 000	5 000	5 000	7 300	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
6	-	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	53 041	34 835	64 969	77 100	71 090	71 090	128 880	102 571	152 239
Infrastructure - Road transport		1 029	23 258	-	5 800	5 800	5 800	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		54 070	58 093	64 969	82 900	76 890	76 890	128 880	102 571	152 239
Community		-	-	-	8 065	8 065	8 065	7 790	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		4 412	7 845	7 167	13 685	11 993	11 993	11 051	10 991	1 968
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	964	664	664	664	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	58 482	65 938	73 100	105 314	97 613	97 613	147 720	113 562	154 207
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5									
Infrastructure - Road transport		135 973	185 646	140 108	392 935	211 131	211 131	338 486	436 393	569 341
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		8 027	11 895	13 801	13 801	13 801	13 801	22 126	28 525	37 216
Infrastructure		143 999	197 541	153 909	406 736	224 931	224 931	360 612	464 919	606 557
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	1 172	1 172	1 172	1 172	1 172	1 172	1 172
Other assets		10 220	9 904	7 966	21 651	19 959	19 959	31 998	41 254	53 822
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	964	664	664	664	364	864	1 364
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	154 219	207 445	164 011	430 222	246 726	246 726	394 146	508 208	662 914
<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation &amp; asset impairment</b>		5 072	10 878	9 618	5 500	9 591	9 591	24 066	16 739	17 643
<b>Repairs and Maintenance by Asset Class</b>	3	13 179	11 507	11 226	17 577	16 827	16 827	19 806	26 114	27 753
Infrastructure - Road transport		13 179	11 507	11 226	16 127	16 127	16 127	17 500	20 426	25 000
Infrastructure - Electricity		-	-	-	200	250	250	500	2 100	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		13 179	11 507	11 226	16 327	16 377	16 377	18 000	22 526	25 000
Community		-	-	-	400	400	400	800	843	889
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	-	-	-	850	50	50	1 006	2 745	1 864
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		18 251	22 385	20 844	23 077	26 418	26 418	43 872	42 853	45 396

**NB: Total Infrastructure Assets = (R121 m for Roads + R6 m for Sports ground + R7.3 m Renewal)**

1.4.11 Table 14 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
<b>Household service targets</b>	1									
<b>Water:</b>										
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>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Energy:</b>										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Refuse:</b>										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Households receiving Free Basic Service</b>	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)		-	-	-	-	-	-	-	-	-
<b>Cost of Free Basic Services provided (R'000)</b>	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)		-	-	-	-	-	-	-	-	-
<b>Total cost of FBS provided (minimum social package)</b>		2 000	2 500	-	3 000	3 000	3 000	4 000	4 216	4 444
<b>Highest level of free service provided</b>										
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	50
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
<b>Revenue cost of free services provided (R'000)</b>	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		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total revenue cost of free services provided (total social package)</b>	6	-	-	-	-	-	-	-	-	-

## Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
2. The municipality continues to make good progress with the eradication of backlogs on services that are within the functions of the municipality in terms of the South African Constitution and Municipal Systems Act. The municipality performs only the function of providing indigents registered in the municipality's indigent register with electricity tokens (Free Basic Electricity) and the other basic services as listed in table A10 are performed by the Greater Sekhukhune District Municipality. It must be noted also that as the municipality does not sell electricity, but purchase the electricity from Eskom, therefore the revenue costs for providing free basic electricity is Zero.
3. The following are the services that are provided by the district municipality and hence, no information has been completed on the table A10 of the municipality's Annual budget for 2013/2014 MTREF:
  - a. Water services
  - b. Sanitation services
  - c. Electricity services
  - d. Refuse services
4. The budget provides for 110 000 households to be registered as indigent in 2013/14, and therefore entitled to receiving Free Basic Services. It is anticipated that these Free Basic Services will cost the municipality R4 million in 2013/14, increasing to R4.2 million in 2014/15 and R4.4 million in 2015/2016. This is covered by the municipality's equitable share allocation from national government.
5. The municipality does not have any revenue foregone for Property rates.

## 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 of the municipality consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Portfolio chairperson 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. Key dates applicable to the process were as follows:

**Table 15: IDP/BUDT Timetable**

Month	Activity	Target date
<b>PREPARATORY PHASE</b>		
JULY 2012	<ul style="list-style-type: none"> <li>○ Review of previous year's IDP/Budget process</li> <li>○ Exco provides political guidance over the budget process and priorities that must inform preparations of the budget</li> <li>○ Compilation of updated ward based data</li> <li>○ IDP/Budget Steering Committee meeting</li> <li>○ 4<sup>th</sup> Quarter Performance Lekgotla (2011-12)</li> </ul>	JULY 2012

August 2012	<ul style="list-style-type: none"> <li>○ Ward to Ward based data collection</li> <li>○ Collate information from ward based data</li> <li>○ Submit Annual Financial Statements for 2011/12 to AG</li> <li>○ Submit Process Plan for 2013/14 to Council</li> <li>○ Submit 2011/12 cumulative Performance Report to AG and Council Structures</li> </ul>	August 2012
<b>Month</b>	<b>Activity</b>	<b>Target date</b>
<b>ANALYSIS PHASE</b>		
September 2012	<ul style="list-style-type: none"> <li>○ Council determines strategic objectives for service delivery through IDP review processes and the development of the next 3 year budget (including review of sector department plan)</li> <li>○ Consult with provincial and national sector departments on sector specific programmes for alignment (libraries, schools, clinics, water, electricity, roads, sanitation, etc.)</li> <li>○ Finalise ward based data compilation</li> <li>○ Update Council Structures on updated data</li> </ul>	September 2012
<b>Month</b>	<b>Activity</b>	<b>Target date</b>
<b>STRATEGIES PHASE</b>		
October 2012	<ul style="list-style-type: none"> <li>○ Quarterly (1<sup>st</sup>) review of the 2012/13 budget, related policies, amendments (if necessary), any related process</li> <li>○ Begin preliminary preparations on proposed budget for 2013/14 financial year</li> <li>○ 1<sup>st</sup> Quarter Performance Lekgotla (2012/13)</li> </ul>	October 2012
<b>Month</b>	<b>Activity</b>	<b>Target date</b>
<b>PROJECTS PHASE</b>		
November 2012	<ul style="list-style-type: none"> <li>○ Confirm IDP Projects with District and Sector departments</li> <li>○ Review and effect changes on the initial IDP draft</li> </ul>	November 2012
<b>Month</b>	<b>Activity</b>	<b>Target date</b>
<b>INTEGRATION PHASE</b>		
December 2012	<ul style="list-style-type: none"> <li>○ Table Draft 2011/12 Annual Report to Council</li> <li>○ Review budget performance and prepare for adjustment</li> <li>○ Consolidated Analysis Phase in Place</li> <li>○ IDP/Budget Steering Committee meeting</li> <li>○ IDP Representative Forum</li> </ul>	December 2012
January 2013	<ul style="list-style-type: none"> <li>○ Table Draft 2011/12 Annual Report to Council</li> <li>○ Submit Draft Annual Report to AG,PT and CoGHSTA</li> <li>○ Publish Draft Annual Report in the Municipal jurisdiction (website etc)</li> <li>○ Prepare Oversight Report for 2011/12 financial year</li> <li>○ Mid-Year Performance Lekgotla/Strategic</li> </ul>	January 2013

Month	Activity	Target date
	Planning Session (Review of IDP/Budget, related policies)	
February 2013	<ul style="list-style-type: none"> <li>○ Table Budget Adjustment (if necessary)</li> <li>○ Submission of Draft IDP/Budget for 2013/14 to Management</li> <li>○ Submission of Draft IDP/Budget and other plans to Portfolio committees</li> <li>○ Submission of Draft IDP/Budget to EXCO</li> </ul>	February 2013
March 2013	<ul style="list-style-type: none"> <li>○ Council considers the 2013/14 Draft IDP/Budget</li> <li>○ Publish the 2013/14 IDP/Budget for public comments</li> <li>○ Adoption Oversight Report for 2011/12</li> </ul>	March 2013
<b>APPROVAL PHASE</b>		
April 2013	<ul style="list-style-type: none"> <li>○ Submit 2013/14 Draft IDP/Budget to the National Treasury, Provincial Treasury and CoGHSTA in both printed and electronic formats</li> <li>○ Consultation with National and Provincial Treasuries, community participation and stakeholder consultation</li> <li>○ Submission of IDP/Budget for 2013/14 to Council structures with incorporated comments from the consultative process and taking into account 3<sup>rd</sup> quarterly review of the current year</li> <li>○ 3<sup>rd</sup> Quarter Performance Lekgotla (2012/13)</li> </ul>	April 2013
May 2013	<ul style="list-style-type: none"> <li>○ Submission of Final Draft of IDP/Budget for 2013/14 to the Council for approval</li> <li>○ Prepare SDBIP for 2013/14</li> <li>○ Develop Performance Agreements (Performance Plans) of MM and Senior Managers for 2013/14 Performance year</li> </ul>	May 2013
June 2013	<ul style="list-style-type: none"> <li>○ Submission of approved IDP/Budget to MEC for CoGHSTA /National and Provincial treasury and to SDM</li> <li>○ Submission of the SDBIP to the Mayor</li> <li>○ Submission of the 2013/14 Performance Agreement to the Mayor</li> <li>○ Notice and summary of approved budget in Gazette and Local Newspaper</li> <li>○ Notice of approved Service Delivery and Budget Implementation Plan Local newspaper/gazette</li> </ul>	June 2012

The council of the municipality managed to meet the targets as indicated the time schedule adopted in October 2012. The following table outline the activities performed and the actual dates on which they were completed, tabled and adopted by the council:

**Table 16: IDP/Budget timetable implementation**

<b>Activity</b>	<b>Targeted Date</b>	<b>Actual dates</b>
4 <sup>th</sup> Quarter Performance review Lekgotla	July 2012	July 2012
Ward to Ward based data collection	August 2012	01 – 08 August 2012
Collate information from ward based data	August 2012	13 – 24 August 2012
Submit Annual Financial Statements for 2011/12 to AG	August 2012	31 August 2012
Submit Process Plan for 2013/14 to Council	August 2012	31 August 2012
Submit 2011/12 cumulative Performance Report to AG and Council Structures	August 2012	31 August 2012
Table Draft 2011/12 Annual Report to Council	December 2012	25 January 2013
Review budget performance and prepare for adjustment	December 2012	25 January 2013
Table Draft 2011/12 Annual Report to Council	January 2013	25 January 2013
Submit Draft Annual Report to AG,PT and CoGHSTA	January 2013	January 2013
Mid-Year Performance Lekgotla/Strategic Planning Session (Review of IDP/Budget, related policies)	January 2013	January 2013
Prepare Oversight Report for 2011/12 financial year	January 2013	25 January 2013
Table Budget Adjustment (if necessary)	February	27 February 2013
Submission of Draft IDP/Budget for 2013/14 to Management	February	28 February 2013
Council considers the 2013/14 Draft IDP/Budget	March 2013	27 March 2013
Adoption Oversight Report for 2011/12		27 March 2013
Publish the 2013/14 IDP/Budget for public comments	March 2013	29 March 2013
Submit 2013/14 Draft IDP/Budget to the National Treasury, Provincial Treasury and CoGHSTA in both printed and electronic formats	April 2013	10 April 2013
Consultation with National and Provincial Treasuries, community participation and stakeholder consultation	April 2013	09 April 2013 – 09 May 2013
3 <sup>rd</sup> Quarter Performance Lekgotla (2012/13)	April 2013	April 2013
Submission of Final Draft of IDP/Budget for	May 2013	31 May 2013

2013/14 to the Council for approval		
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## 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

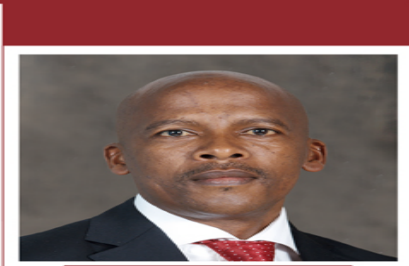


The consultation schedule for draft 2013/14 MTREF as tabled before Council on 27 March 2013 is published on the municipality’s website, and hard copies were made available at customer care offices, municipal notice boards and the municipality’s community libraries.

