

Annual Budget of Kareeberg Municipality

**2011/12 to 2013/14
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

VISION

WE AS KAREEBERG MUNICIPALITY COMMIT OURSELVES TO CONTINUOUS, AS WELL AS AFFORDABLE
SERVICE AND TO THE DEVELOPMENT OF THE QUALITY OF LIFE OF ALL THE RESIDENTS

MISSION

WE WILL FULFILL THIS VISION BY A CREDIBLE ADMINISTRATION, ADEQUATE INFRASTRUCTURE
AND IMPROVED ECONOMIC AND SOCIAL INITIATIVES



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At www.kareeberg.co.za

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Abbreviations and Acronyms

ASGISA	Accelerated and Shared Growth Initiative
CFO	Chief Financial Officer
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GRAP	General Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Strategy
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt
ℓ	litre
LED	Local Economic Development
MBRR	Municipal Budget and Reporting Regulation
MFMA	Municipal Financial Management Act programme
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
NT	National Treasury
PBO	Public Benefit Organisations
PMS	Performance Management System
PPE	Property Plant and Equipment
RDP	Reconstruction and Development Programme
SALGA	South African Local Government Association
SAPS	South African Police Service
SCMP	Supply Chain Management Policy
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

Introduction

a Kareeberg Municipality is situated in the western side of the Pixley ka Seme District Municipality in the Northern Cape Province. The district consists of nine municipalities of which Kareeberg is the second smallest.

The municipality was established through the amalgamation of Carnarvon, Vanwyksvlei and Vosburg, as well as a large area of rural farms. The administrative centre is located in Carnarvon with Vanwyksvlei and Vosburg being rural service centres.

The landscape is typical Karoo with an annual average rainfall of 260mm and an annual evaporation of 230mm. There are no constant rivers running through the municipal area and all towns are dependent on ground water.

Local economic opportunities are sadly lacking in the municipal area with the declining economy being largely based on sheep farming. With an unemployment rate of approximately 61% most of the residents rely heavily on the provision of free basic services.

Population growth has been negative by $\pm 4\%$ over the last ten years. The migration of economically active residents to greater urban areas has a huge impact on the population growth. The total population of the municipality is 9 497, which constitutes 2 417 households.

586 households (population 2 814), are resident in the rural areas whilst 1 831 (population 6 683) resides in the urban areas.

b Kareeberg Municipality has an ongoing consultative process whereby any stakeholder in the municipality can give input for the budgetary process. The municipality has an open door policy so that the Mayor's office, as well as senior management, are available at any time. After each bi-monthly council meeting a community meeting is held where feedback is given by council as well as where inputs by the community are noted. A monthly newsletter, "Die Korbeeltjie", is delivered to each household free of charge wherein the Mayor gives feedback on council activities and asks for inputs on any matter for better service delivery. Advertisements for inputs during the revision of the IDP as well as the budget process were placed in the local newspaper. No inputs were received.

c This year's Medium Term Revenue and Expenditure Framework is informed by the municipality's vision of affordable and sustainable service delivery. This budget has been prepared in line with the requirements as set out in Circulars 51, 54 and 55 of National Treasury and complies with the Municipal Budget and Reporting Regulations.

d Although the municipality will make every effort to collect all revenue due, so that service delivery will not be hampered in any way, the following challenges causes concern:

- Aging and poorly maintained water, roads and electricity infrastructure;
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is
- placing upward pressure on service tariffs to residents.
- Wage increases for municipal staff that continue to exceed consumer inflation

Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity.

Part 1 – Annual Budget

1.1 Mayor's Report

Mayor's report will be supplied with final budget

1.2 Council Resolutions

Notule: Raadsvergadering: 29 Maart 2011

6.7 BESLUIT:

- i) dat die konsepbegroting soos gesirkuleer en aantoonende 'n totale uitgawe van R45,894.611 goedgekeur word.
- ii) dat kennis geneem word dat gemelde begroting die volgende uitgawes insluit:

kapitaal	R7,892,000	
Raadslidtoelaes	+R 342,592	(maksimum + 5%)
salarisse	+R 761,511	(7% verhoging, pos-evaluasies en kurwes uitgesluit)
elektrisiteit aankope	+R1,628,000	(27% styging, omsend. 51)
versekering	+R 23,450	
brandstof	+R 20,000	
onderhoud algemeen	+R 5,300	(sien omsend.55)
oninbare gelde		geen addisioneel begroot (risiko, sien omsend. 55)
- iii) dat die dienste tariewe soos uiteengesit in bylae 1 as volg goedgekeur word:

elektrisiteit	+20%
sanitasie	+6%
water	+6%
- iv) dat die eiendomsbelasting tariewe soos uiteengesit in bylae 2 volgens onderstaande kategorieë en ratio's goedgekeur word:

residensieel	1:1.00
staat	1:2.00
staat: landbou	1:0.83
landbou	1:0.83
meent	1:0.55
- v) dat die vordering van toeslag geskrap word.
- vi) dat die verdeling van die interowerheidstoekenning soos uiteengesit in bylae 3 goedgekeur word.
- vii) dat volstaan word met die volgende verordeninge en beleide:
 - tarief
 - eiendomsbelasting
 - oordrag van fondse
 - befondsing en reserwes
- viii) dat die volgende verordeninge gewysig word:
 - dienste
 - kredietbeheer
- ix) dat tabelle A 1 tot A 10 goedgekeur word
- x) dat die verhoë van die gemeenskap ingewag word ingevolge Artikel 22(a) van die Munisipale Finansiële Bestuurswet.
- xi) dat die hersiene geïntegreerde ontwikkelingsplan vir 2011/2012 goedgekeur word.

The correct format of budget resolution will be supplied with the approval of the budget.

1.3 Executive Summary

The following table is a consolidated overview of the proposed 2011/12 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2011/12 MTREF

R	Adjusted Budget 2010/2011	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Total Operating Revenue	42,697,234	35,076,611	39,283,964	43,628,389
Total Operating Expenditure	33,516,234	38,002,611	42,643,963	47,506,835
Surplus/(Deficit) for the year	9,181,000	(2,926,000)	(3,359,999)	(3,878,446)
Total Capital Expenditure	23,663,000	7,892,000	9,596,000	10,124,000

Total operating revenue has decreased by 17.85 per cent or R7,620 million for the 2011/12 financial year when compared to the 2010/11 Adjustments Budget. For the two outer years, operational revenue will increase by 11.99 and 11.06 per cent respectively, equating to a total revenue growth of R,9 million over the MTREF when compared to the 2010/11 financial year.

Total operating expenditure for the 2011/12 financial year has been appropriated at R38,002 million and translates into a budgeted loss of R2,9 million. When compared to the 2010/11 Adjustments Budget, operational expenditure has grown by 13.39 per cent in the 2011/12 budget and by 12.21 and 11.40 per cent for each of the respective outer years of the MTREF. The deficit for the MTREF is caused by depreciation for assets purchased from Government Grants. The value of the assets are already appropriated to the accumulated Surplus.

The capital budget constitutes the Municipal Infrastructure Grant allocated in the Division of Revenue Bill and the projects align with the Integrated Development Plan.

1.4 Operating Revenue Framework

Table 2 Summary of revenue classified by main revenue source

Description R	2007/08	2008/09	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Revenue By Source										
Property rates	2,363,571	2,683,429	3,892,838	4,026,891	4,026,891	3,894,004	3,894,004	3,993,222	4,956,281	5,712,541
Property rates - penalties & collection charges	152,547	-	204,870	190,000	190,000	253,950	253,950	190,000	199,500	209,475
Service charges - electricity revenue	2,836,573	3,725,463	4,466,913	5,280,111	5,280,111	5,207,404	5,207,404	6,411,587	7,617,578	9,111,156
Service charges - water revenue	2,175,676	2,624,724	2,974,678	3,083,081	3,083,081	3,094,063	3,094,063	3,307,229	3,806,386	4,217,555
Service charges - sanitation revenue	3,050,289	3,809,413	1,847,552	1,935,853	1,935,853	1,926,160	1,926,160	2,064,882	2,327,358	2,586,738
Service charges - refuse revenue	-	-	2,470,537	2,588,384	2,588,384	2,584,448	2,584,448	2,739,875	3,150,546	3,418,192
Service charges - other										
Rental of facilities and equipment	394,712	421,400	443,435	408,110	408,110	408,074	408,074	408,230	428,642	450,074
Interest earned - external investments	1,467,234	1,667,689	1,743,469	1,307,000	1,307,000	1,100,463	1,100,463	1,297,000	1,361,850	1,429,943
Interest earned - outstanding debtors	313,267	7,086	4,713	4,518	4,518	4,064	4,064	3,300	3,465	3,638
Dividends received										
Fines	9,348	13,853	19,189	7,230	7,230	15,300	15,300	12,230	12,842	13,484
Licences and permits	10,689	25,665	20,737	15,700	15,700	16,014	16,014	15,700	16,071	16,875
Agency services	78,140	88,345	96,122	82,000	82,000	97,031	97,031	97,000	101,850	106,943
Transfers recognised - operational	21,104,564	19,840,224	12,597,889	11,790,000	23,191,000	23,346,706	23,346,706	13,617,000	14,336,195	15,338,051
Other revenue	56,822	214,251	868,406	577,356	577,356	940,660	940,660	919,356	965,400	1,013,724
Gains on disposal of PPE	-	36,484	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	34,013,432	35,158,026	31,651,349	31,296,234	42,697,234	42,888,341	42,888,341	35,076,611	39,283,964	43,628,389

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the municipality. Rates and service charge revenues comprise more than half of the total revenue mix. In the 2010/11 financial year, revenue from rates and services charges totalled R16.7 million. This increases to R18,5 million, R21,8 million and R25 million in the respective financial years of the MTREF. This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity. The above table includes revenue foregone arising from discounts and rebates associated with the tariff policies of the municipality. Details in this regard are contained in MBRR SA1 (see pages 61 and 62).

Operating grants and transfers total R23.3 million in the 2010/11 financial year. Operating grants constitutes 38,82%, 36,49% and 35,16% of the MTREF, starting with the 2011-2012 budget. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 3 Operating Transfers and Grant Receipts

R	Description	2007/08	2008/09	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
RECEIPTS:										
<u>Operating Transfers and Grants</u>										
	National Government:	4,823,492	4,443,785	9,277,967	11,450,000	11,851,000	11,851,000	13,116,000	13,796,195	14,744,051
	Equitable Share	3,589,492	3,209,785	7,227,967	9,050,000	9,050,000	9,050,000	10,466,000	11,096,195	12,094,051
	Finance Management	500,000	500,000	750,000	1,200,000	1,200,000	1,200,000	1,450,000	1,500,000	1,750,000
	Municipal Systems Improvement	734,000	734,000	1,300,000	1,200,000	1,601,000	1,601,000	1,200,000	1,200,000	900,000
	Provincial Government:	7,171,000	4,651,293	334,000	340,000	340,000	340,000	501,000	540,000	594,000
	Sports and Recreation	380,000	441,280	334,000	340,000	340,000	340,000	501,000	540,000	594,000
	Vanwyksvlei Drought Relief	2,100,000								
	VWV Short Term Water Provision	4,250,000	1,535,644							
	Carnarvon Waste Management									
	Water Service Plan	45,000	2,674,369							
	Paving Projects	396,000								
	District Municipality:	554,112	500,000	-	-	-	-	-	-	-
	Subsidy salary municipal manager	554,112	500,000							
	Other grant providers:	-	170,730	-	-	-	-	-	-	-
	Development Bank of South Africa		170,730							
Total Operating Transfers and Grants		12,548,604	9,765,808	9,611,967	11,790,000	12,191,000	12,191,000	13,617,000	14,336,195	15,338,051

The tariff setting process relating to service charges is set out as follows.

Property Rates

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA).
- The rating of agricultural properties is in the third year of phasing in and is therefore entitled to a discount of 25%.
- Council affords agriculture a further rebate for the following criteria:
 - 5% if no municipal road borders the property;
 - 5% if no sewerage is connected to the property
 - 5% if the municipality does not supply electricity to the property
 - 5% if the municipality does not supply water to the property
 - 5% if the municipality does not supply refuse removal to the property
 - 5% if the owner contributes substantially to job creation
 - 5% if the owner supplies acceptable standard of water services to the farm workers

- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as official places of worship, registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport as well as for State infrastructure.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2011/12

Table 4 Comparison of proposed rates to levied for the 2011/12 financial year

Category	Current tariff c	Proposed c	% increase
Residential properties	1.600	1.600	-
Business & Commercial	1.600	1.600	-
Industrial	1.600	1.600	-
State owned properties	3.200	3.200	-
Agricultural	0.133	0.133	-
Municipal rateable	0.880	0.880	-
Public Service Infrastructure	0.400	0.400	-
Places of Worship	1.600	1.600	-
Public benefit organisation properties	1.600	1.600	-

It needs to be noticed that no increase is proposed for the 2011-2012 budget year.

Sale of Water and Impact of Tariff Increases

Proposed Water Tariffs

Category	Current tariff (1 July 2010) Rand per kℓ	tariff (1 July 2011) Rand per kℓ	% increase
Basic charge	98.24	104.13	6.00
Tariff per kiloliter			
0 to 6 kℓ	0.88	0.93	5.68
7 to 20 kℓ	1.06	1.12	5.66
21 to 50 kℓ	2.50	2.65	6.00
51 kℓ +	4.54	4.81	5.95

Registered indigents will be awarded one basic levy as well as 10k ℓ water consumption per month.

Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 26.71 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2011. Considering the Eskom increases, the consumer tariff had to be increased by 20 per cent to offset the additional bulk purchase cost from 1 July 2011. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity. It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2011. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). Because the municipality's electricity tariff structure does not accommodate the stepped up structure, very little statistics could be gathered for implementation. National Treasury has however postponed the tariff structure. This will afford the municipality sufficient time to gather enough statistics for implementation by 1 July 2012.