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 ensure that their inputs were incorporated in the budget and for monitoring purposes.

Ward Committees were utilised to facilitate the community consultation process. The applicable dates and venues which were published on municipality’s websites, notice boards and the local community radio station were as follows and on average attendance were at 250 people per meeting. Individual sessions were 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 healer’s youth, people with disabilities and community-based organisations.

### Consultation notice and timetable.



Cllr M.A. Matlala  
MAYOR

## MAYOR’S OUTREACH PUBLIC PARTICIPATION ON 2013 / 2014 IDP / BUDGET STAKEHOLDERS CONSULTATION PROGRAMME

DATE	TIME	VENUE	STAKEHOLDERS
09/04/2013	10H00	MLM - COUNCIL CHAMBER	TRADITIONAL HEALERS COUNCIL, HIV/AIDS COUNCIL, COUNCIL OF CHURCHES, NAFCOCC-LED FORUM, NGOS,CBOS,SAFETY COUNCIL
10/04/2013	09H00	ST RITAS SPORTS GROUND	WARDS 8,9,10 AND 7
12/04/2013	09H00	MALOMA TRIBAL OFFICE	WARDS 12,13,14,15 AND 16
15/04/2013	09H00	MARULANENG TRIBAL OFFICE	WARDS 17,22 AND,23
16/04/2013	09H00	MADIBONG TRIBAL OFFICE	WARDS 18,19,20, 21 AND 11
18/04/2013	09H00	NKGONYELETSE H.SCHOOL	WARDS 24,25 AND 26
19/04/2013	09H00	EENKANTAAN COMMUNITY HALL	WARDS 27,28,29,30 AND 31
22/04/2013	09H00	KUTUPU CIVIC CENTRE	WARDS 1,2,3 AND 4
23/04/2013	09H00	EENZAAM SPORTS GROUND	WARDS 5 AND 6
26/04/2013	09H00	MLM - COUNCIL CHAMBER	MUNICIPAL STAFF
30/04/2013	10H00	MLM - COUNCIL CHAMBER	MAGOSHI
03/05/2013	10H00	MLM - COUNCIL CHAMBER	SPECIAL FOCUS GROUPS (YOUTH,WOMEN,THE ELDERLY AND PERSONS WITH DISABILITIES)
10/05/2013	09H00	MLM - COUNCIL CHAMBER	IDP REP FORUM
16/05/2013	09H00	MLM - BOARDROOM	EXECUTIVE COMMITTEE
28/05/2013	09H00	MLM - COUNCIL CHAMBER	MLM COUNCIL/ADOPTION OF SECOND DRAFT IDP/BUDGET 2013/14 FINANCIAL YEAR

#### INFORMATION DESK

Nkobo Wander - 013 265 8634  
Magale Stephen - 013 265 8631

*Mmoga re Samela diphetogo!*



*Together working for change!*

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of this final budget for 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. The municipality's IDP is therefore a key instrument which was used to provide vision, leadership and direction to all those that have a role to play in the development of the municipality. The IDP enables the municipality 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 through the EPWP programme 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 and transparency 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	28 813	31 695	34 864
	Improved collection rate at the municipal testing stations.			3 092	2 399	2 466	4 400	4 400	4 400	6 069	8 164	8 981
	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.			-	-	-	-	-	-	-	-	-
	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.			-	-	-	-	-	-	-	-	-
	Utilise Savings			-	-	-	-	-	-	-	-	-
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	112 912	156 675	183 610	210 249	194 493	194 493	213 771	244 608	298 555

**Table 19 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted Operational Expenditure.**

LIM473 Makhuduthamaga - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

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 strengthen institutional efficiency and governance	improved and efficient institutional governance			-	-	-	40 667	47 762	47 762	51 993	53 798	58 021
To facilitate for improved service delivery	Improved service delivery and eradication of service delivery backlog.			-	-	-	22 767	22 957	22 957	42 054	39 512	52 681
To create environment that stimulate economic growth and development	improved economic growth			-	-	-	3 000	2 959	2 959	7 080	2 734	2 959
To promote effective and efficient revenue and expenditure management	financially viable municipality			112 036	99 509	142 625	49 094	51 167	51 167	67 843	70 544	74 546
To strengthen institutional efficiency and promote good governance.	Practice of good governance			-	-	-	36 088	13 985	13 985	22 354	20 174	20 808
To promote compatible land use and development.	A compatible land use management			-	-	-	2 400	7 569	7 569	6 875	6 697	7 135
Allocations to other priorities				-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>				<b>112 036</b>	<b>99 509</b>	<b>142 625</b>	<b>154 015</b>	<b>146 398</b>	<b>146 398</b>	<b>198 198</b>	<b>193 460</b>	<b>216 150</b>

**Table 20 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted Operational Expenditure.**

LIM473 Makhuduthamaga - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

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 strengthen institutional efficiency and governance	Improved and efficient institutional governance	A		500	2 074	957	3 500	1 900	1 900	2 000	1 308	1 089
To facilitate for improved service delivery	Improved service delivery and eradication of service delivery backlog.	B		54 070	62 598	68 437	99 205	89 456	89 456	137 849	109 071	152 239
To create environment that stimulate economic growth and development	Improved economic growth	C		-	-	-	-	-	-	-	-	-
To promote effective and efficient revenue and expenditure management	financially viable municipality	D		1 000	1 267	3 706	1 349	6 157	6 157	3 991	833	878
To strengthen institutional efficiency and promote good governance.	Practice of good governance	E		2 912	-	-	1 260	100	100	3 880	2 350	-
To promote compatible land use and development.	A compatible land use management	F		-	-	-	-	-	-	-	-	-
		G										
Allocations to other priorities			3									
Total Capital Expenditure			1	58 482	65 938	73 100	105 314	97 613	97 613	147 720	113 562	154 207

**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.

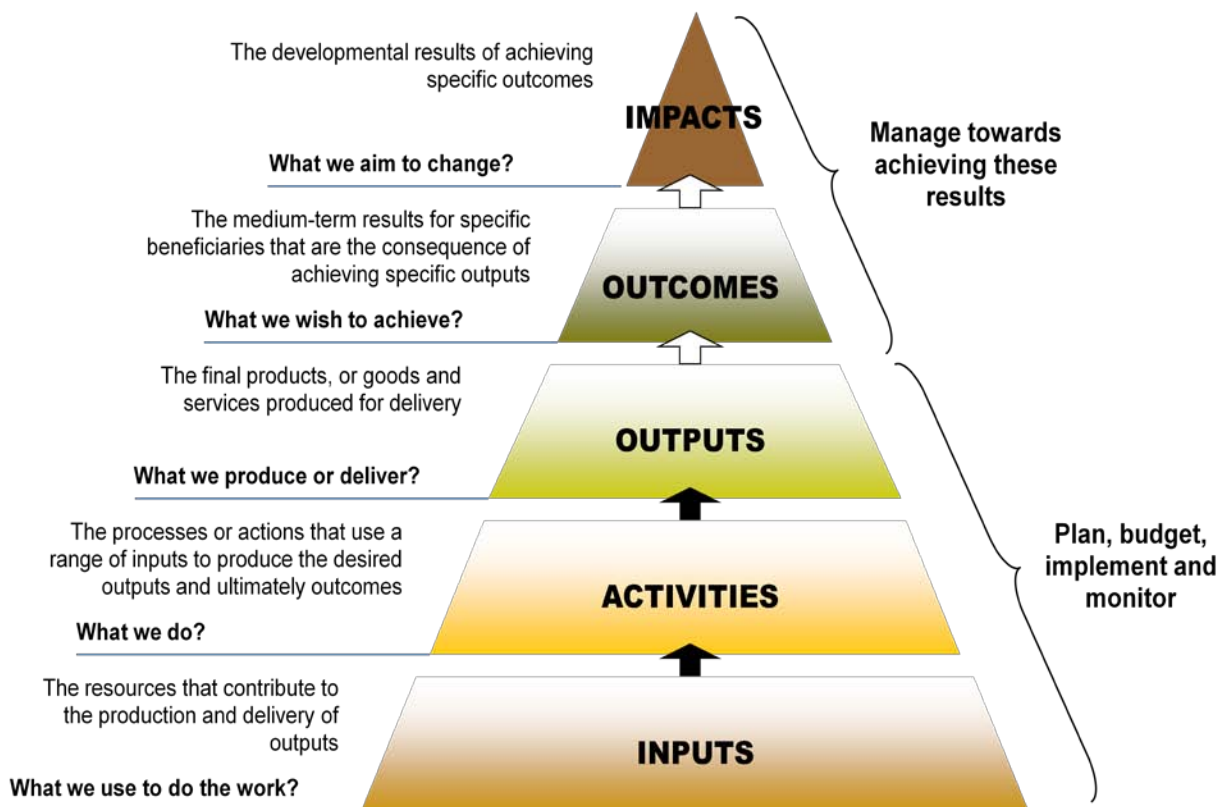
At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance

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
<b>Borrowing Management</b>											
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%
<b>Safety of Capital</b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	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
<b>Revenue Management</b>											
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%	23.7%	83.6%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			1.4%	90.6%	86.9%	64.0%	54.5%	54.5%	54.5%	23.7%	83.6%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	12.8%	23.6%	48.5%	34.7%	52.3%	52.3%	52.3%	43.2%	61.3%	53.1%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))										
Creditors to Cash and Investments		0.0%	36.5%	30.2%	39.5%	39.3%	39.3%	39.3%	654.7%	226.0%	501.0%
<b>Other Indicators</b>											
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%	18.9%	24.0%	21.0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	27.6%	23.1%	23.6%	25.8%	27.2%	27.2%	27.2%	24.7%	31.2%	27.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	11.9%	7.7%	6.1%	8.2%	8.7%	8.7%	8.7%	9.6%	10.7%	9.3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	4.7%	7.4%	5.2%	2.6%	4.9%	4.9%	4.9%	5.5%	6.8%	5.9%
<b>IDP regulation financial viability indicators</b>											
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	20.6	9.0	10.0
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%	435.4%	471.4%	452.8%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	11.1	13.6	9.7	7.5	8.1	8.1	8.1	0.4	1.3	0.5

## 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 64 per cent on current debtors. 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 and is still under review.

## **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**

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
<b>Revenue By Source</b>											
Property rates	2	17 956	24 906	41 358	27 270	27 270	27 270	27 270	28 813	31 695	34 864
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		-	-	-	-	-	-	-	10	15	20
Licences and permits		3 092	2 399	2 466	3 520	3 520	3 520	3 520	4 848	6 519	7 169
Agency services		-	-	-	880	880	880	880	1 212	1 630	1 792
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	1 219	704	25 545	7 559	7 559	7 559	9 013	10 004	11 435
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>110 506</b>	<b>148 715</b>	<b>183 610</b>	<b>214 279</b>	<b>194 493</b>	<b>194 493</b>	<b>194 493</b>	<b>213 771</b>	<b>244 608</b>	<b>298 555</b>