Proposed Electricity Tariffs

Category		Current tariff (1 July 2010)	Proposed tariff (1 July 2011)	% increase
		Rand per kWh	Rand per kWh	
Basic charge	Domestic	94.47	113.36	20.00
	Commercial	320.51	384.61	20.00
	Churches and halls	136.48	163.78	20.00
	Schools	627.94	753.53	20.00
Tariff per kWh	Domestic, churches and halls	0.68	0.82	20.59
	Commercial	0.67	0.80	19.40
	Schools	0.51	0.61	19.61

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

Sanitation and Impact of Tariff Increases

Comparison between current sanitation charges and increases

Category			Current tariff Rand per kWh	Proposed Rand per kWh	% increase
Nightsoil	joint septic tanks	Vosburg	84.85	89.94	6.00
Sewerage	waterborne	Carnarvon	162.69	172.45	6.00
Sewerage	domestic		105.12	111.43	6.00
Sewerage	government		175.43	185.96	6.00

Free sanitation will be applicable to registered indigents

Waste Removal and Impact of Tariff Increases

Category		Current tariff Rand per kWh	Proposed Rand per kWh	% increase
Refuse removal	One removal per week plus 26 refuse bags per quarter	105.12	111.43	6.00
Garden waste removal		143.59	152.21	6.00

Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services. Note that in all instances the overall impact of the tariff increases on household's bills have been kept to between 13.9 and 15.6 per cent, with no increase for indigent households as all services are subsidised. Indigent users are only responsible for over use of electricity and water.

MBRR Table SA14 – Household bills

R	Description	2007/08	2008/09	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12 % incr.	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
	Monthly Account for Household - 'Large' Household										
	Rates and services charges:										
	Property rates	155.45	178.35	18.40	18.40	18.40	18.40	–	18.40	21.16	24.33
	Electricity: Basic levy	49.64	66.72	80.06	94.47	94.47	94.47	20.0%	113.36	136.03	163.24
	Electricity: Consumption	350.00	470.00	580.00	680.00	680.00	680.00	20.6%	820.00	980.00	1,180.00
	Water: Basic levy	67.80	81.36	93.56	98.24	98.24	98.24	6.0%	104.13	116.72	130.73
	Water: Consumption	35.76	42.98	42.98	45.12	45.12	45.12	5.9%	47.76	53.74	60.22
	Sanitation	75.60	94.50	113.40	119.07	119.07	119.07	6.0%	126.21	147.96	164.24
	Refuse removal	69.64	87.05	100.11	105.12	105.12	105.12	6.0%	111.43	131.77	146.26
	Other										
	sub-total	803.89	1,020.96	1,028.51	1,160.42	1,160.42	1,160.42	15.6%	1,341.29	1,587.38	1,869.02
	VAT on Services	90.78	117.97	141.42	159.88	159.88	159.88		185.20	219.27	258.26
	Total large household bill:	894.67	1,138.93	1,169.93	1,320.30	1,320.30	1,320.30	15.6%	1,526.49	1,806.65	2,127.28
	% increase/-decrease		27.3%	2.7%	12.9%	–	–		15.6%	18.4%	17.7%
	Monthly Account for Household - 'Small' Household										
	Rates and services charges:										
	Property rates	46.76	53.65	5.57	5.57	5.57	5.57	–	5.57	6.40	7.36
	Electricity: Basic levy	49.64	66.72	80.06	94.47	94.47	94.47	20.0%	113.36	136.03	163.24
	Electricity: Consumption	174.30	234.06	288.84	338.64	338.64	338.64	20.6%	408.36	488.04	587.64
	Water: Basic levy	67.80	81.36	93.56	98.24	98.24	98.24	6.0%	104.13	116.72	130.73
	Water: Consumption	25.86	31.08	31.08	32.62	32.62	32.62	5.8%	34.51	53.74	60.22
	Sanitation	75.60	94.50	113.40	119.07	119.07	119.07	6.0%	126.21	147.96	164.24
	Refuse removal	69.64	87.05	100.11	105.12	105.12	105.12	6.0%	111.43	131.77	146.26
	Other										
	sub-total	509.60	648.42	712.62	793.73	793.73	793.73	13.8%	903.57	1,080.66	1,259.69
	VAT on Services	64.80	83.27	98.99	110.34	110.34	110.34		125.72	150.40	175.33
	Total small household bill:	574.40	731.69	811.61	904.07	904.07	904.07	13.9%	1,029.29	1,231.06	1,435.02
	% increase/-decrease		27.4%	10.9%	11.4%	–	–		13.9%	19.6%	16.6%
				-0.60	0.04	-1.00	-				
	Monthly Account for Household - 'Small' Household receiving free basic services										
	Rates and services charges:										
	Property rates	46.76	53.65	5.57							
	Electricity: Basic levy	49.64	66.72	80.06							
	Electricity: Consumption	174.30	234.06	288.84							
	Water: Basic levy	67.80	81.36	93.56							
	Water: Consumption	25.86	31.08	31.08							
	Sanitation	75.60	94.50	113.40							
	Refuse removal	69.64	87.05	100.11							
	Other										
	sub-total	509.60	648.42	712.62	–	–	–		–	–	–
	VAT on Services	64.80	83.27	98.99	–	–	–		–	–	–
	Total small household bill:	574.40	731.69	811.61	–	–	–		–	–	–
	% increase/-decrease		27.4%	10.9%	(100.0%)	–	–		–	–	–

1.5 Operating Expenditure Framework

The following table is a high level summary of the 2011/12 budget and MTREF (classified per main type of operating expenditure):

Summary of operating expenditure by standard classification item

Description	2007/08	2008/09	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure		
R	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Expenditure By Type										
Employee related costs	7,609,590	8,095,848	10,045,627	10,473,732	10,473,732	10,473,732	10,473,732	11,221,718	12,211,297	13,309,884
Remuneration of councillors	788,507	1,024,365	1,273,038	1,469,486	1,469,486	1,458,446	1,458,446	1,801,038	1,949,054	2,143,957
Debt impairment	1,904,116	-	894,743	225,000	225,000	225,000	225,000	225,000	236,250	248,063
Depreciation & asset impairment	1,603,812	1,600,594	2,559,991	2,630,601	2,630,601	2,630,601	2,630,601	3,357,000	3,860,550	4,465,370
Finance charges	11,219	320,767	311,302	315,158	315,158	315,158	315,158	384,031	422,434	464,677
Bulk purchases	2,015,240	2,772,497	3,690,255	4,012,822	4,012,822	5,031,860	5,031,860	5,640,877	7,012,243	8,812,024
Other materials	415,452	677,176	453,474	752,445	752,445	568,302	568,302	769,945	811,604	858,686
Contracted services	-	-	-	-	-	-	-	-	-	-
Transfers and grants	3,209,785	4,324,209	5,733,259	6,888,013	6,888,013	6,888,013	6,888,013	7,259,043	8,330,043	9,054,043
Other expenditure	18,169,749	16,437,285	9,735,224	6,746,977	6,746,977	40,779,229	40,779,229	7,341,959	7,808,388	8,147,926
Loss on disposal of PPE	72,492	1,135	3,100	2,000	2,000	-	-	2,000	2,100	2,205
Total Expenditure	35,799,962	35,253,876	34,700,013	33,516,234	33,516,234	68,370,341	68,370,341	38,002,611	42,643,963	47,506,835

The budgeted allocation for employee related costs for the 2011/12 financial year totals R11,2 million, which equals 29.53 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 7 per cent for the 2011/12 financial year. An annual increase of 8 per cent and 10 per cent has been included in the two outer years of the MTREF. All vacancies have been filled.

The settlement reached by the SALGBC parties in the salary dispute resulted in a further financial implication on this area of expenditure. It should be noted that the total financial implication could not be determined as the applicable municipal wage curve (representing equal pay for equal work at all municipalities in South Africa) has not been finalised.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality's budget. An increase of 5 per cent is budgeted for.

The provision of debt impairment was determined based on an annual collection rate of 90 per cent and the fact that indigents are subsidised fully. A payment rate of more than 100 per cent is expected, therefore the low provision for the MTREF.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Budget appropriations in this regard total R .75 million for the 2011/12 financial year and equates to 2.3 per cent of the total operating expenditure.

Finance charges consist of the interest owed to employee benefits not cash backed.

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

Other materials comprises of the cost of repairs and maintenance. Although this strategic imperative remains a priority with council, cash flow constraints hamper proper repairs and maintenance. National Treasury requires that repairs and maintenance should not be less than 8 per cent of the write down value of existing property plant and equipment.(financial statements 2009-2010). The municipality,s figure is only 3.7 per cent. The assurance is given that repairs and maintenance will be done as needed.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 8.82 per cent for 2011/12 and curbed at 6.35 and 4.35 per cent for the two outer years, indicating that significant cost savings have been already realised.

Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the municipality's Indigent Policy. The registration of indigents are reviewed quarterly. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in MBRR A10 (Basic Service Delivery Measurement) on pages 25 and 26.

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

1.6 Capital expenditure

Description	Current Year 2010/11		2011/12 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2011/12	%	Budget Year +1 2012/13	%	Budget Year +2 2013/14	%
R								
Budget and Treasury	-		2,000,000	25.34%	46,000	0.48%	500,000	4.94%
Community and Social Services	-		-		50,000	0.52%	-	
Sport and Recreation	-		-		4,500,000	46.89%	1,000,000	9.88%
Solid Waste Management	1,653,000	6.99%	-		5,000,000	52.11%	5,000,000	49.39%
Waste Water Management	1,200,000	5.07%	3,000,000	38.01%	-		-	
Road Transport	20,409,000	86.25%	2,892,000	36.64%	-		-	
Water	-		-		-		1,624,000	16.04%
Electricity	401,000	1.69%	-		-		2,000,000	19.76%
Total Capital Budget	23,663,000	100.00%	7,892,000	100.00%	9,596,000	100.00%	10,124,000	100.00%

The whole of R7.89 million in the 2011-2012 budget year has been appropriated for the development of infrastructure. In the outer years this amount totals R9.5 million, 99 per cent and R8.6 million, 85.15 per cent respectively for each of the financial years. Waste Water Management receives the highest allocation of R3 million in 2011/12 which equates to 38.01 per cent followed by Road Transport at 36.64 per cent, R2.89 million and then Budget and Treasury at 25.34 per cent, R2 million.

Total new assets represent 63.36 per cent or R5 million of the total capital budget while asset renewal equates to 36.64 per cent or R2.89 million. Further detail relating to asset classes and proposed capital expenditure is contained in MBRR A9 (Asset Management) on pages 23 and 24. In addition to the MBRR Table A9, MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class.

Furthermore MBRR Table SA36 contains a detailed breakdown of the capital budget per project over the medium-term.

1.7 Annual Budget Tables

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2011/12 budget and MTREF as approved by the Council. Each table is accompanied by explanatory notes on the facing page.