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 23 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 24 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
<b>R thousand</b>										
<b>Parent municipality</b>										
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		-	-	-	-	-	-	-	-	-
<b>Municipality sub-total</b>	1	26,265	60,050	61,882	75,000	75,000	75,000	63,000	65,000	69,000
<b>Entities</b>										
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		-	-	-	-	-	-	-	-	-
<b>Entities sub-total</b>		-	-	-	-	-	-	-	-	-
<b>Consolidated total:</b>		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 25 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
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Ratepayers and other		313	28 559	44 620	40 045	25 287	25 287	25 287	31 383	37 352	54 499
Government - operating	1	86 698	114 143	128 573	146 479	146 479	146 479	146 479	160 440	184 356	231 809
Government - capital	1	28 401	33 401	40 129	45 436	49 466	49 466	49 466	54 870	62 495	71 922
Interest		2 194	5 394	10 417	5 235	5 235	5 235	5 235	4 085	4 493	4 942
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(72 293)	(125 591)	(108 088)	(139 362)	(130 877)	(130 877)	(130 877)	(163 797)	(154 611)	(170 819)
Finance charges		-	-	-	(116)	(116)	(116)	(116)	-	-	-
Transfers and Grants	1	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>45 313</b>	<b>55 906</b>	<b>115 650</b>	<b>97 717</b>	<b>95 474</b>	<b>95 474</b>	<b>95 474</b>	<b>86 980</b>	<b>134 085</b>	<b>192 353</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
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		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(32 492)	(17 764)	(58 345)	(105 314)	(97 613)	(97 613)	(97 613)	(147 720)	(113 562)	(131 207)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(32 492)</b>	<b>(46 323)</b>	<b>(109 741)</b>	<b>(104 964)</b>	<b>(97 263)</b>	<b>(97 263)</b>	<b>(97 263)</b>	<b>(147 720)</b>	<b>(113 562)</b>	<b>(131 207)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>12 821</b>	<b>9 583</b>	<b>5 909</b>	<b>(7 246)</b>	<b>(1 789)</b>	<b>(1 789)</b>	<b>(1 789)</b>	<b>(60 740)</b>	<b>20 522</b>	<b>61 146</b>
Cash/cash equivalents at the year begin:	2	52 358	65 178	74 761	80 670	80 670	80 670	80 670	78 881	18 142	38 664
Cash/cash equivalents at the year end:	2	65 178	74 761	80 670	73 424	78 881	78 881	78 881	18 142	38 664	99 810

The above table shows a net decrease in cash held for 2013/2014 and increase in the outer years of the MTREF. The amount of R31 million cash inflow from rate payers and other for 2013/2014 is made up of R16.2 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 26 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
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	65 178	74 761	80 670	73 424	78 881	78 881	78 881	18 142	38 664	99 810
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>65 178</b>	<b>74 761</b>	<b>80 670</b>	<b>73 424</b>	<b>78 881</b>	<b>78 881</b>	<b>78 881</b>	<b>18 142</b>	<b>38 664</b>	<b>99 810</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		8 216	-	4 638	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	12 069	12 841	13 740
Other working capital requirements	3	#REF!	(4 472)	(53 017)	(29 819)	(39 381)	(39 381)	(39 381)	(53 611)	(71 959)	(111 645)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>#REF!</b>	<b>(4 472)</b>	<b>(48 378)</b>	<b>(29 819)</b>	<b>(39 381)</b>	<b>(39 381)</b>	<b>(39 381)</b>	<b>(41 542)</b>	<b>(59 118)</b>	<b>(97 905)</b>
<b>Surplus(shortfall)</b>		<b>#REF!</b>	<b>79 233</b>	<b>129 048</b>	<b>103 243</b>	<b>118 262</b>	<b>118 262</b>	<b>118 262</b>	<b>59 684</b>	<b>97 782</b>	<b>197 715</b>

From the above table it can be seen that the cash and investments available total R18 million in the 2013/14 financial year and increase to R99 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 27 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
<b>Funding measures</b>												
Cash/cash equivalents at the year end - R'000	18(1)b	1	65 178	74 761	80 670	73 424	78 881	78 881	78 881	18 142	38 664	99 810
Cash + investments at the yr end less applications - R'000	18(1)b	2	#REF!	79 233	129 048	103 243	118 262	118 262	118 262	59 684	97 782	197 715
Cash year end/monthly employee/supplier payments	18(1)b	3	11.1	13.6	9.7	7.5	8.7	8.7	8.7	1.5	3.1	7.4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	28 800	82 567	81 114	105 700	97 561	97 561	97 561	70 443	113 643	154 327
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%)	(0.3%)	4.0%	4.0%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	1.4%	90.6%	86.9%	64.0%	56.7%	56.7%	56.7%	63.7%	67.0%	88.2%
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%	43.5%	38.2%	36.6%
Capital payments % of capital expenditure	18(1)c:19	8	103.9%	26.9%	79.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	85.1%
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%	3.2%	31.2%	0.0%	0.0%	11.3%	19.1%	5.5%
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%	8.1%	5.0%	5.2%	4.2%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	4.7%	5.1%	5.1%	0.0%	4.9%	0.0%	0.0%

<b>Supporting indicators</b>												
% incr total service charges (incl prop rates)	18(1)a		38.7%	66.1%	(34.1%)	0.0%	0.0%	0.0%	5.7%	10.0%	10.0%	
% incr Property Tax	18(1)a		38.7%	66.1%	(34.1%)	0.0%	0.0%	0.0%	5.7%	10.0%	10.0%	
% incr Service charges - electricity revenue	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
% incr Service charges - water revenue	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
% incr Service charges - sanitation revenue	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
% incr Service charges - refuse revenue	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
% incr in Service charges - other	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Total billable revenue	18(1)a		17 956	24 945	41 451	27 370	27 370	27 370	27 370	28 913	31 815	35 034
Service charges			17 956	24 906	41 358	27 270	27 270	27 270	27 270	28 813	31 695	34 864
Property rates			17 956	24 906	41 358	27 270	27 270	27 270	27 270	28 813	31 695	34 864
Service charges - electricity revenue			-	-	-	-	-	-	-	-	-	-
Service charges - water revenue			-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue			-	-	-	-	-	-	-	-	-	-
Service charges - refuse removal			-	-	-	-	-	-	-	-	-	-
Service charges - other			-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment			-	39	93	100	100	100	100	100	120	170
Capital expenditure excluding capital grant funding			-	-	-	-	-	-	-	62 003	0	-
Cash receipts from ratepayers	18(1)a		313	28 559	44 620	40 045	25 287	25 287	25 287	31 383	37 352	54 499
Ratepayer & Other revenue	18(1)a		21 615	31 508	51 365	62 565	44 579	44 579	44 579	49 247	55 759	61 804
Change in consumer debtors (current and non-current)			30 163	20 890	54 019	2 855	31 509	31 509	31 509	42 288	25 617	8 748
Operating and Capital Grant Revenue	18(1)a		117 028	147 520	168 702	191 915	195 945	195 945	195 945	215 310	246 851	303 731
Capital expenditure - total	20(1)(vi)		31 275	65 938	73 100	105 314	97 613	97 613	97 613	147 720	113 562	154 207
Capital expenditure - renewal	20(1)(vi)		-	-	-	5 000	5 000	5 000		7 300	-	-
<b>Supporting benchmarks</b>												
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY												
DoRA capital grants total MFY												
Provincial operating grants												
Provincial capital grants												
District Municipality grants												
Total gazetted/advised national, provincial and district grants										-	-	-
Average annual collection rate (arrears inclusive)												



Total Operating Revenue		110 506	148 715	183 610	214 279	194 493	194 493	194 493	213 771	244 608	298 555
Total Operating Expenditure		112 036	99 509	142 625	154 015	146 398	146 398	146 398	198 198	193 460	216 150
Operating Performance Surplus/(Deficit)		(1 530)	49 206	40 985	60 264	48 095	48 095	48 095	15 573	51 148	82 405
Cash and Cash Equivalents (30 June 2012)									18 142		
<b>Revenue</b>											
% Increase in Total Operating Revenue			34.6%	23.5%	16.7%	(9.2%)	0.0%	0.0%	9.9%	14.4%	22.1%
% Increase in Property Rates Revenue			38.7%	66.1%	(34.1%)	0.0%	0.0%	0.0%	5.7%	10.0%	10.0%
% Increase in Electricity Revenue			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Property Rates & Services Charges			38.7%	66.1%	(34.1%)	0.0%	0.0%	0.0%	5.7%	10.0%	10.0%
<b>Expenditure</b>											
% Increase in Total Operating Expenditure			(11.2%)	43.3%	8.0%	(4.9%)	0.0%	0.0%	35.4%	(2.4%)	11.7%
% Increase in Employee Costs			24.6%	48.3%	75.4%	(17.3%)	0.0%	0.0%	48.1%	6.4%	7.0%
% Increase in Electricity Bulk Purchases			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Average Cost Per Budgeted Employee Position (Remuneration)				302017.8235	331164.223				471376.0002		
Average Cost Per Councillor (Remuneration)				228711.9508	246646.9348				273820.8607		
R&M % of PPE		8.5%	5.5%	6.9%	4.1%	6.9%	6.9%	6.9%	5.0%	5.2%	4.2%
Asset Renewal and R&M as a % of PPE		9.0%	6.0%	7.0%	5.0%	9.0%	9.0%	9.0%	7.0%	5.0%	4.0%
Debt Impairment % of Total Billable Revenue		14.3%	16.2%	17.4%	33.0%	33.0%	33.0%	33.0%	43.5%	38.2%	36.6%
<b>Capital Revenue</b>											
Internally Funded & Other (R'000)		-	-	-	-	-	-	-	62 003	-	-
Borrowing (R'000)		-	-	-	-	-	-	-	-	-	-
Grant Funding and Other (R'000)		31 275	65 938	73 100	105 314	97 613	97 613	97 613	85 717	113 562	154 207
Internally Generated funds % of Non Grant Funding		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%
Borrowing % of Non Grant Funding		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	58.0%	100.0%	100.0%
<b>Capital Expenditure</b>											
Total Capital Programme (R'000)		31 275	65 938	73 100	105 314	97 613	97 613	97 613	147 720	113 562	154 207
Asset Renewal		-	-	-	5 000	5 000	5 000	5 000	7 300	-	-
Asset Renewal % of Total Capital Expenditure		0.0%	0.0%	0.0%	4.7%	5.1%	5.1%	5.1%	4.9%	0.0%	0.0%
<b>Cash</b>											
Cash Receipts % of Rate Payer & Other		1.4%	90.6%	86.9%	64.0%	56.7%	56.7%	56.7%	63.7%	67.0%	88.2%
Cash Coverage Ratio		0	0	0	0	0	0	0	0	0	0
<b>Borrowing</b>											
Credit Rating (2009/10)									0		
Capital Charges to Operating		0.1%	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing Receipts % of Capital Expenditure		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Reserves</b>											
Surplus/(Deficit)		#REF!	79 233	129 048	103 243	118 262	118 262	118 262	59 684	97 782	197 715
<b>Free Services</b>											
Free Basic Services as a % of Equitable Share		2.3%	2.2%	0.0%	2.1%	2.1%	2.1%	2.1%	2.5%	2.3%	1.9%
Free Services as a % of Operating Revenue (excl operational transfers)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>High Level Outcome of Funding Compliance</b>											
Total Operating Revenue		110 506	148 715	183 610	214 279	194 493	194 493	194 493	213 771	244 608	298 555
Total Operating Expenditure		112 036	99 509	142 625	154 015	146 398	146 398	146 398	198 198	193 460	216 150
Surplus/(Deficit) Budgeted Operating Statement		(1 530)	49 206	40 985	60 264	48 095	48 095	48 095	15 573	51 148	82 405
Surplus/(Deficit) Considering Reserves and Cash Backing		#REF!	128 439	170 034	163 507	166 357	166 357	166 357	75 257	148 930	280 120
MTREF Funded (1) / Unfunded (0)	15	#REF!	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded *	15	***	✓	✓	✓	✓	✓	✓	✓	✓	✓

## 2.7 Expenditure on grants and reconciliations of unspent funds

### Table 28 MBRR SA19 - Expenditure on transfers and grant programmes

LIM473 Makhuduthamaga - Supporting Table SA19 Expenditure on transfers and grant programme

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
<b>EXPENDITURE:</b>	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		45 736	58 097	81 607	86 601	86 601	86 601	173 193	167 103	188 317
Local Government Equitable Share		43 647	55 862	79 357	84 301	84 301	84 301	169 753	164 569	185 700
Finance Management		1 740	1 500	1 500	1 500	1 500	1 500	1 550	1 600	1 650
Municipal Systems Improvement		1	735	750	800	800	800	890	934	967
EPWP Incentive								1 000	-	-
Sekhukhune District		349								
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		<b>45 736</b>	<b>58 097</b>	<b>81 607</b>	<b>86 601</b>	<b>86 601</b>	<b>86 601</b>	<b>173 193</b>	<b>167 103</b>	<b>188 317</b>
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		58 482	60 938	79 172	104 348	96 699	96 699	90 838	118 562	164 207
Municipal Infrastructure Grant (MIG)		27 924	28 401	34 159	41 436	41 436	41 436	49 870	57 495	61 922
Equitable Share		30 558	32 537	35 013	58 912	51 263	51 263	35 968	56 067	92 285
DOE Grant		-	-	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]		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		<b>58 482</b>	<b>60 938</b>	<b>79 172</b>	<b>104 348</b>	<b>96 699</b>	<b>96 699</b>	<b>90 838</b>	<b>118 562</b>	<b>164 207</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>104 218</b>	<b>119 035</b>	<b>160 779</b>	<b>190 949</b>	<b>183 301</b>	<b>183 301</b>	<b>264 031</b>	<b>285 665</b>	<b>352 523</b>

**Table 29 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	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
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Total operating transfers and grants revenue</b>		-	-	-	-	-	-	-	-	-
<b>Total operating transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Total capital transfers and grants revenue</b>		-	-	-	-	-	-	-	-	-
<b>Total capital transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		-	-	-	-	-	-	-	-	-

**2.8 Allocations and grants made by the municipality.**

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





**Table 31 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)**

LIM473 Makhuduthamaga - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b>Councillors</b>	3							
Speaker	4	1	343 266	63 321	155 342			561 928
Chief Whip		1	321 819	59 376	146 927			528 122
Executive Mayor		1	429 091	79 099	188 995			697 186
Deputy Executive Mayor								-
Executive Committee		9	1 705 639	314 656	65 655			2 085 950
Total for all other councillors		49	9 907 916	2 418 588	503 383			12 829 887
<b>Total Councillors</b>	8	61	12 707 730	2 935 040	1 060 302			16 703 073
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)		1	814 778	12 581	244 746	-		1 072 106
Chief Finance Officer		1	517 036	11 041	419 995	-		948 072
Director Corporate Services		1	478 679	9 470	309 649	-		797 798
Director Technical Services		1	397 514	11 041	429 670	-		838 225
Director Community Services		1	379 160	9 343	409 294	-		797 798
Director Planning and Development		1	397 514	11 041	429 670	-		838 225
List of each official with packages >= senior manager								
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
<b>Total Senior Managers of the Municipality</b>	8,10	6	2 984 681	64 518	2 243 025	-		5 292 223
<b>A Heading for Each Entity</b>	6,7							
List each member of board by designation								
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
			-	-	-	-		-
<b>Total for municipal entities</b>	8,10	-	-	-	-	-		-
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	67	15 692 411	2 999 557	3 303 327	-		21 995 296

LIM473 Makhuduthamaga - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2011/12			Current Year 2012/13			Budget Year 2013/14		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		61	-	61	61	-	61	61	-	61
Board Members of municipal entities	4	-	-	-	-	-	-	-	-	-
<b>Municipal employees</b>	5	-	-	-	-	-	-	-	-	-
Municipal Manager and Senior Managers	3	6	-	6	6	-	6	6	-	6
Other Managers	7	-	-	-	-	-	-	-	-	-
Professionals		66	62	4	104	96	8	85	76	9
<i>Finance</i>		19	15	4	39	31	8	44	36	8
<i>Spatial/town planning</i>		6	6	-	6	6	-	7	7	-
<i>Information Technology</i>		2	2	-	2	2	-	2	2	-
<i>Roads</i>		1	1	-	1	1	-	2	1	1
<i>Electricity</i>		1	1	-	1	1	-	1	1	-
<i>Water</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation</i>		-	-	-	-	-	-	-	-	-
<i>Refuse</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		37	37	-	55	55	-	29	29	-
Technicians		-	-	-	-	-	-	-	-	-
<i>Finance</i>		-	-	-	-	-	-	-	-	-
<i>Spatial/town planning</i>		-	-	-	-	-	-	-	-	-
<i>Information Technology</i>		-	-	-	-	-	-	-	-	-
<i>Roads</i>		-	-	-	-	-	-	-	-	-
<i>Electricity</i>		-	-	-	-	-	-	-	-	-
<i>Water</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation</i>		-	-	-	-	-	-	-	-	-
<i>Refuse</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Clerks (Clerical and administrative)		8	8	-	20	20	-	20	20	-
Service and sales workers		-	-	-	-	-	-	-	-	-
Skilled agricultural and fishery workers		-	-	-	-	-	-	-	-	-
Craft and related trades		-	-	-	-	-	-	-	-	-
Plant and Machine Operators		5	5	-	6	6	-	6	6	-
Elementary Occupations		-	-	-	-	-	-	-	-	-
<b>TOTAL PERSONNEL NUMBERS</b>	9	146	75	71	197	122	75	178	102	76
<b>% increase</b>					34.9%	62.7%	5.6%	(9.6%)	(16.4%)	1.3%
Total municipal employees headcount	6, 10	85	75	10	136	122	14	117	102	15
Finance personnel headcount	8, 10	19	15	4	39	31	8	45	36	9
Human Resources personnel headcount	8, 10	17	17	-	20	20	20	21	20	1

## 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 32 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
<b>Revenue By Source</b>																
Property rates		2 272	2 272	2 272	2 272	2 272	2 272	2 272	2 272	2 272	2 272	2 272	3 816	28 813	31 695	34 864
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		460	475	487	490	410	415	420	430	435	437	450	342	5 251	5 776	6 353
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits		380	385	350	389	380	320	310	415	319	390	400	2 031	6 069	8 164	8 981
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational		58 550	890	-	49 000	-	-	-	-	52 000	-	-	-	160 440	184 356	231 809
Other revenue		77 854	1 550	2 000	-	3 500	1 400	-	63	-	-	-	-	86 368	10 004	11 435
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>139 867</b>	<b>5 942</b>	<b>5 499</b>	<b>52 466</b>	<b>6 972</b>	<b>4 747</b>	<b>3 397</b>	<b>3 551</b>	<b>55 451</b>	<b>3 449</b>	<b>3 422</b>	<b>6 359</b>	<b>291 126</b>	<b>244 608</b>	<b>298 555</b>
<b>Expenditure By Type</b>																
Employee related costs		4 352	4 262	4 262	4 262	4 262	4 262	4 262	4 262	4 262	4 262	4 262	5 251	52 218	55 560	59 450
Remuneration of councillors		1 392	1 392	1 392	1 392	1 392	1 392	1 392	1 392	1 392	1 392	1 392	1 392	16 703	17 605	18 556
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	12 563	12 563	12 151	12 807
Depreciation & asset impairment		1 323	1 323	1 323	1 323	1 323	1 323	1 323	1 323	1 323	1 323	1 323	1 323	15 882	16 739	17 643
Finance charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		2 972	3 109	3 129	3 115	6 144	3 129	3 159	3 129	3 190	3 119	3 129	5 073	42 395	40 626	43 048
Transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		4 324	3 892	5 688	7 889	3 557	5 211	6 471	4 930	4 778	3 741	3 320	1 703	55 504	47 658	61 308
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>14 362</b>	<b>13 978</b>	<b>15 794</b>	<b>17 982</b>	<b>16 678</b>	<b>15 317</b>	<b>16 607</b>	<b>15 035</b>	<b>14 945</b>	<b>13 837</b>	<b>13 425</b>	<b>27 306</b>	<b>195 266</b>	<b>190 340</b>	<b>212 812</b>
<b>Surplus/(Deficit)</b>		<b>125 504</b>	<b>(8 035)</b>	<b>(10 295)</b>	<b>34 485</b>	<b>(9 705)</b>	<b>(10 569)</b>	<b>(13 209)</b>	<b>(11 485)</b>	<b>40 506</b>	<b>(10 388)</b>	<b>(10 003)</b>	<b>(20 947)</b>	<b>95 860</b>	<b>54 268</b>	<b>85 743</b>
Transfers recognised - capital		-	25 800	-	10 500	-	15 000	-	3 570	-	-	-	-	54 870	62 495	71 922
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>125 504</b>	<b>17 765</b>	<b>(10 295)</b>	<b>44 985</b>	<b>(9 705)</b>	<b>4 431</b>	<b>(13 209)</b>	<b>(7 915)</b>	<b>40 506</b>	<b>(10 388)</b>	<b>(10 003)</b>	<b>(20 947)</b>	<b>150 730</b>	<b>116 763</b>	<b>157 665</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>125 504</b>	<b>17 765</b>	<b>(10 295)</b>	<b>44 985</b>	<b>(9 705)</b>	<b>4 431</b>	<b>(13 209)</b>	<b>(7 915)</b>	<b>40 506</b>	<b>(10 388)</b>	<b>(10 003)</b>	<b>(20 947)</b>	<b>150 730</b>	<b>116 763</b>	<b>157 665</b>

**Table 33 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

LIM473 Makhuduthamaga - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

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
<b>Revenue - Standard</b>																
<i>Governance and administration</i>		139 867	31 742	5 499	62 966	6 972	19 747	3 397	7 121	55 451	3 449	3 422	6 359	345 996	307 103	370 477
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		139 867	31 742	5 499	62 966	6 972	19 747	3 397	7 121	55 451	3 449	3 422	6 359	345 996	307 103	370 477
Corporate services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>		139 867	31 742	5 499	62 966	6 972	19 747	3 397	7 121	55 451	3 449	3 422	6 359	345 996	307 103	370 477
<b>Expenditure - Standard</b>																
<i>Governance and administration</i>		9 645	8 603	9 462	9 742	10 389	8 033	10 426	9 081	8 250	8 509	7 774	19 389	119 304	123 777	131 962
Executive and council		3 354	3 156	3 486	2 959	2 980	2 812	3 314	2 963	2 871	2 688	2 613	1 604	34 801	36 633	39 179
Budget and treasury office		4 601	4 054	4 797	4 751	5 646	4 090	5 332	4 720	4 186	4 718	4 128	16 820	67 843	70 544	74 546
Corporate services		1 690	1 393	1 180	2 032	1 763	1 130	1 781	1 398	1 193	1 103	1 033	964	16 660	16 599	18 236
<i>Community and public safety</i>		-	12	232	23	209	-	-	12	10	12	15	20 874	21 397	19 574	19 118
Community and social services		-	-	-	-	-	-	-	-	-	-	-	10 473	10 473	7 912	8 462
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	1 300	1 300	1 370	1 444
Public safety		-	-	-	-	-	-	-	-	-	-	-	9 096	9 096	9 312	9 212
Housing		-	12	232	23	209	-	-	12	10	12	15	5	528	979	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		2 400	2 608	3 723	2 690	3 190	4 705	2 530	3 631	3 768	2 876	3 141	7 932	43 195	35 279	41 867
Planning and development		453	504	1 606	404	904	2 218	213	1 267	1 479	554	804	2 629	13 039	8 456	9 051
Road transport		1 947	2 104	2 117	2 285	2 285	2 487	2 317	2 365	2 289	2 322	2 337	5 303	30 156	26 823	32 816
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		689	872	1 032	946	972	982	967	982	1 075	952	957	939	11 370	11 710	19 865
Electricity		689	872	1 032	946	972	982	967	982	1 075	952	957	939	11 370	11 710	19 865
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>		12 734	12 096	14 450	13 401	14 760	13 720	13 923	13 706	13 103	12 350	11 887	49 135	195 266	190 340	212 812
<b>Surplus/(Deficit) before assoc.</b>		127 132	19 647	(8 951)	49 566	(7 787)	6 027	(10 526)	(6 585)	42 349	(8 901)	(8 465)	(42 776)	150 730	116 763	157 665
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	1	127 132	19 647	(8 951)	49 566	(7 787)	6 027	(10 526)	(6 585)	42 349	(8 901)	(8 465)	(42 776)	150 730	116 763	157 665