MBRR Table A1 - Budget Summary

R	Description	2007/08	2008/09	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	
Financial Performance											
	Property rates	2,516,118	2,683,429	4,097,708	4,216,891	4,216,891	4,147,954	4,147,954	4,183,222	5,155,781	5,922,016
	Service charges	8,062,538	10,159,600	11,759,680	12,887,429	12,887,429	12,812,075	12,812,075	14,523,573	16,901,868	19,333,641
	Investment revenue	1,467,234	1,667,689	1,743,469	1,307,000	1,307,000	1,100,463	1,100,463	1,297,000	1,361,850	1,429,943
	Transfers recognised - operational	21,104,564	19,840,224	12,597,889	11,790,000	23,191,000	23,346,706	23,346,706	13,617,000	14,336,195	15,338,051
	Other own revenue	862,978	807,084	1,452,602	1,094,914	1,094,914	1,481,143	1,481,143	1,455,816	1,528,270	1,604,738
	Total Revenue (excluding capital transfers and contributions)	34,013,432	35,158,026	31,651,349	31,296,234	42,697,234	42,888,341	42,888,341	35,076,611	39,283,964	43,628,389
	Employee costs	7,609,590	8,095,848	10,045,627	10,473,732	10,473,732	10,473,732	10,473,732	11,221,718	12,211,297	13,309,884
	Remuneration of councillors	788,507	1,024,365	1,273,038	1,469,486	1,469,486	1,458,446	1,458,446	1,801,038	1,949,054	2,143,957
	Depreciation & asset impairment	1,603,812	1,600,594	2,559,991	2,630,601	2,630,601	2,630,601	2,630,601	3,357,000	3,860,550	4,465,370
	Finance charges	11,219	320,767	311,302	315,158	315,158	315,158	315,158	384,031	422,434	464,677
	Materials and bulk purchases	2,430,692	3,449,673	4,143,729	4,765,267	4,765,267	5,600,162	5,600,162	6,410,822	7,823,847	9,670,710
	Transfers and grants	3,209,785	4,324,209	5,733,259	6,888,013	6,888,013	6,888,013	6,888,013	7,259,043	8,330,043	9,054,043
	Other expenditure	20,146,357	16,438,420	10,633,067	6,973,977	6,973,977	41,004,229	41,004,229	7,568,959	8,046,738	8,398,194
	Total Expenditure	35,799,962	35,253,876	34,700,013	33,516,234	33,516,234	68,370,341	68,370,341	38,002,611	42,643,963	47,506,835
	Surplus/(Deficit)	(1,786,530)	(95,850)	(3,048,664)	(2,220,000)	9,181,000	(25,482,000)	(25,482,000)	(2,926,000)	(3,359,999)	(3,878,446)
	Transfers recognised - capital	2,872,051	17,267,755	5,205,223	6,562,000	12,262,000	23,663,000	23,663,000	7,892,000	9,596,000	10,124,000
	Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
	Surplus/(Deficit) after capital transfers & contributions	1,085,521	17,171,905	2,156,559	4,342,000	21,443,000	(1,819,000)	(1,819,000)	4,966,000	6,236,001	6,245,554
	Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
	Surplus/(Deficit) for the year	1,085,521	17,171,905	2,156,559	4,342,000	21,443,000	(1,819,000)	(1,819,000)	4,966,000	6,236,001	6,245,554
Capital expenditure & funds sources											
	Capital expenditure	2,872,051	17,716,449	5,251,652	6,562,000	23,663,000	23,663,000	23,663,000	7,892,000	9,596,000	10,124,000
	Transfers recognised - capital	2,678,310	17,668,569	5,251,652	6,562,000	23,663,000	23,663,000	23,663,000	7,892,000	9,596,000	10,124,000
	Public contributions & donations	-	-	-	-	-	-	-	-	-	-
	Borrowing	-	-	-	-	-	-	-	-	-	-
	Internally generated funds	193,741	47,880	-	-	-	-	-	-	-	-
	Total sources of capital funds	2,872,051	17,716,449	5,251,652	6,562,000	23,663,000	23,663,000	23,663,000	7,892,000	9,596,000	10,124,000
Financial position											
	Total current assets	53,411,653	37,721,003	31,451,103	3,195,864	3,195,864	3,195,864	3,195,864	1,645,680	1,980,765	2,300,566
	Total non current assets	28,207,974	44,347,932	47,053,353	3,923,367	21,024,367	21,024,367	21,024,367	4,526,968	5,726,968	5,650,068
	Total current liabilities	38,940,173	21,905,445	15,197,791	2,462,073	2,462,073	25,724,073	25,724,073	822,617	1,049,298	1,240,403
	Total non current liabilities	2,896,728	3,168,960	4,141,026	315,158	315,158	315,158	315,158	384,031	422,434	464,677
	Community wealth/Equity	39,782,727	56,994,530	59,165,642	4,342,000	21,443,000	(1,819,000)	(1,819,000)	4,966,000	6,236,001	6,245,554
Cash flows											
	Net cash from (used) operating	33,629,453	3,078,403	(538,529)	4,091,895	21,192,895	(2,069,105)	(2,069,105)	7,061,352	8,538,670	8,875,565
	Net cash from (used) investing	(2,854,707)	(17,651,157)	(5,249,845)	(6,553,968)	(23,654,968)	(23,654,968)	(23,654,968)	(7,883,968)	(9,587,968)	(10,115,968)
	Net cash from (used) financing	(165,452)	(155,714)	(62,168)	10,000	10,000	10,000	10,000	29,000	29,000	29,000
	Cash/cash equivalents at the year end	49,831,283	35,102,816	29,252,274	(2,452,073)	(2,452,073)	(25,714,073)	(25,714,073)	(793,617)	(1,813,914)	(3,025,317)
Cash backing/surplus reconciliation											
	Cash and investments available	49,831,282	35,102,815	29,252,274	(2,452,073)	(2,452,073)	(25,714,073)	(25,714,073)	(793,617)	(1,020,298)	(1,211,403)
	Application of cash and investments	49,967,856	22,179,223	13,960,633	(3,606,000)	(4,559,000)	(6,424,000)	(6,424,000)	(1,385,000)	(1,713,000)	(2,027,000)
	Balance - surplus (shortfall)	(136,574)	12,923,592	15,291,641	1,153,927	2,106,927	(19,290,073)	(19,290,073)	591,383	692,702	815,597
Asset management											
	Asset register summary (WDV)	28,134,207	44,277,646	5,191	6,562,000	23,408,172	23,408,172	23,408,172	7,892,000	9,596,000	10,124,000
	Depreciation & asset impairment	1,603,812	1,600,594	2,559,991	2,630,601	2,630,601	2,630,601	2,630,601	3,357,000	3,860,550	4,465,370
	Renewal of Existing Assets	1,052,400	5,634,670	4,529,853	5,962,000	5,962,000	5,962,000	5,962,000	2,892,000	5,050,000	8,624,000
	Repairs and Maintenance	415,452	677,176	453,474	752,445	752,445	568,302	568,302	769,945	811,604	858,686
Free services											
	Cost of Free Basic Services provided	2,693,513	3,408,979	-	4,867,044	4,867,044	4,867,044	4,867,044	4,867,044	5,513,677	5,787,295
	Revenue cost of free services provided	2,115,554	2,793,121	3,550,675	7,216,093	7,216,093	7,216,093	7,216,093	7,582,759	8,203,013	9,186,013
Households below minimum service level											
	Water:	-	-	-	-	-	-	-	-	-	-
	Sanitation/sewerage:	988	70	70	70	70	70	70	70	70	70
	Energy:	-	-	-	-	-	-	-	-	-	-
	Refuse:	-	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is negative over the MTREF due to depreciation of assets from Government Grants not being provided for as cash
 - b. Capital expenditure is balanced by capital funding sources, of which
Transfers recognised is reflected on the Financial Performance Budget;
4. The Cash backing/surplus reconciliation shows that the municipality anticipates cash backing to be adequate over the MTREF
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase.

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

Standard Classification	2007/08	2008/09	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Revenue - Standard									
Governance and administration	28,757,166	41,234,211	24,048,610	23,956,842	41,057,842	41,323,601	27,430,375	30,961,972	33,400,700
Executive and council	25,460,074	37,819,778	18,488,156	17,966,979	35,067,979	35,024,917	20,108,809	23,065,498	24,421,471
Budget and treasury office	3,297,092	3,414,433	5,560,455	5,989,863	5,989,863	6,298,684	7,321,566	7,896,474	8,979,229
Corporate services	-	-	-	-	-	-	-	-	-
Community and public safety	56,560	29,542	60,295	24,555	24,555	30,901	25,255	26,593	27,977
Community and social services	12,923	6,108	6,769	6,650	6,650	6,680	6,650	6,983	7,332
Sport and recreation	43,362	23,274	52,436	17,200	17,200	23,931	17,900	18,870	19,868
Public safety	275	160	1,090	705	705	290	705	740	777
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	7,524	19,487	7,540	8,780	8,780	4,260	8,780	8,805	9,245
Planning and development	-	-	-	-	-	-	-	-	-
Road transport	7,524	19,487	7,540	8,780	8,780	4,260	8,780	8,805	9,245
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	8,064,233	11,142,541	12,740,129	13,868,057	13,868,057	13,791,579	15,504,201	17,882,593	20,314,467
Electricity	2,836,983	4,053,099	4,793,857	5,607,047	5,607,047	5,533,880	6,738,523	7,944,550	9,438,165
Water	2,175,896	2,951,850	3,301,174	3,409,757	3,409,757	3,420,409	3,633,905	4,133,084	4,544,276
Waste water management	3,051,354	4,137,592	2,173,789	2,262,089	2,262,089	2,252,396	2,391,118	2,653,594	2,912,974
Waste management	-	-	2,471,309	2,589,164	2,589,164	2,584,894	2,740,655	3,151,365	3,419,052
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	36,885,483	52,425,781	36,856,574	37,858,234	54,959,234	55,150,341	42,968,611	48,879,963	53,752,389
Expenditure - Standard									
Governance and administration	27,311,446	25,489,004	22,416,749	19,246,678	19,246,678	42,176,249	21,121,834	23,335,272	25,054,639
Executive and council	23,440,053	20,651,532	16,419,050	13,356,122	13,356,122	36,586,496	14,723,951	16,483,193	17,617,554
Budget and treasury office	3,871,393	4,837,472	4,949,683	4,594,029	4,594,029	4,339,939	4,972,504	5,355,531	5,834,722
Corporate services	-	-	1,048,017	1,296,527	1,296,527	1,249,814	1,425,379	1,496,548	1,602,363
Community and public safety	956,544	981,499	1,176,839	1,416,623	1,416,623	1,423,911	1,553,053	1,656,941	1,807,192
Community and social services	641,483	669,349	747,794	920,785	920,785	909,167	991,219	1,066,548	1,169,053
Sport and recreation	257,757	252,284	378,628	405,805	405,805	419,700	456,904	474,635	509,068
Public safety	40,545	41,616	30,246	60,406	60,406	67,294	65,451	71,329	78,781
Housing	-	-	-	-	-	-	-	-	-
Health	16,759	18,250	20,170	29,627	29,627	27,750	39,479	44,429	50,290
Economic and environmental services	1,613,510	1,584,388	2,192,312	2,468,168	2,468,168	2,486,218	2,868,942	3,179,552	3,579,007
Planning and development	-	-	-	-	-	-	-	-	-
Road transport	1,613,510	1,584,388	2,192,312	2,468,168	2,468,168	2,486,218	2,868,942	3,179,552	3,579,007
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	5,918,463	7,198,986	8,914,115	10,384,765	10,384,765	10,882,963	12,458,782	14,472,198	17,065,997
Electricity	2,414,856	3,388,846	4,218,791	4,331,460	4,331,460	5,287,606	6,160,076	7,555,051	9,390,444
Water	385,601	423,861	621,863	902,067	902,067	901,683	1,061,086	1,220,713	1,374,333
Waste water management	3,118,006	3,386,279	1,917,141	2,691,799	2,691,799	2,293,776	2,757,773	3,044,565	3,407,299
Waste management	-	-	2,156,320	2,459,439	2,459,439	2,399,898	2,479,847	2,651,869	2,893,921
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	35,799,963	35,253,877	34,700,015	33,516,234	33,516,234	56,969,341	38,002,611	42,643,963	47,506,835
Surplus/(Deficit) for the year	1,085,520	17,171,904	2,156,560	4,342,000	21,443,000	(1,819,000)	4,966,000	6,236,000	6,245,554

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile „whole of government“ reports.

2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Water and Waste Management functions, but not the Waste Water function.

4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues as surpluses generated from trading services.

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

Vote	Ref	2007/08	2008/09	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R	1									
Revenue by Vote										
Executive and Council		25,460,074	37,819,778	18,488,156	17,966,979	35,067,979	35,024,917	20,108,809	23,065,498	24,421,471
Budget and Treasury		3,297,092	3,414,433	5,560,455	5,989,863	5,989,863	6,298,684	7,321,566	7,896,474	8,979,229
Corporate Services		-	-	-	-	-	-	-	-	-
Planning and Development		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Community and Social Services		12,923	6,108	6,769	6,650	6,650	6,680	6,650	6,983	7,332
Housing		-	-	-	-	-	-	-	-	-
Public Safety		275	160	1,090	705	705	290	705	740	777
Sport and Recreation		43,362	23,274	52,436	17,200	17,200	23,931	17,900	18,870	19,868
Environmental Protection		-	-	-	-	-	-	-	-	-
Solid Waste Management		-	-	2,471,309	2,589,164	2,589,164	2,584,894	2,740,655	3,151,365	3,419,052
Waste Water Management		3,051,354	4,137,592	2,173,789	2,262,089	2,262,089	2,252,396	2,391,118	2,653,594	2,912,974
Road Transport		7,524	19,487	7,540	8,780	8,780	4,260	8,780	8,805	9,245
Water		2,175,896	2,951,850	3,301,174	3,409,757	3,409,757	3,420,409	3,633,905	4,133,084	4,544,276
Electricity		2,836,983	4,053,099	4,793,857	5,607,047	5,607,047	5,533,880	6,738,523	7,944,550	9,438,165
Total Revenue by Vote	2	36,885,483	52,425,781	36,856,574	37,858,234	54,959,234	55,150,341	42,968,611	48,879,963	53,752,389
Expenditure by Vote to be appropriated										
Executive and Council		23,440,053	20,651,532	16,419,050	13,356,122	13,356,122	36,586,496	14,723,951	16,483,193	17,617,554
Budget and Treasury		3,871,393	4,837,472	4,949,683	4,594,029	4,594,029	4,339,939	4,972,504	5,355,531	5,834,722
Corporate Services		-	-	1,048,017	1,296,527	1,296,527	1,249,814	1,425,379	1,496,548	1,602,363
Planning and Development		-	-	-	-	-	-	-	-	-
Health		16,759	18,250	20,170	29,627	29,627	27,750	39,479	44,429	50,290
Community and Social Services		641,483	669,349	747,794	920,785	920,785	909,167	991,219	1,066,548	1,169,053
Housing		-	-	-	-	-	-	-	-	-
Public Safety		40,545	41,616	30,246	60,406	60,406	67,294	65,451	71,329	78,781
Sport and Recreation		257,757	252,284	378,628	405,805	405,805	419,700	456,904	474,635	509,068
Environmental Protection		-	-	-	-	-	-	-	-	-
Solid Waste Management		-	-	2,156,320	2,459,439	2,459,439	2,399,898	2,479,847	2,651,869	2,893,921
Waste Water Management		3,118,006	3,386,279	1,917,141	2,691,799	2,691,799	2,293,776	2,757,773	3,044,565	3,407,299
Road Transport		1,613,510	1,584,388	2,192,312	2,468,168	2,468,168	2,486,218	2,868,942	3,179,552	3,579,007
Water		385,601	423,861	621,863	902,067	902,067	901,683	1,061,086	1,220,713	1,374,333
Electricity		2,414,856	3,388,846	4,218,791	4,331,460	4,331,460	5,287,606	6,160,076	7,555,051	9,390,444
Total Expenditure by Vote	2	35,799,963	35,253,877	34,700,015	33,516,234	33,516,234	56,969,341	38,002,611	42,643,963	47,506,835
Surplus/(Deficit) for the year	2	1,085,520	17,171,904	2,156,560	4,342,000	21,443,000	(1,819,000)	4,966,000	6,236,000	6,245,554

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

Surplus/(Deficit) calculations for the trading services

Description	2007/08	2008/09	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R									
Electricity									
Total Revenue (incl capital grants and transfers)	2,836,983	4,053,099	4,793,857	5,607,047	5,607,047	5,533,880	6,738,523	7,944,550	9,438,165
Operating Expenditure	2,414,856	3,388,846	4,218,791	4,331,460	4,331,460	5,287,606	6,160,076	7,555,051	9,390,444
Surplus/(Deficit) for the year	422,127	664,253	575,066	1,275,587	1,275,587	246,274	578,447	389,499	47,721
Percentage Surplus	14.88%	16.39%	12.00%	22.75%	22.75%	4.45%	8.58%	4.90%	0.51%
Water									
Total Revenue (incl capital grants and transfers)	2,175,896	2,951,850	3,301,174	3,409,757	3,409,757	3,420,409	3,633,905	4,133,084	4,544,276
Operating Expenditure	385,601	423,861	621,863	902,067	902,067	901,683	1,061,086	1,220,713	1,374,333
Surplus/(Deficit) for the year	1,790,295	2,527,989	2,679,311	2,507,690	2,507,690	2,518,726	2,572,819	2,912,371	3,169,943
Percentage Surplus	82.28%	85.64%	81.16%	73.54%	73.54%	73.64%	70.80%	70.46%	69.76%

The electricity trading surplus is deteriorating over the 2011/12 MTREF from 8.58 per cent or R.578 million in 2011/12 to .51 per cent by 2013/14. This is primarily as a result of the high increases in Eskom bulk purchases. The surplus on the water account remains relatively constant over the MTREF translating into a surplus of 70.8 per cent, 70.46 per cent and 69.76 per cent for each of the respective financial years.

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

Description	2007/08	2008/09	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure		
R	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Revenue By Source										
Property rates	2,363,571	2,683,429	3,892,838	4,026,891	4,026,891	3,894,004	3,894,004	3,993,222	4,956,281	5,712,541
Property rates - penalties & collection charges	152,547	-	204,870	190,000	190,000	253,950	253,950	190,000	199,500	209,475
Service charges - electricity revenue	2,836,573	3,725,463	4,466,913	5,280,111	5,280,111	5,207,404	5,207,404	6,411,587	7,617,578	9,111,156
Service charges - water revenue	2,175,676	2,624,724	2,974,678	3,083,081	3,083,081	3,094,063	3,094,063	3,307,229	3,806,386	4,217,555
Service charges - sanitation revenue	3,050,289	3,809,413	1,847,552	1,935,853	1,935,853	1,926,160	1,926,160	2,064,882	2,327,358	2,586,738
Service charges - refuse revenue	-	-	2,470,537	2,588,384	2,588,384	2,584,448	2,584,448	2,739,875	3,150,546	3,418,192
Service charges - other										
Rental of facilities and equipment	394,712	421,400	443,435	408,110	408,110	408,074	408,074	408,230	428,642	450,074
Interest earned - external investments	1,467,234	1,667,689	1,743,469	1,307,000	1,307,000	1,100,463	1,100,463	1,297,000	1,361,850	1,429,943
Interest earned - outstanding debtors	313,267	7,086	4,713	4,518	4,518	4,064	4,064	3,300	3,465	3,638
Dividends received										
Fines	9,348	13,853	19,189	7,230	7,230	15,300	15,300	12,230	12,842	13,484
Licences and permits	10,689	25,665	20,737	15,700	15,700	16,014	16,014	15,700	16,071	16,875
Agency services	78,140	88,345	96,122	82,000	82,000	97,031	97,031	97,000	101,850	106,943
Transfers recognised - operational	21,104,564	19,840,224	12,597,889	11,790,000	23,191,000	23,346,706	23,346,706	13,617,000	14,336,195	15,338,051
Other revenue	56,822	214,251	868,406	577,356	577,356	940,660	940,660	919,356	965,400	1,013,724
Gains on disposal of PPE	-	36,484	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	34,013,432	35,158,026	31,651,349	31,296,234	42,697,234	42,888,341	42,888,341	35,076,611	39,283,964	43,628,389
Expenditure By Type										
Employee related costs	7,609,590	8,095,848	10,045,627	10,473,732	10,473,732	10,473,732	10,473,732	11,221,718	12,211,297	13,309,884
Remuneration of councillors	788,507	1,024,365	1,273,038	1,469,486	1,469,486	1,458,446	1,458,446	1,801,038	1,949,054	2,143,957
Debt impairment	1,904,116	-	894,743	225,000	225,000	225,000	225,000	225,000	236,250	248,063
Depreciation & asset impairment	1,603,812	1,600,594	2,559,991	2,630,601	2,630,601	2,630,601	2,630,601	3,357,000	3,860,550	4,465,370
Finance charges	11,219	320,767	311,302	315,158	315,158	315,158	315,158	384,031	422,434	464,677
Bulk purchases	2,015,240	2,772,497	3,690,255	4,012,822	4,012,822	5,031,860	5,031,860	5,640,877	7,012,243	8,812,024
Other materials	415,452	677,176	453,474	752,445	752,445	568,302	568,302	769,945	811,604	858,686
Contracted services	-	-	-	-	-	-	-	-	-	-
Transfers and grants	3,209,785	4,324,209	5,733,259	6,888,013	6,888,013	6,888,013	6,888,013	7,259,043	8,330,043	9,054,043
Other expenditure	18,169,749	16,437,285	9,735,224	6,746,977	6,746,977	40,779,229	40,779,229	7,341,959	7,808,388	8,147,926
Loss on disposal of PPE	72,492	1,135	3,100	2,000	2,000	-	-	2,000	2,100	2,205
Total Expenditure	35,799,962	35,253,876	34,700,013	33,516,234	33,516,234	68,370,341	68,370,341	38,002,611	42,643,963	47,506,835
Surplus/(Deficit)	(1,786,530)	(95,850)	(3,048,664)	(2,220,000)	9,181,000	(25,482,000)	(25,482,000)	(2,926,000)	(3,359,999)	(3,878,446)
Transfers recognised - capital	2,872,051	17,267,755	5,205,223	6,562,000	12,262,000	23,663,000	23,663,000	7,892,000	9,596,000	10,124,000
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-
Contributed assets										
Surplus/(Deficit) after capital transfers & contributions	1,085,521	17,171,905	2,156,559	4,342,000	21,443,000	(1,819,000)	(1,819,000)	4,966,000	6,236,001	6,245,554
Taxation										
Surplus/(Deficit) after taxation	1,085,521	17,171,905	2,156,559	4,342,000	21,443,000	(1,819,000)	(1,819,000)	4,966,000	6,236,001	6,245,554
Attributable to minorities										
Surplus/(Deficit) attributable to municipality	1,085,521	17,171,905	2,156,559	4,342,000	21,443,000	(1,819,000)	(1,819,000)	4,966,000	6,236,001	6,245,554
Share of surplus/ (deficit) of associate										
Surplus/(Deficit) for the year	1,085,521	17,171,905	2,156,559	4,342,000	21,443,000	(1,819,000)	(1,819,000)	4,966,000	6,236,001	6,245,554

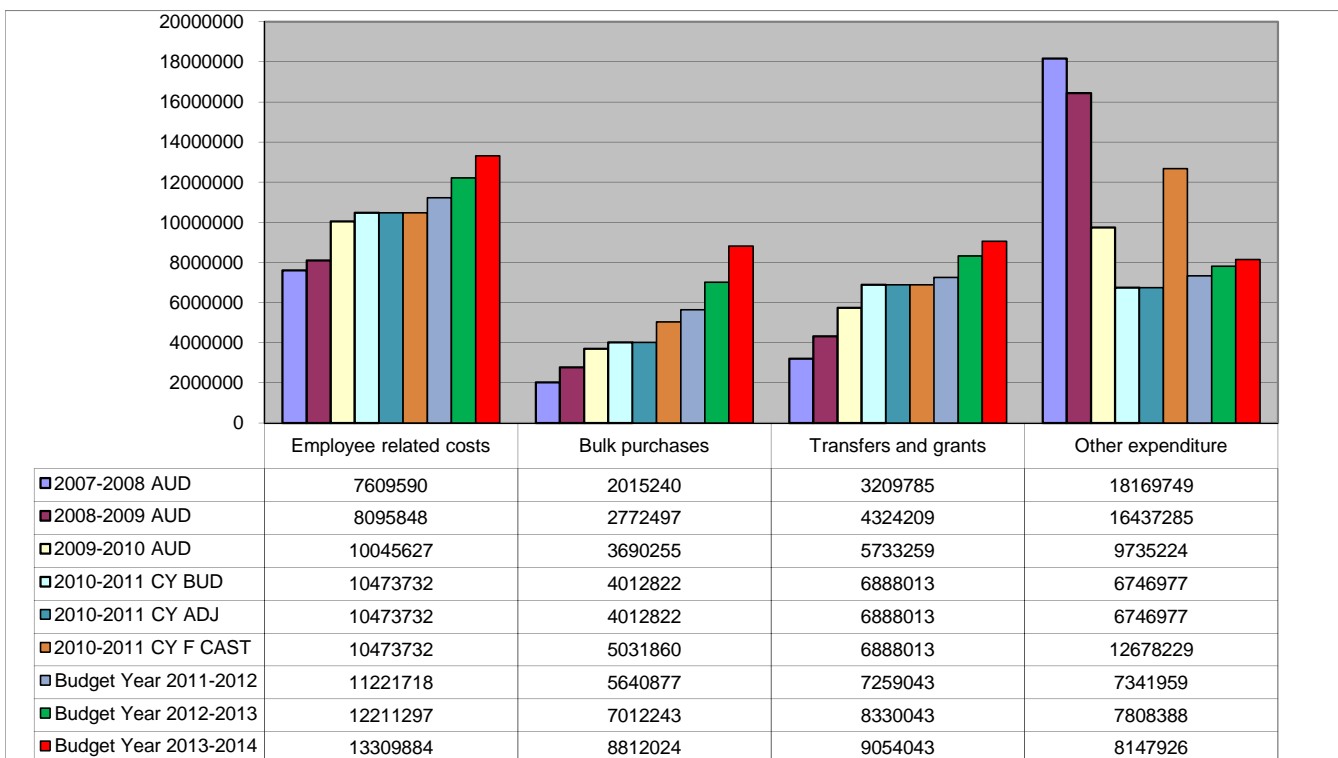
Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R35 million in 2011/12 and escalates to R43.6 million by 2013/14. This represents a year-on-year increase of 12 per cent for the 2012/13 financial year and 11 per cent for the 2013/14 financial year.
2. Revenue to be generated from property rates is R3.9 million in the 2011/12 financial year and increases to R5.7 million by 2013/14 which represents 11.38 per cent of the operating revenue base of the municipality and therefore remains a significant funding source. Tariff increases have been factored in at 0 per cent and 15 per cent for each of the outer years of the MTREF.

3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality totalling R14.5 million for the 2011/12 financial year and increasing to R19.3 million by 2013/14. For the 2011/12 financial year services charges amount to 41 per cent of the total revenue base and grows by 2 and 1 per cent per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk price of electricity.

4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are declining over the MTREF by 36.49 per cent and 35.16 per cent for the two outer years. The percentage share of this revenue source declines due to the more rapid relative growth in service charge revenues. It still remains the second highest source of cash income for the municipality. This means that the municipality becomes more dependant on Government for funding of operational costs.

The following graph illustrates the major expenditure items per type.



Bulk purchases have significantly increased over the 2007/08 to 2013/14 period escalating from R2 million to R8.8 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.

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

Vote	2007/08	2008/09	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R										
Single-year expenditure to be appropriated										
Executive and Council	-	-	-	-	-	-	-	-	-	-
Budget and Treasury	218,422	30,050	208,267	-	-	-	-	2,000,000	46,000	500,000
Corporate Services	-	-	-	-	-	-	-	-	-	-
Planning and Development	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Community and Social Services	17,100	105,211	105,749	-	-	-	-	-	50,000	-
Housing	-	-	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-	-	-
Sport and Recreation	-	-	38,700	-	-	-	-	-	4,500,000	1,000,000
Environmental Protection	-	-	-	-	-	-	-	-	-	-
Solid Waste Management	-	-	-	1,653,000	1,653,000	1,653,000	1,653,000	-	5,000,000	5,000,000
Waste Water Management	1,543,500	11,642,536	2,468,875	1,200,000	1,200,000	1,200,000	1,200,000	3,000,000	-	-
Road Transport	386,000	2,315,718	1,841,631	3,709,000	20,409,000	20,409,000	20,409,000	2,892,000	-	-
Water	705,504	3,620,504	567,768	-	-	-	-	-	-	1,624,000
Electricity	1,525	2,430	20,662	-	401,000	401,000	401,000	-	-	2,000,000
Capital single-year expenditure sub-total	2,872,051	17,716,449	5,251,652	6,562,000	23,663,000	23,663,000	23,663,000	7,892,000	9,596,000	10,124,000
Total Capital Expenditure - Vote	2,872,051	17,716,449	5,251,652	6,562,000	23,663,000	23,663,000	23,663,000	7,892,000	9,596,000	10,124,000
Capital Expenditure - Standard										
Governance and administration	218,422	30,050	208,267	-	-	-	-	2,000,000	46,000	500,000
Executive and council	-	-	-	-	-	-	-	-	-	-
Budget and treasury office	218,422	30,050	208,267	-	-	-	-	2,000,000	46,000	500,000
Corporate services	-	-	-	-	-	-	-	-	-	-
Community and public safety	17,100	105,211	144,449	-	-	-	-	4,550,000	1,000,000	-
Community and social services	17,100	105,211	105,749	-	-	-	-	-	50,000	-
Sport and recreation	-	-	38,700	-	-	-	-	-	4,500,000	1,000,000
Public safety	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	386,000	2,315,718	1,841,631	3,709,000	20,409,000	20,409,000	20,409,000	2,892,000	-	-
Planning and development	-	-	-	-	-	-	-	-	-	-
Road transport	386,000	2,315,718	1,841,631	3,709,000	20,409,000	20,409,000	20,409,000	2,892,000	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-
Trading services	2,250,529	15,265,470	3,057,305	2,853,000	3,254,000	3,254,000	3,254,000	3,000,000	5,000,000	8,624,000
Electricity	1,525	2,430	20,662	-	401,000	401,000	401,000	-	-	2,000,000
Water	705,504	3,620,504	567,768	-	-	-	-	-	-	1,624,000
Waste water management	1,543,500	11,642,536	2,468,875	1,200,000	1,200,000	1,200,000	1,200,000	3,000,000	-	-
Waste management	-	-	-	1,653,000	1,653,000	1,653,000	1,653,000	-	5,000,000	5,000,000
Total Capital Expenditure - Standard	2,872,051	17,716,449	5,251,652	6,562,000	23,663,000	23,663,000	23,663,000	7,892,000	9,596,000	10,124,000
Funded by:										
National Government	2,661,210	17,568,358	5,251,652	6,562,000	23,663,000	23,663,000	23,663,000	7,892,000	9,596,000	10,124,000
Provincial Government	17,100	100,211	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	2,678,310	17,668,569	5,251,652	6,562,000	23,663,000	23,663,000	23,663,000	7,892,000	9,596,000	10,124,000
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	193,741	47,880	-	-	-	-	-	-	-	-
Total Capital Funding	2,872,051	17,716,449	5,251,652	6,562,000	23,663,000	23,663,000	23,663,000	7,892,000	9,596,000	10,124,000