**Table 34 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
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - Coucil													-	-	-	-
Vote 2 - Office of the Municipal Manager													-	-	-	-
Vote 3 - Economic Development and Planning													-	-	-	-
Vote 4 - Infrastructure Development		192	4 158	7 278	1 115	6 313	878	4 183	1 828	9 614	1 468	153	1 047	38 230	49 101	16 449
Vote 5 - Community Services													-	-	-	-
Vote 6 - Corporate Services													-	-	-	-
Vote 7 - Budget and Treasury													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	192	4 158	7 278	1 115	6 313	878	4 183	1 828	9 614	1 468	153	1 047	38 230	49 101	16 449
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - Coucil													-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Economic Development and Planning		-	-	450	-	-	-	-	-	500	-	-	-	950	-	-
Vote 4 - Infrastructure Development		5 500	5 850	6 100	12 600	11 950	8 500	6 300	1 950	11 600	9 800	11 500	7 019	98 669	59 970	135 790
Vote 5 - Community Services													3 880	3 880	2 350	-
Vote 6 - Corporate Services		-	800	-	-	300	-	600	-	-	100	100	100	2 000	1 308	1 089
Vote 7 - Budget and Treasury		2 600	-	995	-	-	-	-	395	-	-	-	-	3 991	833	878
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
0													-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	8 100	6 650	7 545	12 600	12 250	8 500	6 900	2 345	12 100	9 900	11 600	10 999	109 490	64 461	137 758
<b>Total Capital Expenditure</b>	2	8 292	10 808	14 824	13 715	18 563	9 378	11 083	4 174	21 715	11 368	11 753	12 046	147 720	113 562	154 207

**Table 35 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
<b>Capital Expenditure - Standard</b>	1															
<i>Governance and administration</i>		2 600	800	995	-	300	-	600	395	-	100	100	100	5 991	2 141	1 968
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		2 600	-	995	-	-	-	-	395	-	-	-	-	3 991	833	878
Corporate services		-	800	-	-	300	-	600	-	-	100	100	2 000	1 308	1 089	
<i>Community and public safety</i>		2 192	1 658	2 138	265	1 213	228	233	278	214	168	153	4 047	12 790	8 850	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	1 380	1 380	-	-
Sport and recreation		2 000	1 500	1 910	-	1 000	-	-	-	-	-	-	(0)	6 410	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	2 500	2 500	2 350	-
Housing		192	158	228	265	213	228	233	278	214	168	153	167	2 500	6 500	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		5 500	9 850	12 950	18 500	16 450	8 500	9 500	1 950	20 550	9 800	11 500	3 889	128 940	102 571	152 239
Planning and development		-	-	450	-	-	-	-	-	500	-	-	-	950	-	-
Road transport		5 500	9 850	12 500	18 500	16 450	8 500	9 500	1 950	20 050	9 800	11 500	3 889	127 989	102 571	152 239
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	2	10 292	12 308	16 084	18 765	17 963	8 728	10 333	2 624	20 765	10 068	11 753	8 036	147 720	113 562	154 207

**Table 36 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
<b>R thousand</b>															
<b>Cash Receipts By Source</b>													1		
Property rates	1 272	1 300	1 320	1 340	1 430	1 350	1 340	1 300	1 490	1 450	1 188	1 000	15 781	28 336	28 556
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	2 031	6 069	8 164	8 981
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	-	-	-	77 354	86 368	10 004	11 435
<b>Cash Receipts by Source</b>	<b>61 052</b>	<b>4 495</b>	<b>4 060</b>	<b>51 044</b>	<b>5 720</b>	<b>3 410</b>	<b>2 045</b>	<b>2 148</b>	<b>54 234</b>	<b>2 190</b>	<b>1 888</b>	<b>80 555</b>	<b>272 842</b>	<b>235 473</b>	<b>285 893</b>
<b>Other Cash Flows by Source</b>															
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>61 052</b>	<b>30 295</b>	<b>4 060</b>	<b>61 544</b>	<b>5 720</b>	<b>18 410</b>	<b>2 045</b>	<b>5 718</b>	<b>54 234</b>	<b>2 190</b>	<b>1 888</b>	<b>80 555</b>	<b>327 712</b>	<b>297 968</b>	<b>357 815</b>
<b>Cash Payments by Type</b>															
Employee related costs	4 352	4 262	4 262	4 262	4 262	4 262	4 262	4 262	4 262	4 262	4 262	5 251	52 218	55 560	59 450
Remuneration of councillors	1 265	1 265	1 265	1 265	1 265	1 265	2 025	1 392	1 392	1 392	1 392	1 518	16 703	17 605	18 556
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	2 972	3 109	3 129	3 115	6 144	3 129	3 159	3 129	3 190	3 119	3 129	5 073	42 395	40 626	43 048
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	4 324	3 892	5 688	7 889	3 557	5 211	6 471	4 930	4 778	3 741	3 320	1 703	55 504	47 658	61 308
<b>Cash Payments by Type</b>	<b>12 912</b>	<b>12 527</b>	<b>14 344</b>	<b>16 532</b>	<b>15 228</b>	<b>13 867</b>	<b>15 916</b>	<b>13 712</b>	<b>13 622</b>	<b>12 514</b>	<b>12 102</b>	<b>13 546</b>	<b>166 820</b>	<b>161 449</b>	<b>182 361</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	8 100	6 650	7 545	12 600	12 250	8 500	6 900	2 345	12 100	9 900	11 600	10 999	109 490	64 461	137 758
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>21 012</b>	<b>19 177</b>	<b>21 889</b>	<b>29 132</b>	<b>27 478</b>	<b>22 367</b>	<b>22 816</b>	<b>16 057</b>	<b>25 722</b>	<b>22 414</b>	<b>23 702</b>	<b>24 545</b>	<b>276 310</b>	<b>225 910</b>	<b>320 119</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>40 040</b>	<b>11 118</b>	<b>(17 829)</b>	<b>32 412</b>	<b>(21 758)</b>	<b>(3 957)</b>	<b>(20 771)</b>	<b>(10 339)</b>	<b>28 512</b>	<b>(20 224)</b>	<b>(21 814)</b>	<b>56 010</b>	<b>51 402</b>	<b>72 058</b>	<b>37 696</b>
Cash/cash equivalents at the month/year begin:	73 853	113 893	125 011	107 181	139 594	117 836	113 879	93 109	82 770	111 282	91 058	69 244	73 853	125 255	197 313
Cash/cash equivalents at the month/year end:	113 893	125 011	107 181	139 594	117 836	113 879	93 109	82 770	111 282	91 058	69 244	125 255	125 255	197 313	235 009



## **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 37 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
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		26 596	58 093	64 969	77 900	71 890	71 890	121 580	102 571	152 239
Infrastructure - Road transport		26 596	34 835	64 969	72 100	66 090	66 090	121 580	102 571	152 239
<i>Roads, Pavements &amp; Bridges</i>		26 596	34 835	64 969	72 100	66 090	66 090	121 580	102 571	152 239
<i>Storm water</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	23 258	-	5 800	5 800	5 800	-	-	-
<i>Generation</i>		-	-	-	-	-	-	-	-	-
<i>Transmission &amp; Reticulation</i>		-	23 258	-	5 800	5 800	5 800	-	-	-
<i>Street Lighting</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
<i>Dams &amp; Reservoirs</i>		-	-	-	-	-	-	-	-	-
<i>Water purification</i>		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>		-	-	-	-	-	-	-	-	-
<i>Sewerage purification</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
<i>Waste Management</i>		-	-	-	-	-	-	-	-	-
<i>Transportation</i>		-	-	-	-	-	-	-	-	-
<i>Gas</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Community</b>		-	-	-	8 065	8 065	8 065	7 790	-	-
Parks & gardens		-	-	-	1 650	1 650	1 650	300	-	-
Sportsfields & stadia		-	-	-	6 215	6 215	6 215	6 410	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	200	200	200	1 080	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		4 679	7 845	7 167	13 685	11 993	11 993	11 051	10 991	1 968
General vehicles		-	-	-	2 100	5 408	5 408	1 100	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		563	2 074	957	1 836	1 836	1 836	2 000	1 308	1 089
Furniture and other office equipment		1 439	1 267	2 742	749	749	749	791	833	878
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		2 677	4 505	3 469	7 500	2 500	2 500	2 500	6 500	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	1 500	1 500	1 500	4 660	2 350	-
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-
<b>Intangibles</b>		-	-	964	664	664	664	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other ( <i>list sub-class</i> )		-	-	964	664	664	664	-	-	-
<b>Total Capital Expenditure on new assets</b>	1	31 275	65 938	73 100	100 314	92 613	92 613	140 420	113 562	154 207

**Table 38 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
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>					5 000	5 000	5 000	7 300	-	-
Infrastructure - Road transport					5 000	5 000	5 000	7 300	-	-
Roads, Pavements & Bridges					5 000	5 000	5 000	7 300	-	-
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					-	-	-	-	-	-
Other	3				-	-	-	-	-	-
<b>Community</b>										
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				-	-	-	-	-	-
Other					-	-	-	-	-	-
<b>Heritage assets</b>										
Buildings					-	-	-	-	-	-
Other	9				-	-	-	-	-	-
<b>Investment properties</b>										
Housing development					-	-	-	-	-	-
Other					-	-	-	-	-	-
<b>Other assets</b>										
General vehicles					-	-	-	-	-	-
Specialised vehicles	10				-	-	-	-	-	-
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					-	-	-	-	-	-
<b>Agricultural assets</b>										
List sub-class					-	-	-	-	-	-
<b>Biological assets</b>										
List sub-class					-	-	-	-	-	-
<b>Intangibles</b>										
Computers - software & programming					-	-	-	-	-	-
Other (list sub-class)					-	-	-	-	-	-
<b>Total Capital Expenditure on renewal of existing assets</b>	1				5 000	5 000	5 000	7 300	-	-
<b>Specialised vehicles</b>										
Refuse					-	-	-	-	-	-
Fire					-	-	-	-	-	-
Conservancy					-	-	-	-	-	-
Ambulances					-	-	-	-	-	-
<b>Renewal of Existing Assets as % of total capex</b>		0.0%	0.0%	0.0%	4.7%	5.1%	5.1%	4.9%	0.0%	0.0%
<b>Renewal of Existing Assets as % of deprechn"</b>		0.0%	0.0%	0.0%	90.9%	52.1%	52.1%	46.0%	0.0%	0.0%

**Table 39 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
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		13 179	11 507	11 226	16 327	16 377	16 377	18 000	22 526	25 000
Infrastructure - Road transport		13 179	11 507	11 226	16 127	16 127	16 127	17 500	20 426	25 000
Roads, Pavements & Bridges		13 179	11 507	11 226	16 127	16 127	16 127	17 500	20 426	25 000
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	200	250	250	500	2 100	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	200	250	250	500	2 100	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation	2	-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	-	-	-	-	-	-	-	-	-
<b>Community</b>		-	-	-	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		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		-	-	-	850	50	50	1 006	2 745	1 864
General vehicles		-	-	-	-	-	-	-	-	-
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
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	1 006	2 745	1 864
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	1	13 179	11 507	11 226	17 577	16 827	16 827	19 806	26 114	27 753
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-
<b>R&amp;M as a % of PPE</b>		8.5%	5.5%	6.9%	4.1%	6.9%	6.9%	5.0%	5.2%	4.2%
<b>R&amp;M as % Operating Expenditure</b>		11.8%	11.6%	7.9%	11.4%	11.5%	11.5%	10.0%	13.5%	12.8%

**Table 40 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
<b>R thousand</b>								
<b>Capital expenditure</b>	1							
Vote 1 - Coucil		-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager		-	-	-	-	-	-	-
Vote 3 - Economic Development and Planning		950	-	-	-	-	-	-
Vote 4 - Infrastructure Development		136 899	109 071	152 239	-	-	-	-
Vote 5 - Community Services		3 880	2 350	-	-	-	-	-
Vote 6 - Corporate Services		2 000	1 308	1 089	-	-	-	-
Vote 7 - Budget and Treasury		3 991	833	878	-	-	-	-
0		-	-	-	-	-	-	-
0		-	-	-	-	-	-	-
0		-	-	-	-	-	-	-
0		-	-	-	-	-	-	-
0		-	-	-	-	-	-	-
0		-	-	-	-	-	-	-
0		-	-	-	-	-	-	-
0		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>		-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>		<b>147 720</b>	<b>113 562</b>	<b>154 207</b>	-	-	-	-
<b>Future operational costs by vote</b>	2							
Vote 1 - Coucil		31 259	32 874	35 173	-	-	-	-
Vote 2 - Office of the Municipal Manager		4 075	4 326	4 612	-	-	-	-
Vote 3 - Economic Development and Planning		13 955	9 431	10 094	-	-	-	-
Vote 4 - Infrastructure Development		42 054	39 512	52 681	-	-	-	-
Vote 5 - Community Services		22 354	20 174	20 808	-	-	-	-
Vote 6 - Corporate Services		16 660	16 599	18 236	-	-	-	-
Vote 7 - Budget and Treasury		67 843	70 544	74 546	-	-	-	-
0		-	-	-	-	-	-	-
0		-	-	-	-	-	-	-
0		-	-	-	-	-	-	-
0		-	-	-	-	-	-	-
0		-	-	-	-	-	-	-
0		-	-	-	-	-	-	-
0		-	-	-	-	-	-	-
<i>List entity summary if applicable</i>		-	-	-	-	-	-	-
<b>Total future operational costs</b>		<b>198 198</b>	<b>193 460</b>	<b>216 150</b>	-	-	-	-
<b>Future revenue by source</b>	3							
Property rates		28 813	31 695	34 864	-	-	-	-
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	120	170	-	-	-	-
<i>Interest earned - external investments</i>		4 085	4 493	4 942	-	-	-	-
<i>Interest earned - outstanding debtors</i>		5 251	5 776	6 353	-	-	-	-
<i>Licences and permits</i>		6 069	8 164	8 981	-	-	-	-
<i>Transfers recognised - operational</i>		160 440	184 356	231 809	-	-	-	-
<i>Other revenue</i>		86 368	10 004	11 435	-	-	-	-
<i>Transfers recognised - capital</i>		54 870	62 495	71 922	-	-	-	-
		-	-	-	-	-	-	-
<b>Total future revenue</b>		<b>345 996</b>	<b>307 103</b>	<b>370 477</b>	-	-	-	-
<b>Net Financial Implications</b>		<b>(78)</b>	<b>(81)</b>	<b>(120)</b>	-	-	-	-

**Table 41 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	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	
R thousand	4			2	6	3	3	5									
Parent municipality:																	
List all capital projects grouped by Municipal Vote																	
7500 - Roads and Bridges		Upgrading of Masemola Sports ground (MIG)	Not available		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	6 410	-	6 215	6 409 600.00	-			28	New
7500 - Roads and Bridges		Kutupu road and storm water phase2 (MIG)	Not available		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	5 166	-	9 016	5 166 400.00	-			1	New
7500 - Roads and Bridges		Vierfontein to Rietfontein Link road Phase3 (MIG)	Not available		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	5 070	-	6 216	-	5 069 613.59	-		4	New
7500 - Roads and Bridges		Jane Furse Police station to Marangrang access road (MIG)	Not available		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	11 200	-	6 493	11 200 000.00	-	-		18	New
7500 - Roads and Bridges		Rietfontein storm water control (MIG)	Not available		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	8 750	-	4 466	4 000 000.00	4 750 000.00	-		4	New
7500 - Roads and Bridges		Access road to Jane furse artificial pitch (MIG)	Not available		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	4 000	-	4 047	-	4 000 000.00	-		20	New
7500 - Roads and Bridges		Mohlala/Ngwanatswana pedestrian bridge (MIG)	Not available		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	2 700	-	-	-	2 700 000.00	-		28	New
7500 - Roads and Bridges		Jane Furse Taxi Rank access bridge to bew mall	Not available		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	4 000	-	-	-	4 000 000.00	-		25	New
7500 - Roads and Bridges		Construction of Thusong Centre	Not available		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	12 000	-	-	-	12 000 000.00	-		13	New
7500 - Roads and Bridges		Mohloding /Mamajekele access bridge	Not available		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	7 467	-	-	7 467 000.00	-	-		9	New
7500 - Roads and Bridges		Mogashoa Manamane access bridge (MIG)	Not available		Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	4 500	-	-	-	4 500 000.00	-		9	New
7500 - Roads and Bridges		Cabrieve/Khayelitsha access bridge (MIG)	Not available		Yes	Infrastructure - Road transport	Buildings	Not available	3 700	-	-	-	3 700 000.00	-		24	New

**Table 41 MBRR SA36 - Detailed capital budget per municipal vote (Continues)**

7500 - Roads and Bridges	Moripane/Riverside access bridge (MIG)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3 700	-	-	-	3 700 000.00	-	-	16	New
7500 - Roads and Bridges	Lobethal/Tisane access bridge (MIG)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	4 000	-	-	-	4 000 000.00	-	-	20	New
7500 - Roads and Bridges	Access roads to Peter Nchabeleng sports field (MIG)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3 650	-	-	3 650 000.00	-	-	-	16	New
7500 - Roads and Bridges	Access road to Jane Furse Library (MIG)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	4 800	-	-	-	-	4 800 000.00	-	28	New
7500 - Roads and Bridges	Matilwaneng access bridge (MIG)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3 800	-	-	-	2 450 972.91	1 349 027.18	-	1	New
7500 - Roads and Bridges	Access from masemola filling station to Magalies clinic	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	1 500	-	-	-	-	1 500 000.00	-	28	New
7500 - Roads and Bridges	Manotong/Setebong access bridge (MIG)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	4 000	-	-	-	-	4 000 000.00	-	7	New
7500 - Roads and Bridges	Moraba access bridge (MIG)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3 800	-	-	-	-	3 800 000.00	-	18	New
7500 - Roads and Bridges	Makhotso access bridge (MIG)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	4 800	-	-	-	4 800 000.00	-	-	18	New
7500 - Roads and Bridges	Manganeng access bridge (MIG)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3 800	-	-	-	-	3 800 000.00	-	17	New
7500 - Roads and Bridges	Skotiphola access road (MIG)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	1 296	-	-	-	-	1 295 510.14	-	2	New
7500 - Roads and Bridges	Ngwanamatlang access bridge (MIG)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	4 500	-	-	-	-	4 500 000.00	-	10	New
7500 - Roads and Bridges	Expansion of Jane Furse artificial turf (MIG)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	4 359	-	-	-	-	4 359 250.00	-	10	New
7500 - Roads and Bridges	Madibong Storm Water	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	6 800	-	-	6 800 000.00	-	-	-	18	New
7500 - Roads and Bridges	Riverside storm Water	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3 750	-	-	3 750 000.00	-	-	-	19	New
7500 - Roads and Bridges	Construction of Kapane, Ga-Marishane and Ga-Phaahla internal road(4km)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	9 000	-	-	-	-	9 000 000.00	-	9	New
7500 - Roads and Bridges	Construction of Kome internal internal road(2.5km)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	10 000	-	-	-	-	10 000 000.00	-	26	New
7500 - Roads and Bridges	Construction of Pitjaneng internal road(2.3km)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	9 136	-	-	-	-	9 135 550.00	-	29	New
7500 - Roads and Bridges	Construction of Brooklyn internal road(0.5km)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	2 000	-	-	-	-	2 000 000.00	-	8	New
7500 - Roads and Bridges	Construction access road to Mathibeng Tribal Office (IGF)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	5 000	-	-	5 000 000.00	-	-	-	17	New
7500 - Roads and Bridges	Access road to Sekwati tribal office (IGF)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	5 340	-	-	5 340 000.00	-	-	-	20	New
7500 - Roads and Bridges	Access bridge to Seopela tribal office (IGF)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	1 000	-	-	1 000 000.00	-	-	-	16	New
7500 - Roads and Bridges	Access road to Masemola tribal office (IGF)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3 600	-	-	3 600 000.00	-	-	-	26	New

**Table 41 MBRR SA36 - Detailed capital budget per municipal vote (Continues)**

7500 - Roads and Bridges	Construction of road from Jane Furse Comprehensive to New Jane Furse Hospital (IGF)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3 500	-	-	3 500 000.00	-	-	18	New
7500 - Roads and Bridges	Construction of Jane Furse road to hlatlolanang (IGF)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	-	-	-	-	-	-	18	New
7500 - Roads and Bridges	Construction of Maololo Acces bridge (IGF)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	1 647	-	-	1 646 514.02	-	-	25	New
7500 - Roads and Bridges	Construction of access road to Seopela tribal office phase 2 (IGF)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	500	-	-	500 000.00	-	-	16	New
7500 - Roads and Bridges	Construction of access road to Mogashoa Manamane and Dithlakaneng tribal offices (IGF)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	1 553	-	-	1 553 101.00	-	-	13	New
7500 - Roads and Bridges	Construction of access road to maila mapitsane tribal office (IGF)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	473	-	-	473 125.30	-	-	15	New
7500 - Roads and Bridges	Construction of access road to Tisane tribal office (IGF)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	1 025	-	-	1 025 006.00	-	-	20	New
7500 - Roads and Bridges	Construction of access road to ga-Mampane tribal office (IGF)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	7 075	-	-	7 075 136.80	-	-	31	New
7500 - Roads and Bridges	Design and Construction of acces road to ga-Maloma tribal office (IGF)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3 600	-	-	3 600 000.00	-	-	14	New
7500 - Roads and Bridges	Design and Construction of access road to Mashabela tribal office (IGF)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	5 340	-	-	5 340 000.00	-	-	25	New
7500 - Roads and Bridges	Design and Construction of access road to Mashegoana/Legare/Tswaledi tribal offices (IGF)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	3 500	-	-	3 500 000.00	-	-	16	New
7500 - Roads and Bridges	Construction of access road to Tisane tribal office (IGF) Phase 2	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	6 520	-	-	3 500 000.00	3 020 000.00	-	20	New
7500 - Roads and Bridges	Construction of access road to ga-Mampane tribal office (IGF) Phase 2	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	19 050	-	-	8 050 000.00	9 000 000.00	2 000 000.00	31	New
7500 - Roads and Bridges	Rehab Of R579 Jane Furse To Nebo phase (IGF)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	7 300	-	-	7 300 000.00	-	-	18	New



**Table 41 MBRR SA36 - Detailed capital budget per municipal vote (Continues)**

7500 - Roads and Bridges	Construction of access road to Mogashoa Manamane and Dithlakaneng tribal offices (ES) Phase 2	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	9 900	-	-	6 400 000.00	3 500 000.00	-	13	New
7500 - Roads and Bridges	Construction of access road to maila mapitsane tribal office (ES) Phase 2	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	16 500	-	-	7 500 000.00	9 000 000.00	-	15	New
7500 - Roads and Bridges	Design and Construction of access road to Marulaneng tribal office (ES)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	9 410	-	-	5 280 000.00	4 130 000.00	-	23	New
7500 - Roads and Bridges	Construction of access road to Mohlala Madibaneng tribal office (ES)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	11 000	-	-	-	5 000 000.00	6 000 000.00	22	Renewal
7500 - Roads and Bridges	Construction of Tjatane Tribal Office (ES)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	6 850	-	-	3 500 000.00	3 350 000.00	-	22	New
7500 - Roads and Bridges	Construction of access road to Mashupye tribal office (ES)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	12 000	-	-	-	4 900 465.30	7 099 534.70	14	New
7500 - Roads and Bridges	Construction of access road from Mathapisa to kgaruthuthu (ES)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	14 000	-	-	-	-	14 000 000.00	26	New
7500 - Roads and Bridges	Construction of access road to Maila Segolo tribal office (ES)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	5 000	-	-	-	5 000 000.00	-	23	New
7500 - Roads and Bridges	Rehab Of R579 Jane Furse To Ne (ES)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	1 273	-	-	1 273 096.69	-	-	18	New
7500 - Roads and Bridges	Construction of Setlaboswane internal road(1.6km) (ES)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	6 400	-	-	-	-	6 400 000.00	30	New
7500 - Roads and Bridges	Construction of Krokodel internal road(3.4km) (ES)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	13 600	-	-	-	-	13 600 000.00	30	New
7500 - Roads and Bridges	Construction of Apel Cross internal road(3km) (ES)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	12 000	-	-	-	-	12 000 000.00	28	New
7500 - Roads and Bridges	Construction of Mampe internal road(0.3) (ES)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	1 200	-	-	-	-	1 200 000.00	31	New
7500 - Roads and Bridges	Construction of Riverside internal road(2.6km) (ES)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	10 400	-	-	-	-	10 400 000.00	9	New
7500 - Roads and Bridges	Construction of Polaseng internal road(3.5km) (ES)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	14 000	-	-	-	-	14 000 000.00	31	New