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

2. Single-year capital expenditure has been appropriated at R7.89 million for the 2011/12 financial year and remains relatively constant over the MTREF at levels of R9.59 million and R10.12 million respectively for the two outer years.

3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

5. The capital programme is funded from national and provincial grants and transfers.

MBRR Table A6 - Budgeted Financial Position

Description	2007/08	2008/09	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R									
ASSETS									
Current assets									
Cash		394,454							
Call investment deposits	50,048,559	34,708,361	29,252,274	-	-	-	-	-	-
Consumer debtors	3,351,720	2,603,465	2,181,431	3,195,864	3,195,864	3,195,864	1,645,680	1,980,765	2,300,566
Other debtors	3,656	6,690	9,038						
Current portion of long-term receivables	7,718	8,032	8,360						
Inventory									
Total current assets	53,411,653	37,721,003	31,451,103	3,195,864	3,195,864	3,195,864	1,645,680	1,980,765	2,300,566
Non current assets									
Long-term receivables	73,767	70,286	66,371	(8,032)	(8,032)	(8,032)	(8,032)	(8,032)	(8,032)
Investments									
Investment property	2,026								
Investment in Associate									
Property, plant and equipment	28,130,867	44,276,782	46,981,790	3,931,399	21,032,399	21,032,399	4,535,000	5,735,000	5,658,100
Agricultural									
Biological									
Intangible	1,314	864	5,191						
Other non-current assets									
Total non current assets	28,207,974	44,347,932	47,053,353	3,923,367	21,024,367	21,024,367	4,526,968	5,726,968	5,650,068
TOTAL ASSETS	81,619,627	82,068,935	78,504,456	7,119,231	24,220,231	24,220,231	6,172,648	7,707,733	7,950,634
LIABILITIES									
Current liabilities									
Bank overdraft	217,277			2,452,073	2,452,073	25,714,073	793,617	1,020,298	1,211,403
Borrowing	160,708	57,746	-	-	-	-	-	-	-
Consumer deposits	193,599	208,504	225,179	10,000	10,000	10,000	29,000	29,000	29,000
Trade and other payables	37,934,381	21,112,940	14,283,455	-	-	-	-	-	-
Provisions	434,208	526,255	689,157						
Total current liabilities	38,940,173	21,905,445	15,197,791	2,462,073	2,462,073	25,724,073	822,617	1,049,298	1,240,403
Non current liabilities									
Borrowing	57,746	-	-	-	-	-	-	-	-
Provisions	2,838,982	3,168,960	4,141,026	315,158	315,158	315,158	384,031	422,434	464,677
Total non current liabilities	2,896,728	3,168,960	4,141,026	315,158	315,158	315,158	384,031	422,434	464,677
TOTAL LIABILITIES	41,836,901	25,074,405	19,338,817	2,777,231	2,777,231	26,039,231	1,206,648	1,471,732	1,705,080
NET ASSETS	39,782,726	56,994,530	59,165,639	4,342,000	21,443,000	(1,819,000)	4,966,000	6,236,001	6,245,554
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	28,222,727	44,849,445	47,401,197	4,342,000	21,443,000	(1,819,000)	4,966,000	6,236,001	6,245,554
Reserves	11,560,000	12,145,086	11,764,445	-	-	-	-	-	-
Minorities' interests									
TOTAL COMMUNITY WEALTH/EQUITY	39,782,727	56,994,530	59,165,642	4,342,000	21,443,000	(1,819,000)	4,966,000	6,236,001	6,245,554

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).

2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

3. MBRR Table A6 is supported by an extensive table of notes (SA3 which can be found [on pages 64, 65 and 66](#)) providing a detailed analysis of the major components of a number of items, including:

- Call investments deposits;
- Consumer debtors;
- Property, plant and equipment;
- Trade and other payables;
- Provisions non current;
- Changes in net assets; and
- Reserves

4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

MBRR Table A7 - Budgeted Cash Flow Statement

Description	Ref	2007/08	2008/09	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		42,219,248	15,699,327	13,912,404	21,565,370	27,260,852	38,904,244	38,904,244	18,513,632	21,601,689	24,556,191
Government - operating	1	21,218,735	19,669,494	12,597,889	5,228,000	(472,000)	(316,294)	(316,294)	13,617,000	14,336,195	15,338,051
Government - capital	1	2,757,880	17,267,755	5,202,223	6,562,000	23,663,000	23,663,000	23,663,000	7,892,000	9,596,000	10,124,000
Interest		1,467,234	1,667,689	1,747,805	1,307,000	1,311,518	1,104,527	1,104,527	1,300,300	1,365,315	1,433,581
Dividends											
Payments											
Suppliers and employees		(30,600,739)	(46,551,679)	(27,975,386)	(23,682,462)	(23,682,462)	(47,135,569)	(47,135,569)	(27,002,537)	(30,030,486)	(33,522,215)
Finance charges		(223,119)	(349,973)	(290,205)				-			
Transfers and Grants	1	(3,209,785)	(4,324,209)	(5,733,259)	(6,888,013)	(6,888,013)	(6,888,013)	(6,888,013)	(7,259,043)	(8,330,043)	(9,054,043)
NET CASH FROM/(USED) OPERATING ACTIVITIES		33,629,453	3,078,403	(538,529)	4,091,895	21,192,895	9,331,895	9,331,895	7,061,352	8,538,670	8,875,565
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		(20,717)	55,549								
Decrease (Increase) in non-current debtors		31,308	7,718	8,032	8,032	8,032	8,032	8,032	8,032	8,032	8,032
Decrease (increase) other non-current receivables		110,237	2,026					-			
Decrease (increase) in non-current investments								-			
Payments											
Capital assets		(2,975,535)	(17,716,449)	(5,257,877)	(6,562,000)	(23,663,000)	(23,663,000)	(23,663,000)	(7,892,000)	(9,596,000)	(10,124,000)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(2,854,707)	(17,651,157)	(5,249,845)	(6,553,968)	(23,654,968)	(23,654,968)	(23,654,968)	(7,883,968)	(9,587,968)	(10,115,968)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits		10,565	14,905	16,675	10,000	10,000	10,000	10,000	29,000	29,000	29,000
Payments											
Repayment of borrowing		(176,017)	(170,619)	(78,843)				-			
NET CASH FROM/(USED) FINANCING ACTIVITIES		(165,452)	(155,714)	(62,168)	10,000	10,000	10,000	10,000	29,000	29,000	29,000
NET INCREASE/ (DECREASE) IN CASH HELD		30,609,294	(14,728,467)	(5,850,542)	(2,452,073)	(2,452,073)	(14,313,073)	(14,313,073)	(793,617)	(1,020,298)	(1,211,403)
Cash/cash equivalents at the year begin:	2	19,221,989	49,831,283	35,102,816	29,252,274	29,252,274	29,252,274	29,252,274	14,939,201	14,145,584	13,125,286
Cash/cash equivalents at the year end:	2	49,831,283	35,102,816	29,252,274	26,800,201	26,800,201	14,939,201	14,939,201	14,145,584	13,125,286	11,913,884

MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	Ref	2007/08	2008/09	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Cash and investments available											
Cash/cash equivalents at the year end	1	49,831,283	35,102,816	29,252,274	26,800,201	26,800,201	14,939,201	14,939,201	14,145,584	13,125,286	11,913,884
Other current investments > 90 days		(1)	(0)	1	(29,252,274)	(29,252,274)	(29,252,274)	(29,252,274)	(14,939,201)	(14,145,584)	(13,125,286)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		49,831,282	35,102,815	29,252,274	(2,452,073)	(2,452,073)	(14,313,073)	(14,313,073)	(793,617)	(1,020,298)	(1,211,403)
Application of cash and investments											
Unspent conditional transfers		36,046,475	16,040,469	13,097,173	-	-	-	-	-	-	-
Unspent borrowing											
Statutory requirements	2										
Other working capital requirements	3	25,481,381	18,243,940	12,573,455	(3,606,000)	(4,559,000)	(6,424,000)	(6,424,000)	(1,385,000)	(1,713,000)	(2,027,000)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	(11,560,000)	(12,105,186)	(11,709,995)							
Total Application of cash and investments:		49,967,856	22,179,223	13,960,633	(3,606,000)	(4,559,000)	(6,424,000)	(6,424,000)	(1,385,000)	(1,713,000)	(2,027,000)
Surplus(shortfall)		(136,574)	12,923,592	15,291,641	1,153,927	2,106,927	(7,889,073)	(7,889,073)	591,383	692,702	815,597

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.

2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the municipality fell significantly over the 2007/08 to 2009/10 period owing directly to a net decrease in cash for the 2008/09 financial year of R14.2 million and R5.8 million for the 2009/10 financial year.
4. The approved 2010/11 MTREF provide for a further net decrease in cash of R2.4 million for the 2010/11 financial year. The further decline in cash is due to assets being purchased.

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

1. 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 2007/08 to 2010/11 the deficit changed from R.13 million to a surplus of R.81 million.
6. As part of the budgeting and planning guidelines that informed the compilation of the 2011/12 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

MBRR Table A9 - Asset Management

Description	2007/08	2008/09	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R									
CAPITAL EXPENDITURE									
Total New Assets	1,819,651	12,081,779	721,799	600,000	17,701,000	17,701,000	5,000,000	4,546,000	1,500,000
Infrastructure - Road transport	-	-	-	-	11,000,000	11,000,000	-	-	-
Infrastructure - Electricity	-	-	-	-	5,700,000	5,700,000	-	-	-
Infrastructure - Water	-	-	-	-	-	-	-	-	1,000,000
Infrastructure - Sanitation	1,543,500	11,642,536	-	600,000	600,000	600,000	3,000,000	-	-
Infrastructure - Other	-	-	-	-	-	-	2,000,000	-	-
Infrastructure	1,543,500	11,642,536	-	600,000	17,300,000	17,300,000	5,000,000	-	1,000,000
Community	65,310	385,479	-	-	-	-	-	4,500,000	-
Heritage assets	-	5,000	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	210,841	48,764	709,160	-	401,000	401,000	-	46,000	500,000
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	12,639	-	-	-	-	-	-
Total Renewal of Existing Assets	1,052,400	5,634,670	4,529,853	5,962,000	5,962,000	5,962,000	2,892,000	5,050,000	8,624,000
Infrastructure - Road transport	386,000	2,014,166	1,724,789	3,709,000	3,709,000	3,709,000	2,892,000	-	-
Infrastructure - Electricity	-	-	-	-	-	-	-	-	2,000,000
Infrastructure - Water	666,400	3,620,504	567,768	-	-	-	-	-	624,000
Infrastructure - Sanitation	-	-	2,237,296	600,000	600,000	600,000	-	-	-
Infrastructure - Other	-	-	-	1,653,000	1,653,000	1,653,000	-	5,000,000	5,000,000
Infrastructure	1,052,400	5,634,670	4,529,853	5,962,000	5,962,000	5,962,000	2,892,000	5,000,000	7,624,000
Community	-	-	-	-	-	-	-	50,000	1,000,000
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Capital Expenditure									
Infrastructure - Road transport	386,000	2,014,166	1,724,789	3,709,000	14,709,000	14,709,000	2,892,000	-	-
Infrastructure - Electricity	-	-	-	-	5,700,000	5,700,000	-	-	2,000,000
Infrastructure - Water	666,400	3,620,504	567,768	-	-	-	-	-	1,624,000
Infrastructure - Sanitation	1,543,500	11,642,536	2,237,296	1,200,000	1,200,000	1,200,000	3,000,000	-	-
Infrastructure - Other	-	-	-	1,653,000	1,653,000	1,653,000	2,000,000	5,000,000	5,000,000
Infrastructure	2,595,900	17,277,206	4,529,853	6,562,000	23,262,000	23,262,000	7,892,000	5,000,000	8,624,000
Community	65,310	385,479	-	-	-	-	-	4,550,000	1,000,000
Heritage assets	-	5,000	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	210,841	48,764	709,160	-	401,000	401,000	-	46,000	500,000
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	12,639	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2,872,051	17,716,449	5,251,652	6,562,000	23,663,000	23,663,000	7,892,000	9,596,000	10,124,000