**Table 41 MBRR SA36 - Detailed capital budget per municipal vote (Continues)**

7500 - Roads and Bridges	Construction of Ga-Madiba internal road(1.5km) (ES)	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	6 000	-	-			6 000 000.00	8	New
Vote 7 - Budget and Treasury	Municipal Vehicles	Not available	Yes	Other Assets	General vehicles	Not available	600	-	-	600 000.00	-	-	N/A	New
Vote 7 - Budget and Treasury	Office Equipments and Furniture	Not available	Yes	Other Assets	Furniture and other office equipment	Not available	2 502	-	-	790 521.60	833 209.77	878 203.09	N/A	New
Vote 7 - Budget and Treasury	Capital-Other Assets (Plant)	Not available	Yes	Other Assets	Plant & equipment	Not available	2 600	-	-	2 600 000.00	-	-	N/A	New
Vote 6 - Corporate Services	IT Infrastructure	Not available	Yes	Other Assets	Computers - software & programming	Not available	4 397	-	-	2 000 000.00	1 308 000.00	1 089 432.00	N/A	New
Vote 3 - Economic Development and Planning	Market Stalls	Not available	Yes	Other Assets	Buildings	Not available	950	-	-	950 400.00	-	-	N/A	New
Vote 3 - Economic Development and Planning	Development of Municipal Park	Not available	Yes	Community	Cemeteries	Not available	300	-	-	300 000.00	-	-	N/A	New
Vote 4 - Infrastructure Development	Development Of Municipal Cemetery	Not available	Yes	Infrastructure - Electricity	Transmission & Reticulation	Not available	1 080	-	-	1 080 000.00	-	-	N/A	New
Vote 4 - Infrastructure Development	Extention Of Municipal Office	Not available	Yes	Infrastructure - Other	Buildings	Not available	9 000	-	-	2 500 000.00	6 500 000.00	-	N/A	New
Vote 5 - Community Services	Remodelling of driving testing centres	Not available	Yes	Other Assets	Buildings	Not available	2 600	-	-	1 000 000.00	1 600 000.00	-	N/A	Renewal
Vote 5 - Community Services	Traffic Vehicles	Not available	Yes	Other Assets	General vehicles	Not available	500	-	-	500 000.00	-	-	N/A	New
Vote 5 - Community Services	Traffic lights	Not available	Yes	Other Assets	Other	Not available	500	-	-	500 000.00	-	-	N/A	New
Vote 5 - Community Services	Speed tracking equipments	Not available	Yes	Other Assets	Other	Not available	1 250	-	-	500 000.00	750 000.00	-	N/A	New
7500 - Roads and Bridges	Capital Assets	Not available	Yes	Infrastructure - Road transport	Roads, Pavements & Bridges	Not available	-	73 100	-	-	-	-	0	New
Parent Capital expenditure	1									147 720	113 562	154 207	1	

## 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 42 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											
<b>REVENUE ITEMS:</b>											
<b>Property rates</b>											
Total Property Rates	6	17 956	24 906	41 358	27 270	27 270	27 270	27 270	28 813	31 695	34 864
less Revenue Foregone											
Net Property Rates		17 956	24 906	41 358	27 270	27 270	27 270	27 270	28 813	31 695	34 864
<b>Service charges - electricity revenue</b>											
Total Service charges - electricity revenue	6										
less Revenue Foregone											
Net Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-
<b>Service charges - water revenue</b>											
Total Service charges - water revenue	6										
less Revenue Foregone											
Net Service charges - water revenue		-	-	-	-	-	-	-	-	-	-
<b>Service charges - sanitation revenue</b>											
Total Service charges - sanitation revenue											
less Revenue Foregone											
Net Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-
<b>Service charges - refuse revenue</b>											
Total refuse removal revenue	6										
Total landfill revenue											
less Revenue Foregone											
Net Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-
<b>Other Revenue by source</b>											
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
Internally Generated funds/Savings - (Call Account & Traffic Account)									77 354	-	-
	3										
<b>Total 'Other' Revenue</b>	1	566	1 219	704	25 545	7 559	7 559	7 559	86 368	10 004	11 435

**Table 42 MBRR Table SA1 - Supporting detail to budgeted financial performance (Continued)**

<b>EXPENDITURE ITEMS:</b>											
<b>Employee related costs</b>											
Basic Salaries and Wages	2	9 523	10 289	15 262	22 644	18 722	18 722	18 722	27 728	29 503	31 568
Pension and UIF Contributions		1 825	2 502	3 711	4 788	3 959	3 959	3 959	5 863	6 238	6 675
Medical Aid Contributions		384	662	982	4 160	3 439	3 439	3 439	5 094	5 420	5 799
Overtime		68	134	199	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		1 075	2 617	3 882	6 399	5 290	5 290	5 290	7 835	8 337	8 920
Cellphone Allowance		153	499	740	961	795	795	795	1 177	1 252	1 340
Housing Allowances		245	396	588	2 336	1 932	1 932	1 932	2 861	3 044	3 257
Other benefits and allowances		115	37	56	3 751	3 101	3 101	3 101	4 593	4 887	5 229
Payments in lieu of leave		507	171	253	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	4	-	-	-	-	-	-	-	-	-	-
<i>sub-total</i>	5	13 896	17 307	25 672	45 038	37 238	37 238	37 238	55 151	58 681	62 788
<b>Less: Employees costs capitalised to PPE</b>											
<b>Total Employee related costs</b>											
1	13 896	17 307	25 672	45 038	37 238	37 238	37 238	55 151	58 681	62 788	
<b>Contributions recognised - capital</b>											
<i>List contributions by contract</i>											
<b>Total Contributions recognised - capital</b>											
	-	-	-	-	-	-	-	-	-	-	-
<b>Depreciation &amp; asset impairment</b>											
Depreciation of Property, Plant & Equipment		5 072	10 878	9 618	5 500	9 591	9 591	9 591	24 066	16 739	17 643
Lease amortisation		-	-	-	-	-	-	-	-	-	-
Capital asset impairment		-	-	-	-	-	-	-	-	-	-
Depreciation resulting from revaluation of PPE	10	-	-	-	-	-	-	-	-	-	-
<b>Total Depreciation &amp; asset impairment</b>	1	5 072	10 878	9 618	5 500	9 591	9 591	9 591	24 066	16 739	17 643
<b>Bulk purchases</b>											
Electricity Bulk Purchases		-	-	-	-	-	-	-	-	-	-
Water Bulk Purchases		-	-	-	-	-	-	-	-	-	-
<b>Total bulk purchases</b>	1	-	-	-	-	-	-	-	-	-	-
<b>Transfers and grants</b>											
Cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Total transfers and grants</b>	1	-	-	-	-	-	-	-	-	-	-
<b>Contracted services</b>											
<i>Repairs and maintenance</i>		13 179	11 507	17 577	16 827	16 827	16 827	16 827	19 806	26 114	27 753
<i>Security Services and Cleaning Services</i>		-	-	-	10 644	11 025	11 025	11 025	13 087	13 794	14 538
<i>Other Contracted Services</i>		2 790	4 086	30 548	500	400	400	400	1 319	718	757
<i>sub-total</i>	1	15 969	15 593	30 548	28 720	28 252	28 252	28 252	34 211	40 626	43 048
<b>Allocations to organs of state:</b>											
Electricity		-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
<b>Total contracted services</b>		15 969	15 593	30 548	28 720	28 252	28 252	28 252	34 211	40 626	43 048

**Table 42 MBRR Table SA1 - Supporting detail to budgeted financial performance (Continued)**

<b>Other Expenditure By Type</b>										
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	3	59 093	36 693	55 604	47 644	43 395	43 395	43 395	52 300	44 282
<i>List Other Expenditure by Type</i>										
<b>Total 'Other' Expenditure</b>	<b>1</b>	<b>60 848</b>	<b>37 912</b>	<b>55 604</b>	<b>50 557</b>	<b>46 688</b>	<b>46 688</b>	<b>46 688</b>	<b>55 504</b>	<b>47 658</b>
<b>By Expenditure Item</b>										
Employee related costs	8									
Other materials										
Contracted Services		13 179	11 507	11 226	17 577	16 827	16 827	16 827	19 806	26 114
Other Expenditure										
<b>Total Repairs and Maintenance Expenditure</b>	<b>9</b>	<b>13 179</b>	<b>11 507</b>	<b>11 226</b>	<b>17 577</b>	<b>16 827</b>	<b>16 827</b>	<b>16 827</b>	<b>19 806</b>	<b>26 114</b>

**Table 43 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 - 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	Total
R thousand	1																
<b>Revenue By Source</b>																	
Property rates								28 813									28 813
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								10									10
Licences and permits								4 848									4 848
Agency services								1 212									1 212
Other revenue								86 368									86 368
Transfers recognised - operational		29 612	3 522	10 325	74 051	18 980	16 731	7 219									160 440
Gains on disposal of PPE								-									-
<b>Total Revenue (excluding capital transfers and contributions)</b>		29 612	3 522	10 325	74 051	18 980	16 731	137 904	-	-	-	-	-	-	-	-	291 126
<b>Expenditure By Type</b>																	
Employee related costs		5 889	3 095	5 770	4 219	13 938	7 886	14 355									55 151
Remuneration of councillors		16 703	-	-	-	-	-	-									16 703
Debt impairment		-	-	-	-	-	-	12 563									12 563
Depreciation & asset impairment		-	-	-	-	-	-	24 066									24 066
Finance charges		-	-	-	-	-	-	-									-
Bulk purchases		-	-	-	-	-	-	-									-
Other materials		-	-	-	-	-	-	-									-
Contracted services		-	-	-	18 306	1 300	-	13 968									33 574
Transfers and grants		-	-	-	-	-	-	-									-
Other expenditure		8 773	980	8 185	12 278	6 616	8 617	10 694									56 141
Loss on disposal of PPE								-									-
<b>Total Expenditure</b>		31 365	4 075	13 955	34 802	21 854	16 503	75 646	-	-	-	-	-	-	-	-	198 198
<b>Surplus/(Deficit)</b>		(1 753)	(553)	(3 629)	39 250	(2 874)	228	62 258	-	-	-	-	-	-	-	-	92 927
Transfers recognised - capital		-	-	-	54 870	-	-	-									54 870
Contributions recognised - capital		-	-	-	-	-	-	-									-
Contributed assets		-	-	-	-	-	-	-									-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		(1 753)	(553)	(3 629)	94 120	(2 874)	228	62 258	-	-	-	-	-	-	-	-	147 797