MBRR Table A9 - Asset Management

Description	2007/08	2008/09	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport				3,709,000	14,709,000	14,709,000	2,892,000	-	-
Infrastructure - Electricity				-	5,700,000	5,700,000	-	-	2,000,000
Infrastructure - Water	13,128,624	13,074,022		-	-	-	-	-	1,624,000
Infrastructure - Sanitation	11,170,660	26,974,984		1,200,000	1,200,000	1,200,000	3,000,000	-	-
Infrastructure - Other				1,653,000	1,653,000	1,653,000	2,000,000	5,000,000	5,000,000
Infrastructure	24,299,285	40,049,007	-	6,562,000	23,262,000	23,262,000	7,892,000	5,000,000	8,624,000
Community	1,841,069	1,725,003		-	-	-	-	4,550,000	1,000,000
Heritage assets		5,000		-	-	-	-	-	-
Investment properties	2,026	-	-	-	-	-	-	-	-
Other assets	1,990,513	2,497,773		-	146,172	146,172	-	46,000	500,000
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	1,314	864	5,191	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	28,134,207	44,277,646	5,191	6,562,000	23,408,172	23,408,172	7,892,000	9,596,000	10,124,000
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	1,603,812	1,600,594	2,559,991	2,630,601	2,630,601	2,630,601	3,357,000	3,860,550	4,465,370
Repairs and Maintenance by Asset Class	415,452	677,176	453,474	752,445	752,445	568,302	769,945	811,604	858,686
Infrastructure - Road transport	25,690	37,450	28,449	31,000	31,000	27,148	31,000	32,550	34,179
Infrastructure - Electricity	87,580	99,927	42,394	81,500	81,500	45,378	81,500	85,575	89,855
Infrastructure - Water	27,081	55,147	40,421	72,000	72,000	60,698	74,000	77,850	81,744
Infrastructure - Sanitation	981	5,259	10,373	155,800	155,800	155,800	155,800	163,590	171,771
Infrastructure - Other	699	17,066	3,760	8,000	8,000	8,000	8,000	8,400	8,820
Infrastructure	142,031	214,849	125,397	348,300	348,300	297,024	350,300	367,965	386,369
Community	37,905	29,763	55,653	67,600	67,600	55,206	79,600	83,581	87,984
Heritage assets	-	-	2,497	4,000	4,000	4,000	4,000	4,200	4,410
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	235,516	432,564	269,927	332,545	332,545	212,072	336,045	355,858	379,923
TOTAL EXPENDITURE OTHER ITEMS	2,019,264	2,277,770	3,013,465	3,383,046	3,383,046	3,198,903	4,126,945	4,672,154	5,324,056
% of capital exp on renewal of assets	57.8%	46.6%	627.6%	993.7%	33.7%	33.7%	57.8%	111.1%	574.9%
Renewal of Existing Assets as % of deprecn"	65.6%	352.0%	176.9%	226.6%	226.6%	226.6%	86.1%	130.8%	193.1%
R&M as a % of PPE	1.5%	1.5%	1.0%	19.1%	3.6%	2.7%	3.7%	17.9%	15.0%
Renewal and R&M as a % of PPE	5.0%	14.0%	95995.0%	102.0%	29.0%	28.0%	46.0%	61.0%	94.0%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations for providing for new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The municipality meets the first recommendation, but fails to do so with repairs and maintenance.

MBRR Table A10 - Basic Service Delivery Measurement

Vote	2007/08	2008/09	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Household service targets (000)									
Water:									
Piped water inside dwelling	850	850	850	850	850	850	850	850	850
Piped water inside yard (but not in dwelling)	1,034	1,034	1,034	1,034	1,034	1,034	1,034	1,034	1,034
Using public tap (at least min.service level)	70	70	70	70	70	70	70	70	70
Other water supply (at least min.service level)									
Minimum Service Level and Above sub-total	1,954	1,954	1,954	1,954	1,954	1,954	1,954	1,954	1,954
Using public tap (< min.service level)									
Other water supply (< min.service level)									
No water supply									
Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
Total number of households	1,954	1,954	1,954	1,954	1,954	1,954	1,954	1,954	1,954
Sanitation/sewerage:									
Flush toilet (connected to sewerage)		918	918	918	918	918	918	918	918
Flush toilet (with septic tank)	658	658	658	658	658	658	658	658	658
Chemical toilet									
Pit toilet (ventilated)	308	308	308	308	308	308	308	308	308
Other toilet provisions (> min.service level)									
Minimum Service Level and Above sub-total	966	1,884	1,884	1,884	1,884	1,884	1,884	1,884	1,884
Bucket toilet	988	70	70	70	70	70	70	70	70
Other toilet provisions (< min.service level)									
No toilet provisions									
Below Minimum Service Level sub-total	988	70	70	70	70	70	70	70	70
Total number of households	1,954	1,954	1,954	1,954	1,954	1,954	1,954	1,954	1,954
Energy:									
Electricity (at least min.service level)	580	580	580	580	580	580	580	580	580
Electricity - prepaid (min.service level)	908	908	908	908	908	908	908	908	908
Minimum Service Level and Above sub-total	1,488	1,488	1,488	1,488	1,488	1,488	1,488	1,488	1,488
Electricity (< min.service level)									
Electricity - prepaid (< min. service level)									
Other energy sources									
Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
Total number of households	1,488	1,488	1,488	1,488	1,488	1,488	1,488	1,488	1,488
Refuse:									
Removed at least once a week	1,954	1,954	1,954	1,954	1,954	1,954	1,954	1,954	1,954
Minimum Service Level and Above sub-total	1,954	1,954	1,954	1,954	1,954	1,954	1,954	1,954	1,954
Removed less frequently than once a week									
Using communal refuse dump									
Using own refuse dump									
Other rubbish disposal									
No rubbish disposal									
Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
Total number of households	1,954	1,954	1,954	1,954	1,954	1,954	1,954	1,954	1,954
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	1,241	1,264	1,264	1,367	1,367	1,367	1,364	1,364	1,364
Sanitation (free minimum level service)	1,241	1,264	1,264	1,367	1,367	1,367	1,364	1,364	1,364
Electricity/other energy (50kwh per household per month)	745	991	991	991	991	991	1,091	1,091	1,091
Refuse (removed at least once a week)	1,241	1,264	1,264	1,367	1,367	1,367	1,364	1,364	1,364
Cost of Free Basic Services provided (R'000)									
Water (6 kilolitres per household per month)	1,072,224	1,310,515		1,570,191	1,570,191	1,570,191	1,570,191	1,774,782	1,859,241
Sanitation (free sanitation service)	400,313	500,391		1,259,221	1,259,221	1,259,221	1,259,221	1,322,147	1,388,324
Electricity/other energy (50kwh per household per month)	183,897	277,698		443,172	443,172	443,172	443,172	610,048	642,843
Refuse (removed once a week)	1,037,079	1,320,374		1,594,460	1,594,460	1,594,460	1,594,460	1,806,700	1,896,888
Total cost of FBS provided (minimum social package)	2,693,513	3,408,979	-	4,867,044	4,867,044	4,867,044	4,867,044	5,513,677	5,787,295

MBRR Table A10 - Basic Service Delivery Measurement

Vote	2007/08	2008/09	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Highest level of free service provided									
Property rates (R'000 value threshold)	-	-	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Water (kilolitres per household per month)	6	6	6	10	10	10	10	10	10
Sanitation (kilolitres per household per month)									
Sanitation (Rand per household per month)	52	65	155	163	163	163	172	171	179
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	70	87	100	105	105	105	105	110	116
Revenue cost of free services provided (R'000)									
Property rates (R15 000 threshold rebate)				328,080	328,080	328,080	327,360	370,326	388,740
Property rates (other exemptions, reductions and rebates)									
Water	903,944	1,092,096	1,310,515	1,698,142	1,698,142	1,698,142	1,869,062	1,774,782	1,859,241
Sanitation	168,000	400,313	500,391	1,259,221	1,259,221	1,259,221	1,334,763	1,322,147	1,388,324
Electricity/other energy	179,427	244,413	277,698	443,172	443,172	443,172	464,597	610,048	642,843
Refuse	864,183	1,056,300	1,320,374	1,724,388	1,724,388	1,724,388	1,823,886	1,806,700	1,896,888
Municipal Housing - rental rebates									
Housing - top structure subsidies									
Other	-	-	141,696	1,763,090	1,763,090	1,763,090	1,763,090	2,319,010	3,009,978
Total revenue cost of free services provided (total social package)	2,115,554	2,793,121	3,550,675	7,216,093	7,216,093	7,216,093	7,582,759	8,203,013	9,186,013

Explanatory notes to Table A10 - Basic Service Delivery Measurement

- Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
- The municipality has no significant backlogs
 - Water services – Every citizen has at least RDP services.
 - Sanitation services – backlog will be reduced by over 70 households during the budget year. The number of households with bucket system will be eradicated by 2011/12. These buckets are used in the informal settlement.
 - Electricity services – backlog will be reduced by 70 households. These households are situated in an Eskom distribution area. Where electricity can not be provided, wood and paraffin is provided as fuel.
 - Refuse services – No backlogs are encountered with this service.
- The budget provides for 1 346 households to be registered as indigent in 2011/12, and therefore entitled to receiving Free Basic Services. A few poor people may migrate into the municipal area, but it will have no significant influence.
- It is anticipated that these Free Basic Services will cost the municipality R4.86 million in 2011/12, increasing to R5.78 million in 2013/14. This is covered by the municipality's equitable share allocation from National Government.

Part 2 –Supporting Documentation

2.1 Overview of the annual budget process

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

The Budget Steering Committee consists of the Municipal Manager and management of the municipality meeting under the chair of the Mayor.

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

- 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 budget time schedule on 18 August 2010. Key dates applicable to the process were:

By 31 August 2010	- Table before council the schedule of key deadlines for the 2011 - 2012 budget
By 30 November 2010	- Budget Steering Committee meeting - Revise the IDP - Workshop with heads of department - Ask inputs from the community
By 31 January 2011	- Budget Steering Committee meeting - Budget for salaries and wages - Identify capital projects from the IDP
By 28 February 2011	- Budget Steering Committee meeting - Compile draft budget - Set preliminary tariffs - Review budget related policies - Finalise the IDP - Make cash flow projections Finalise the PMS(Measurable Performanc Objectives) Compile the SDBIP
By 31 March 2011	- Budget Steering Committee meeting - Table the draft budget - Prepare and send Treasury questionnaires

- | | |
|------------------|--|
| By 30 April 2011 | <ul style="list-style-type: none">- Budget Steering Committee meeting- Consider Treasury and other input/ objections |
| By 31 May 2011 | <ul style="list-style-type: none">- Budget Steering Committee meeting- Finalise the community participation process- Table the budget for adoption- Table the SDBIP to be noted by council- Adopt the budget- Adopt the IDP- Adopt amendments to budget related policies |
| By 30 June 2011 | <ul style="list-style-type: none">- Mayor approved SDBIP- All performance management contracts completed and signed- Prepare and send Treasury questionnaires |

National Treasury, in MFMA Circular 54, advised that municipalities should make a choice between two options of adopting the budget to accommodate the 18 May municipal elections. Council decided that the Kareeberg Municipality would adopt option one - approval of the 2011-2012 MTREF before the municipal elections.

The community participation process will be completed during April 2011 and the budget approved on 29 April 2011

2.1.2 IDP and Service Delivery and Budget Implementation Plan

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. IDP planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial Modelling and Key Planning Drivers

The following key factors and planning strategies have informed the compilation of the 2011/12 MTREF:

- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt)
- The approved 2010/11 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

2.1.4 Community Consultation

The draft 2011/12 MTREF, as tabled before Council on 29 March 2011 for community consultation, was published on the municipality's website, and hard copies were made available at each of the three offices in Carnarvon, Vanwyksvlei and Vosburg.

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

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process. Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five 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 political office bearers. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

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

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

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

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

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPis);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP.