**Table 44 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
<b>R thousand</b>											
<b>ASSETS</b>											
<u>Call investment deposits</u>											
Call deposits < 90 days		-	-	-	-	-	-	-	-	-	-
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	-
<b>Total Call investment deposits</b>	2	-	-	-	-	-	-	-	-	-	-
<u>Consumer debtors</u>											
Consumer debtors		14 135	35 025	71 160	83 429	112 083	112 083	112 083	135 557	160 046	168 688
<u>Less: Provision for debt impairment</u>					(9 038)	(9 038)	(9 038)	(9 038)	(12 563)	(12 151)	(12 807)
<b>Total Consumer debtors</b>	2	14 135	35 025	71 160	74 391	103 045	103 045	103 045	122 994	147 895	155 881
<u>Debt impairment provision</u>											
Balance at the beginning of the year		-	-	-	-	-	-	-	-	-	-
Contributions to the provision		-	-	-	-	-	-	-	-	-	-
Bad debts written off		-	-	-	-	-	-	-	-	-	-
<b>Balance at end of year</b>		-	-	-	-	-	-	-	-	-	-
<u>Property, plant and equipment (PPE)</u>											
PPE at cost/valuation (excl. finance leases)		154 219	207 445	161 875	428 387	244 890	244 890	244 890	392 610	506 173	660 379
Leases recognised as PPE	3	-	-	-	-	-	-	-	-	-	-
<u>Less: Accumulated depreciation</u>											
<b>Total Property, plant and equipment (PPE)</b>	2	154 219	207 445	161 875	428 387	244 890	244 890	244 890	392 610	506 173	660 379
<b>LIABILITIES</b>											
<u>Current liabilities - Borrowing</u>											
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		-	-	-	-	-	-	-	-	-	-
<b>Total Current liabilities - Borrowing</b>		-	-	-	-	-	-	-	-	-	-
<u>Trade and other payables</u>											
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		0	-	4 638	-	-	-	-	-	-	-
VAT		-	-	-	-	-	-	-	-	-	-
<b>Total Trade and other payables</b>	2	8 216	27 274	28 973	29 000	29 000	29 000	29 000	31 900	35 090	36 985
<u>Non current liabilities - Borrowing</u>											
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Finance leases (including PPP asset element)		-	-	203	78	78	78	78	-	-	-
<b>Total Non current liabilities - Borrowing</b>		-	-	203	78	78	78	78	-	-	-
<u>Provisions - non-current</u>											
Retirement benefits		-	-	-	-	-	-	-	-	-	-
<i>List other major provision items</i>											
Refuse landfill site rehabilitation		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	9 038	9 038	9 038	9 038	12 563	12 151	12 807
<b>Total Provisions - non-current</b>		-	-	-	9 038	9 038	9 038	9 038	12 563	12 151	12 807
<b>CHANGES IN NET ASSETS</b>											
<u>Accumulated Surplus/(Deficit)</u>											
Accumulated Surplus/(Deficit) - opening balance		196 631	242 334	223 942	451 950	310 704	310 704	310 704	354 447	546 038	727 418
GRAP adjustments		-	-	-	-	-	-	-	-	-	-
Restated balance		196 631	242 334	223 942	451 950	310 704	310 704	310 704	354 447	546 038	727 418
Surplus/(Deficit)		28 800	82 567	81 114	105 700	97 561	97 561	97 561	147 797	113 643	154 327
Appropriations to Reserves		-	-	-	-	-	-	-	-	-	-
Transfers from Reserves		-	-	-	-	-	-	-	-	-	-
Depreciation offsets		-	-	-	-	-	-	-	-	-	-
Other adjustments		-	-	-	-	-	-	-	-	-	-
<b>Accumulated Surplus/(Deficit)</b>	1	225 431	324 901	305 056	557 650	408 265	408 265	408 265	502 245	659 681	881 744
<u>Reserves</u>											
Housing Development Fund		-	-	-	-	-	-	-	-	-	-
Capital replacement		-	-	-	-	-	-	-	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-	-
Other reserves		-	-	-	-	-	-	-	-	-	-
Revaluation		-	-	-	-	-	-	-	-	-	-
<b>Total Reserves</b>	2	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	225 431	324 901	305 056	557 650	408 265	408 265	408 265	502 245	659 681	881 744



**Table 45 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	2009/10	2010/11	2011/12	Current Year 2012/13	2013/14 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>												
Population		Census 2001 - Census 2007 -Census 2011	264 120.00	262 005.00	300 206.00	300 206.00	300 206.00	300 206.00	300 206.00	274 154.00	274 154.00	274 154.00
Females aged 5 - 14		Census 2001 - Census 2007 -Census 2011	-	-	300 206.00	176 744.00	176 744.00	176 744.00	176 744.00	60 291.00	60 291.00	60 291.00
Males aged 5 - 14		Census 2001 - Census 2007 -Census 2011	-	-	123 462.00	123 462.00	123 462.00	123 462.00	123 462.00	60 117.00	60 117.00	60 117.00
Females aged 15 - 34		Census 2001 - Census 2007 -Census 2011	-	-	-	-	-	-	-	46 839.00	46 839.00	46 839.00
Males aged 15 - 34		Census 2001 - Census 2007 -Census 2011	-	-	-	-	-	-	-	35 779.00	35 779.00	35 779.00
Unemployment		Census 2001 - Census 2007 -Census 2011	-	-	23 846.00	23 846.00	20 980.00	20 980.00	20 980.00	32 780.00	32 780.00	32 780.00
<b>Monthly household income (no. of households)</b>												
No income	1, 12	Statistics South Africa 2007 & 2011 (Community	-	-	144 105.00	144 105.00	144 105.00	144 105.00	144 105.00	121 946.00	121 946.00	121 946.00
R1 - R1 600		Statistics South Africa 2007 & 2011 (Community	-	-	-	-	-	-	-	1 311 130.00	1 311 130.00	1 311 130.00
R1 601 - R3 200		Statistics South Africa 2007 & 2011 (Community	-	-	-	-	-	-	-	3 945.00	3 945.00	3 945.00
R3 201 - R6 400		Statistics South Africa 2007 & 2011 (Community	-	-	60 966.00	60 966.00	60 966.00	60 966.00	60 966.00	2 894.00	2 894.00	2 894.00
R6 401 - R12 800		Statistics South Africa 2007 & 2011 (Community	-	-	32 154.00	32 154.00	32 154.00	32 154.00	32 154.00	3 281.00	3 281.00	3 281.00
R12 801 - R25 600		Statistics South Africa 2007 & 2011 (Community	-	-	2 128.00	2 128.00	2 128.00	2 128.00	2 128.00	2 028.00	2 028.00	2 028.00
R25 601 - R51 200		Statistics South Africa 2007 & 2011 (Community	-	-	2 637.00	2 637.00	2 637.00	2 637.00	2 637.00	346.00	346.00	346.00
R52 201 - R102 400		Statistics South Africa 2007 & 2011 (Community	-	-	3 829.00	3 829.00	3 829.00	3 829.00	3 829.00	57.00	57.00	57.00
R102 401 - R204 800		Statistics South Africa 2007 & 2011 (Community	-	-	718.00	718.00	718.00	718.00	718.00	73.00	73.00	73.00
R204 801 - R409 600		Statistics South Africa 2007 & 2011 (Community	-	-	57.00	57.00	57.00	57.00	57.00	55.00	55.00	55.00
R409 601 - R819 200		Statistics South Africa 2007 & 2011 (Community	-	-	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
> R819 200		Statistics South Africa 2007 & 2011 (Community	-	-	235.00	235.00	235.00	235.00	235.00	235.00	235.00	235.00
<b>Poverty profiles (no. of households)</b>												
< R2 060 per household per month	13	Statistics South Africa 2007 & 2011 (Community	-	-	247 632	247 632	247 632	247 632	247 632	247 632.00	247 632.00	247 632.00
Insert description	2	Statistics South Africa 2007 & 2011 (Community	-	-	-	-	-	-	-	-	-	-
<b>Household/demographics (000)</b>												
Number of people in municipal area		Statistics South Africa 2007 & 2011 (Community	-	-	262 728.00	262 728.00	262 728.00	262 728.00	262 728.00	274 358.00	274 358.00	274 358.00
Number of poor people in municipal area		Statistics South Africa 2007 & 2011 (Community	-	-	-	-	-	-	-	-	-	-
Number of households in municipal area		Statistics South Africa 2007 & 2011 (Community	-	-	262 731.00	262 731.00	262 731.00	262 731.00	262 731.00	65 217.00	65 217.00	65 217.00
Number of poor households in municipal area		Statistics South Africa 2007 & 2011 (Community	-	-	247 632.00	247 632.00	247 632.00	247 632.00	247 632.00	247 632.00	247 632.00	247 632.00
Definition of poor household (R per month)		Statistics South Africa 2007 & 2011 (Community	-	-	2 060.00	2 060.00	2 060.00	2 060.00	2 060.00	2 060.00	2 060.00	2 060.00
<b>Housing statistics</b>												
Formal	3	Statistics South Africa 2007 & 2011 (Community	-	-	53 645	53 645	53 645	53 645	53 645	53 645	53 645	53 645
Informal		Statistics South Africa 2007 & 2011 (Community	-	-	-	-	-	-	-	-	-	-
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	Statistics South Africa 2007 & 2011 (Community	-	-	-	-	-	-	-	-	-	-
Dwellings provided by provincials		Statistics South Africa 2007 & 2011 (Community	-	-	-	-	-	-	-	-	-	-
Dwellings provided by private sector	5	Statistics South Africa 2007 & 2011 (Community	-	-	-	-	-	-	-	-	-	-
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-

### Table 46 MBRR Table SA11 – Property rates Summary

LIM473 Makhuduthamaga - Supporting Table SA11 Property rates summary

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
<b>Valuation:</b>										
Date of valuation:	1	2009/07/01	2009/07/01	2011/07/01	2011/07/01					
Financial year valuation used		2009/2010	2010/2011	2011/2012	2012/2013			2013/2014		
Municipal by-laws s6 in place? (Y/N)	2	Yes	Yes	Yes	Yes			Yes		
Municipal/assistant valuer appointed? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Municipal partnership s38 used? (Y/N)		NO	NO	NO	NO	NO	NO	NO	NO	NO
No. of assistant valuers (FTE)	3	-	-	-	-	-	-	-	-	-
No. of data collectors (FTE)	3	-	-	-	-	-	-	-	-	-
No. of internal valuers (FTE)	3	-	-	-	-	-	-	-	-	-
No. of external valuers (FTE)	3	1	1	1	1	1	1	1	1	1
No. of additional valuers (FTE)	4	-	-	-	-	-	-	-	-	-
Valuation appeal board established? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Implementation time of new valuation roll (mths)		36	36	48	48					
No. of properties	5	1 731	1 731	1 797	1 797	1 797	1 797	1 797	1 797	1 797
No. of sectional title values	5	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-
No. of supplementary valuations		1	1	1	1	1	1	1	1	1
No. of valuation roll amendments		-	-	-	-	-	-	-	-	-
No. of objections by rate payers		-	-	-	-	-	-	-	-	-
No. of appeals by rate payers		-	-	-	-	-	-	-	-	-
No. of successful objections	8	-	-	-	-	-	-	-	-	-
No. of successful objections > 10%	8	-	-	-	-	-	-	-	-	-
Supplementary valuation		-	-	-	-	-	-	-	-	-
Public service infrastructure value (Rm)	5	-	-	-	-	-	-	-	-	-
Municipality owned property value (Rm)		-	-	-	-	-	-	-	-	-
<b>Valuation reductions:</b>										
Valuation reductions-public infrastructure (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-other (Rm)		-	-	-	-	-	-	-	-	-
<b>Total valuation reductions:</b>										
Total value used for rating (Rm)	5	-	-	-	-	-	-	-	-	-
Total land value (Rm)	5	-	-	-	-	-	-	-	-	-
Total value of improvements (Rm)	5	-	-	-	-	-	-	-	-	-
Total market value (Rm)	5	-	-	-	-	-	-	-	-	-
<b>Rating:</b>										
Residential rate used to determine rate for other categories? (Y/N)										
Differential rates used? (Y/N)	5	No	No	No	No	Yes	Yes	No	Yes	Yes
Limit on annual rate increase (s20)? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Special rating area used? (Y/N)		No	No	No	No			No		
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0
Rates policy accompanying budget? (Y/N)		Yes	Yes	Yes	Yes			Yes		
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
<b>Rate revenue:</b>										
Rate revenue budget (R '000)	6	17 956	24 906	41 358	27 270	27 270	27 270	28 813	31 695	34 864
Rate revenue expected to collect (R'000)	6				18 232	18 232	18 232	16 250	19 543	22 057
Expected cash collection rate (%)	7	0.0%	0.0%	0.0%	66.9%	66.9%	66.9%	56.4%	61.7%	63.3%
Special rating areas (R'000)		-	-	-	-	-	-	-	-	-
Rebates, exemptions - indigent (R'000)		-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)		-	-	-	-	-	-	-	-	-
Rebates, exemptions - bona fide farm. (R'000)		-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)		-	-	-	-	-	-	-	-	-
Phase-in reductions/discounts (R'000)		-	-	-	-	-	-	-	-	-
Total rebates, exemptns, reductns, discs (R'000)		-	-	-	-	-	-	-	-	-

## **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:

- ✓ Annual Budget

For 2013/14 and supporting documents has been prepared in accordance with Municipal Finance Management Act and regulations made under the Act, and that the Annual Budget for 2012/2013 and supporting documents are consistent with the Integrated Development Plan of the municipality

Print Name: Moropa Mogobadi Erick

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

Signature ..... *Erick* .....

Date ..... *31/05/2013* .....