The following table highlights the IDP's five strategic objectives for the 2011/12 MTREF and further planning refinements that have directly informed the compilation of the budget:

IDP Strategic Objectives

2010/11 Financial Year	2011/12 MTREF
1 Basic Service Delivery	1 Basic Service Delivery 1.1 Sewerage 1.2 Refuse removal 1.3 Electricity Administration 1.4 Electricity Generation 1.5 Electricity Distribution 1.6 Water Storage 1.7 Water Distribution 1.8 Cemetery 1.9 Official Housing 1.10 Main Roads 1.11 Commonage 1.12 Municipal Buildings 1.13 Public Works 1.14 Parks and Gardens 1.15 Pound 1.16 Streets and Pavements 1.17 Swimming Pool 1.18 Airport 1.19 Caravan Park 1.2 Abattoir
2 Good Governance and Public Participation	2 Good Governance and Public Participation 2.1 Executive and Council 2.2 Corporate Services
3 Municipal Financial Viability	3 Municipal Financial Viability 3.1 Rates 3.2 Budget and Treasury Office
4 Municipal Institutional Development and Transformation	4 Municipal Institutional Development and Transformation 4.1 Library 4.2 Health 4.3 Museum 4.4 Nature Reserve 4.5 Clinics
5 Local Economic Development	5 Local Economic Development 5.1 Fire Service 5.2 Civil Defence 5.3 Traffic and licencing

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

Strategic Objective	Goal	2007/08	2008/09	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Basic Service Delivery	Sewerage	3,051,354	4,137,592	2,173,789	2,262,089	2,262,089	2,252,396	2,252,396	2,391,118	2,653,594	2,912,974
Basic Service Delivery	Refuse removal	-	-	2,471,309	2,589,164	2,589,164	2,584,894	2,584,894	2,740,655	3,151,365	3,419,052
Basic Service Delivery	Electricity Administration	2,836,983	4,053,099	4,793,857	5,607,047	5,607,047	5,533,880	5,533,880	6,738,523	7,944,550	9,438,165
Basic Service Delivery	Electricity Generation	-	-	-	-	-	-	-	-	-	-
Basic Service Delivery	Electricity Distribution	-	-	-	-	-	-	-	-	-	-
Basic Service Delivery	Water Storage	2,175,896	2,951,850	3,301,174	3,409,757	3,409,757	3,420,409	3,420,409	3,633,905	4,133,084	4,544,276
Basic Service Delivery	Water Distribution	-	-	-	-	-	-	-	-	-	-
Basic Service Delivery	Cemetery	5,825	5,415	5,670	5,920	5,920	5,760	5,760	5,920	6,216	6,527
Basic Service Delivery	Official Housing	2,280	2,400	2,520	2,640	2,640	2,640	2,640	2,760	2,898	3,043
Basic Service Delivery	Main Roads	-	-	-	-	-	-	-	-	-	-
Basic Service Delivery	Commonage	346,431	363,987	387,120	361,838	361,838	361,813	361,813	361,838	379,930	398,925
Basic Service Delivery	Municipal Buildings	31,929	41,529	39,029	30,732	30,732	29,562	29,562	30,732	32,269	33,883
Basic Service Delivery	Public Works	1,029	1,667	120	100	100	360	360	100	105	110
Basic Service Delivery	Parks and Gardens	700	700	700	700	700	700	700	700	735	772
Basic Service Delivery	Pound	275	160	1,090	705	705	290	290	705	740	777
Basic Service Delivery	Streets and Pavements	-	-	-	400	400	-	-	400	420	441
Basic Service Delivery	Swimming Pool	7,187	4,914	9,946	9,000	9,000	8,094	8,094	9,000	9,450	9,923
Basic Service Delivery	Airport	440	300	300	300	300	300	300	300	315	331
Basic Service Delivery	Caravan Park	5,000	7,260	3,090	2,400	2,400	5,137	5,137	3,100	3,255	3,418
Basic Service Delivery	Abattoir	-	-	-	-	-	-	-	-	-	-
Good Governance and Public Participation	Executive and Council	25,460,074	37,819,778	18,488,156	17,966,979	35,067,979	35,024,917	35,024,917	20,108,809	23,065,498	24,421,471
Good Governance and Public Participation	Corporate Services	-	-	-	-	-	-	-	-	-	-
Municipal Financial Viability	Rates	2,368,796	2,688,654	3,997,838	4,753,170	4,753,170	4,620,283	4,620,283	5,728,471	6,223,724	7,222,841
Municipal Financial Viability	Budget and Treasury Office	547,216	317,563	1,133,648	841,183	841,183	1,284,086	1,284,086	1,197,465	1,257,338	1,320,206
Municipal Institutional Development and Transformation	Library	1,098	693	1,099	730	730	920	920	730	767	805
Municipal Institutional Development and Transformation	Health	-	-	-	-	-	-	-	-	-	-
Municipal Institutional Development and Transformation	Museum	6,000	-	-	-	-	-	-	-	-	-
Municipal Institutional Development and Transformation	Nature Reserve	30,475	10,400	38,700	5,100	5,100	10,000	10,000	5,100	5,430	5,755
Municipal Institutional Development and Transformation	Clinics	-	-	-	-	-	-	-	-	-	-
Local Economic Development	Fire Service	-	-	-	-	-	-	-	-	-	-
Local Economic Development	Civil Defence	-	-	-	-	-	-	-	-	-	-
Local Economic Development	Traffic and licencing	6,495	17,820	7,420	8,280	8,280	3,900	3,900	8,280	8,280	8,694
Total Revenue (excluding capital transfers and contributions)		36,885,483	52,425,781	36,856,574	37,858,234	54,959,234	55,150,341	55,150,341	42,968,611	48,879,963	53,752,389

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

Strategic Objective	Goal	2007/08	2008/09	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue &		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R											
Basic Service Delivery	Sewerage	3,118,006	3,386,279	1,917,141	2,691,799	2,691,799	2,293,776	2,293,776	2,757,773	3,044,565	3,407,299
Basic Service Delivery	Refuse removal	-	-	2,156,320	2,459,439	2,459,439	2,399,898	2,399,898	2,479,847	2,651,869	2,893,921
Basic Service Delivery	Electricity Administration	100,995	205,110	117,901	152,174	152,174	121,537	121,537	160,723	170,068	181,645
Basic Service Delivery	Electricity Generation	2,097,234	2,876,027	3,815,471	3,840,973	3,840,973	4,856,461	4,856,461	5,636,831	7,003,081	8,791,839
Basic Service Delivery	Electricity Distribution	216,627	307,709	285,419	338,313	338,313	309,608	309,608	362,522	381,902	416,960
Basic Service Delivery	Water Storage	171,320	156,296	363,208	641,548	641,548	628,567	628,567	784,670	923,461	1,051,055
Basic Service Delivery	Water Distribution	214,281	267,565	258,655	260,519	260,519	273,116	273,116	276,416	297,252	323,278
Basic Service Delivery	Cemetery	62,384	66,304	107,751	118,549	118,549	115,045	115,045	127,661	136,925	148,965
Basic Service Delivery	Official Housing	1,156	1,177	1,173	3,698	3,698	3,098	3,098	3,715	3,852	3,998
Basic Service Delivery	Main Roads	-	-	-	-	-	-	-	-	-	-
Basic Service Delivery	Commonage	43,766	160,123	51,769	75,760	75,760	67,669	67,669	78,971	83,868	90,477
Basic Service Delivery	Municipal Buildings	53,454	55,893	137,307	152,497	152,497	143,639	143,639	187,325	208,361	226,351
Basic Service Delivery	Public Works	1,052,824	1,014,302	1,596,001	1,692,553	1,692,553	1,668,650	1,668,650	1,981,568	2,164,971	2,413,393
Basic Service Delivery	Parks and Gardens	80,364	108,253	191,846	209,204	209,204	202,136	202,136	227,701	227,988	243,993
Basic Service Delivery	Pound	7,820	5,478	14,231	10,684	10,684	23,812	23,812	14,884	16,677	19,007
Basic Service Delivery	Streets and Pavements	322,937	304,736	412,110	563,020	563,020	603,876	603,876	655,404	767,352	899,490
Basic Service Delivery	Swimming Pool	49,289	55,230	72,954	73,684	73,684	85,368	85,368	87,716	98,310	101,159
Basic Service Delivery	Airport	27,429	47,197	30,846	41,043	41,043	33,065	33,065	43,088	46,047	49,631
Basic Service Delivery	Caravan Park	7,093	4,736	4,873	8,563	8,563	11,439	11,439	15,810	18,283	21,526
Basic Service Delivery	Abattoir	18	20	19	530	530	34	34	537	566	596
Good Governance and Public Participation	Executive and Council	23,440,053	20,651,532	16,419,050	13,356,122	13,356,122	19,886,496	19,886,496	14,723,951	16,483,193	17,617,554
Good Governance and Public Participation	Corporate Services	-	-	1,048,017	1,296,527	1,296,527	1,249,814	1,249,814	1,425,379	1,496,548	1,602,363
Municipal Financial Viability	Rates	-	-	-	-	-	-	-	-	-	-
Municipal Financial Viability	Budget and Treasury Office	3,745,570	4,573,062	4,728,569	4,320,501	4,320,501	4,092,434	4,092,434	4,658,868	5,012,837	5,463,669
Municipal Institutional Development and Transformation	Library	490,057	507,686	603,737	679,568	679,568	672,779	672,779	738,440	795,413	874,512
Municipal Institutional Development and Transformation	Health	3,562	11,426	-	-	-	2,088	2,088	-	-	-
Municipal Institutional Development and Transformation	Museum	89,042	95,359	36,306	122,668	122,668	121,343	121,343	125,118	134,210	145,576
Municipal Institutional Development and Transformation	Nature Reserve	121,011	84,065	108,955	114,354	114,354	120,757	120,757	125,677	130,054	142,390
Municipal Institutional Development and Transformation	Clinics	13,197	6,824	20,170	29,627	29,627	25,662	25,662	39,479	44,429	50,290
Local Economic Development	Fire Service	9,689	12,511	11,279	15,764	15,764	11,906	11,906	15,998	17,210	18,722
Local Economic Development	Civil Defence	23,036	23,627	4,736	33,958	33,958	31,576	31,576	34,569	37,442	41,052
Local Economic Development	Traffic and licencing	237,749	265,350	184,201	212,595	212,595	213,692	213,692	231,970	247,229	266,124
Total Expenditure		35,799,963	35,253,877	34,700,015	33,516,234	33,516,234	40,269,341	40,269,341	38,002,611	42,643,963	47,506,835

MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	2007/08	2008/09	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Basic Service Delivery	Sewerage	A	1,543,500	11,642,536	2,468,875	1,200,000	1,200,000	1,200,000	3,000,000	-	-
Basic Service Delivery	Refuse removal	A	-	-	-	1,653,000	1,653,000	1,653,000	-	5,000,000	5,000,000
Basic Service Delivery	Electricity Administration	A	1,525	2,430	20,662	-	-	-	-	-	-
Basic Service Delivery	Electricity Generation	A	-	-	-	-	-	-	-	-	-
Basic Service Delivery	Electricity Distribution	A	-	-	-	-	401,000	401,000	-	-	2,000,000
Basic Service Delivery	Water Storage	A	39,104	-	-	-	-	-	-	-	1,000,000
Basic Service Delivery	Water Distribution	A	666,400	3,620,504	567,768	-	-	-	-	-	624,000
Basic Service Delivery	Cemetery	A	-	-	-	-	-	-	-	50,000	-
Basic Service Delivery	Official Housing	A	-	-	-	-	-	-	-	-	-
Basic Service Delivery	Main Roads	A	-	-	-	-	-	-	-	-	-
Basic Service Delivery	Commonage	A	-	-	-	-	-	-	-	46,000	500,000
Basic Service Delivery	Municipal Buildings	A	-	-	-	-	-	-	-	-	-
Basic Service Delivery	Public Works	A	-	16,284	116,842	-	-	-	-	-	-
Basic Service Delivery	Parks and Gardens	A	-	-	-	-	-	-	-	4,500,000	1,000,000
Basic Service Delivery	Pound	A	-	-	-	-	-	-	-	-	-
Basic Service Delivery	Streets and Pavements	A	386,000	2,014,166	1,724,789	3,709,000	20,409,000	20,409,000	2,892,000	-	-
Basic Service Delivery	Swimming Pool	A	-	-	-	-	-	-	-	-	-
Basic Service Delivery	Airport	A	-	-	-	-	-	-	2,000,000	-	-
Basic Service Delivery	Caravan Park	A	-	-	-	-	-	-	-	-	-
Basic Service Delivery	Abattoir	A	-	-	-	-	-	-	-	-	-
Good Governance and Public Participation	Executive and Council	B	-	-	-	-	-	-	-	-	-
Good Governance and Public Participation	Corporate Services	B	-	-	-	-	-	-	-	-	-
Municipal Financial Viability	Rates	C	-	-	-	-	-	-	-	-	-
Municipal Financial Viability	Budget and Treasury Office	C	218,422	30,050	208,267	-	-	-	-	-	-
Municipal Institutional Development and Transformation	Library	D	17,100	100,211	105,749	-	-	-	-	-	-
Municipal Institutional Development and Transformation	Health	D	-	-	-	-	-	-	-	-	-
Municipal Institutional Development and Transformation	Museum	D	-	5,000	-	-	-	-	-	-	-
Municipal Institutional Development and Transformation	Nature Reserve	D	-	-	38,700	-	-	-	-	-	-
Municipal Institutional Development and Transformation	Clinics	D	-	-	-	-	-	-	-	-	-
Local Economic Development	Fire Service	E	-	-	-	-	-	-	-	-	-
Local Economic Development	Civil Defence	E	-	-	-	-	-	-	-	-	-
Local Economic Development	Traffic and licencing	E	-	285,268	-	-	-	-	-	-	-
		E	-	-	-	-	-	-	-	-	-
Total Capital Expenditure			2,872,051	17,716,449	5,251,652	6,562,000	23,663,000	23,663,000	7,892,000	9,596,000	10,124,000

2.3 Measurable performance objectives and indicators

MBRR Table SA7 - Measurable performance objectives

The table will be inserted after the tabling and adoption of the budget

The following table sets out the municipality's main performance objectives and benchmarks for the 2011/12 MTREF.

MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2007/08	2008/09	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<u>Borrowing Management</u>											
Borrowing to Asset Ratio	Total Long-Term Borrowing/Total Assets	0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.52%	1.39%	1.12%	0.94%	0.94%	0.78%	0.78%	1.01%	0.99%	0.98%
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%
<u>Safety of Capital</u>											
Debt to Equity	Loans, Creditors, Overdraft & Tax Provision/ Funds & Reserves	105.2%	44.0%	32.7%	64.0%	13.0%	-7.8%	-7.8%	24.3%	23.6%	27.3%
Gearing	Long Term Borrowing/ Funds & Reserves	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	1.4	1.7	2.1	1.3	1.3	(1.3)	(1.3)	2.0	1.9	1.9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.4	1.7	2.1	1.3	1.3	(1.3)	(1.3)	2.0	1.9	1.9
Liquidity Ratio	Monetary Assets/Current Liabilities	1.3	1.6	1.9	–	–	–	–	–	–	–
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		380.7%	115.5%	80.4%	118.6%	149.9%	211.1%	211.1%	91.9%	91.6%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	10.1%	7.6%	7.2%	10.2%	7.5%	7.4%	7.4%	4.7%	5.0%	5.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<u>Funding of Provisions</u>											
Provisions not funded - %	Unfunded Provns./Total Provisions	100.0%	68.4%	68.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	28.5%	27.3%	27.3%	16.0%	16.0%	16.0%	16.0%	13.2%	13.2%	13.2%
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source										
Employee costs	Employee costs/(Total Revenue - capital revenue)	-22.4%	-23.0%	-31.7%	-33.5%	-24.5%	-24.4%	-24.4%	-32.0%	-31.1%	-30.5%
Remuneration	Total remuneration/(Total Revenue capital revenue)	24.7%	25.9%	35.8%	38.2%	28.0%	27.8%	30.4%	40.4%	39.3%	0.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	1.2%	1.9%	1.4%	2.4%	1.8%	1.3%	1.8%	2.3%	2.2%	0.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	-4.7%	-5.5%	-9.1%	-9.4%	-6.9%	-6.9%	-6.9%	-10.7%	-10.9%	-11.3%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	7.9	8.8	10.9	14.9	14.9	17.7	17.7	16.5	18.3	–
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	30.6%	19.7%	13.5%	18.2%	18.2%	18.4%	18.4%	8.6%	8.8%	8.9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	17.5	12.5	10.9	10.4	10.4	10.1	10.1	10.7	9.2	8.0

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

The municipality does not foresee any borrowing during the 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, overdraft and tax provisions as a percentage of funds and reserves.

The debt-to-equity ratio is 24.3, 23.6 and 27.3 over the MTREF.

2.3.1.3 Liquidity

Current ratio is a measure of the current assets divided by the current liabilities. For the 2011/12 MTREF the current ratio is 2 in the 2011/12 financial year and 1.9 for the two outer years of the MTREF. 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 erase or redeem its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2010/11 financial year the ratio was 1.3 and it has increased to 2 in the 2011/12 financial year.

2.3.1.4 Revenue Management

The revenue value chain must be streamlined by ensuring accurate billing, customer service, credit control and debt collection.

2.3.1.5 Creditors Management

The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. By applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation.

2.3.1.6 Other Indicators

The electricity distribution losses have been managed downwards from 16 per cent in the 2010/11 financial year to 13 per cent over the MTREF. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity.

Employee costs as a percentage of operating revenue continues to decrease over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers.

Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. Only registered indigents qualify for the free basic services.

For the 2011/12 financial year 1 346 registered indigents have been provided for in the budget. In terms of the municipality's indigent policy registered households are entitled to 10kℓ free water, 50 kwh of electricity, 1 sanitation removal and free waste removal once a week, as well as a discount on their property rates.

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 MBRR Table A10 (Basic Service Delivery Measurement) [on page 43](#).

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, etc) are not taken into account in the table noted above.

2.4 Overview of budget related-policies

2.4.1 Review of credit control and debt collection procedures/policies

<u>Policy</u>	<u>Amended</u>	<u>Comments</u>
Investment Incentive Policy	No	Council will not levy surcharges for 2011-2012 MFMA provides guidance
Financial Investment Policy	No	
Supply Chain Policy	No	
Fixed Asset Policy	No	
Tariff Policy	No	
Financial Code Policy	No	
Cellular Phone Policy	No	
Travel and Subsistence Policy	No	
Virement Policy	No	
Funding and Reserve Policy	No	

<u>By - laws</u>	<u>Amended</u>	<u>Comments</u>
Availability Funds	No	Council will not levy surcharges for 2011-2012. Payments for services will be allocated in the following order: Refuse, Sewerage, Water and Electricity. Council may restrict water flow, refuse to sell electricity or appropriate 35% of electricity purchases for users with prepaid meters who default on payment.
Credit Control	Yes	
Indigent	Yes	
Pound Monies	No	
Rates	No	
		The ratio for agriculture is reduced to 1:083

2.5 Overview of budget assumptions

2.5.1 External factors

Due 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 finances.

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 2011/12 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 bulk electricity; and

- The increase in the cost of remuneration. Employee related costs comprise 29.53 per cent of total operating expenditure in the 2011/11 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget. The wage agreement SALGBC concluded with the municipal workers unions on 31 July 2009 as well as the categorisation and job evaluation wage curves collective agreement signed on 21 April 2010 must be noted.

2.5.3 Collection rate for revenue services

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

The rate of revenue collection is currently expressed as a percentage (90 per cent) of annual billings. Cash flow is assumed to be 90 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.5.4 Salary increases

The collective agreement regarding salaries/wages came into operation on 1 July 2009 and shall remain in force until 30 June 2012. Year three provides for a wage increase based on the average CPI for the period 1 February 2010 until 31 January 2011, plus 2 per cent. The average CPI for this period is 4.08 per cent.

2.5.5 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of 100 per cent is achieved on operating expenditure as well as on the capital programme for the 2011/12 MTREF of which performance has been factored into the cash flow budget.

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:

Description	2011/12 Medium Term Revenue & Expenditure Framework					
	Budget Year 2011/12	%	Budget Year +1 2012/13	%	Budget Year +2 2013/14	%
R						
Property rates	3,993,222	11.38%	4,956,281	12.62%	5,712,541	13.09%
Service charges	14,523,573	41.41%	16,901,868	43.02%	19,333,641	44.31%
Investment revenue	1,297,000	3.70%	1,361,850	3.47%	1,429,943	3.28%
Transfers recognised - operational	13,617,000	38.82%	14,336,195	36.49%	15,338,051	35.16%
Other own revenue	1,645,816	4.69%	1,727,770	4.40%	1,814,213	4.16%
Total Operating Revenue (excluding capital transfers and contributions)	35,076,611	100.00%	39,283,964	100.00%	43,628,389	100.00%
Total Operating Expenditure	38,002,611		42,643,963		47,506,835	
Surplus/(Deficit)	(2,926,000)		(3,359,999)		(3,878,446)	

MBRR SA15 – Detail Investment Information

Investment type	2007/08	2008/09	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R									
Parent municipality									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank	50,048,559	34,708,361	29,252,274				-	-	-
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits									
Bankers Acceptance Certificates									
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)									
Repurchase Agreements - Banks									
Municipal Bonds									
Municipality sub-total	50,048,559	34,708,361	29,252,274	-	-	-	-	-	-
Entities									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank									
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits									
Bankers Acceptance Certificates									
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)									
Repurchase Agreements - Banks									
Entities sub-total	-	-	-	-	-	-	-	-	-
Consolidated total:	50,048,559	34,708,361	29,252,274	-	-	-	-	-	-

MBRR SA16 – Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Monetary value	Interest to be realised
	Yrs/Months			Rand thousand	
Parent municipality					
Municipality sub-total				-	-
TOTAL INVESTMENTS AND INTEREST				-	-

The municipality has no investments other than bank deposits. It is not envisaged that any surplus cash will be generated to invest.

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2011/12 medium-term capital programme:

Description	Current Year 2010/11		2011/12 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2011/12	%	Budget Year +1 2012/13	%	Budget Year +2 2013/14	%
National Government	23,663,000		7,892,000		9,596,000		10,124,000	
Provincial Government								
Transfers recognised - capital	23,663,000	100.00%	7,892,000	100.00%	9,596,000	100.00%	10,124,000	100.00%
Public contributions & donations								
Borrowing								
Internally generated funds								
Total Capital Funding	23,663,000	100.00%	7,892,000	100.00%	9,596,000	100.00%	10,124,000	100.00%

Capital grants and receipts equates to 100 per cent of the total funding source for capital expenditure.

MBRR Table SA 17 - Detail of borrowings

Description	2007/08	2008/09	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited	Audited	Audited	Original	Adjusted	Full Year	Budget Year 2011/12	Budget Year +1	Budget Year +2
Parent municipality									
Long-Term Loans (annuity/reducing balance)									
Long-Term Loans (non-annuity)	57,746								
Local registered stock									
Instalment Credit									
Financial Leases									
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
Municipality sub-total	57,746	-	-	-	-	-	-	-	-
Total Borrowing	57,746	-	-	-	-	-	-	-	-

The municipality has no borrowing debt.

MBRR Table SA 18 - Capital transfers and grant receipts

R	Description	2007/08	2008/09	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
RECEIPTS:										
<u>Operating Transfers and Grants</u>										
National Government:		4,823,492	4,443,785	9,277,967	11,450,000	11,851,000	11,851,000	13,116,000	13,796,195	14,744,051
Equitable Share		3,589,492	3,209,785	7,227,967	9,050,000	9,050,000	9,050,000	10,466,000	11,096,195	12,094,051
Finance Management		500,000	500,000	750,000	1,200,000	1,200,000	1,200,000	1,450,000	1,500,000	1,750,000
Municipal Systems Improvement		734,000	734,000	1,300,000	1,200,000	1,601,000	1,601,000	1,200,000	1,200,000	900,000
Other transfers/grants [insert description]										
Provincial Government:		7,171,000	4,651,293	334,000	340,000	340,000	340,000	501,000	540,000	594,000
Sports and Recreation		380,000	441,280	334,000	340,000	340,000	340,000	501,000	540,000	594,000
Vanwyksvlei Drought Relief		2,100,000								
VWV Short Term Water Provision		4,250,000	1,535,644							
Carnarvon Waste Management										
Water Service Plan		45,000	2,674,369							
Paving Projects		396,000								
Other transfers/grants [insert description]										
District Municipality:		554,112	500,000	-	-	-	-	-	-	-
Subsidy salary municipal manager		554,112	500,000				-			
Other grant providers:		-	170,730	-	-	-	-	-	-	-
Development Bank of South Africa			170,730							
Total Operating Transfers and Grants		12,548,604	9,765,808	9,611,967	11,790,000	12,191,000	12,191,000	13,617,000	14,336,195	15,338,051
<u>Capital Transfers and Grants</u>										
National Government:		38,484,608	2,614,000	5,778,000	6,562,000	17,562,000	17,562,000	7,892,000	9,596,000	10,124,000
Municipal Infrastructure(MIG)		38,484,608	2,614,000	5,778,000	6,562,000	6,562,000	6,562,000	7,892,000	9,596,000	10,124,000
Public Works						11,000,000	11,000,000			
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
Subsidy salary municipal manager										
Other grant providers:		-	-	-	-	-	-	-	-	-
Development Bank of So										
Total Capital Transfers and Grants		38,484,608	2,614,000	5,778,000	6,562,000	17,562,000	17,562,000	7,892,000	9,596,000	10,124,000
TOTAL RECEIPTS OF TRANSFERS & GRANTS		51,033,212	12,379,808	15,389,967	18,352,000	29,753,000	29,753,000	21,509,000	23,932,195	25,462,051

2.6.3 Cash Flow Management

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

- Clear separation of receipts and payments within each cash flow category; and
- 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.

Table 42 MBRR Table A7 - Budget cash flow statement

R	Description	2007/08	2008/09	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
	CASH FLOW FROM OPERATING ACTIVITIES										
	Receipts										
	Ratepayers and other	42,219,248	15,699,327	13,912,404	21,565,370	27,260,852	38,904,244	38,904,244	18,513,632	21,601,689	24,556,191
	Government - operating	21,218,735	19,669,494	12,597,889	5,228,000	(472,000)	(316,294)	(316,294)	13,617,000	14,336,195	15,338,051
	Government - capital	2,757,880	17,267,755	5,202,223	6,562,000	23,663,000	23,663,000	23,663,000	7,892,000	9,596,000	10,124,000
	Interest	1,467,234	1,667,689	1,747,805	1,307,000	1,311,518	1,104,527	1,104,527	1,300,300	1,365,315	1,433,581
	Dividends										
	Payments										
	Suppliers and employees	(30,600,739)	(46,551,679)	(27,975,386)	(23,682,462)	(23,682,462)	(30,435,569)	(30,435,569)	(27,002,537)	(30,030,486)	(33,522,215)
	Finance charges	(223,119)	(349,973)	(290,205)				-			
	Transfers and Grants	(3,209,785)	(4,324,209)	(5,733,259)	(6,888,013)	(6,888,013)	(6,888,013)	(6,888,013)	(7,259,043)	(8,330,043)	(9,054,043)
	NET CASH FROM/(USED) OPERATING ACTIVITIES	33,629,453	3,078,403	(538,529)	4,091,895	21,192,895	26,031,895	26,031,895	7,061,352	8,538,670	8,875,565
	CASH FLOWS FROM INVESTING ACTIVITIES										
	Receipts										
	Proceeds on disposal of PPE	(20,717)	55,549								
	Decrease (increase) in non-current debtors	31,308	7,718	8,032	8,032	8,032	8,032	8,032	8,032	8,032	8,032
	Decrease (increase) other non-current receivables	110,237	2,026					-			
	Decrease (increase) in non-current investments							-	-	-	-
	Payments										
	Capital assets	(2,975,535)	(17,716,449)	(5,257,877)	(6,562,000)	(23,663,000)	(23,663,000)	(23,663,000)	(7,892,000)	(9,596,000)	(10,124,000)
	NET CASH FROM/(USED) INVESTING ACTIVITIES	(2,854,707)	(17,651,157)	(5,249,845)	(6,553,968)	(23,654,968)	(23,654,968)	(23,654,968)	(7,883,968)	(9,587,968)	(10,115,968)
	CASH FLOWS FROM FINANCING ACTIVITIES										
	Receipts										
	Short term loans										
	Borrowing long term/refinancing										
	Increase (decrease) in consumer deposits	10,565	14,905	16,675	10,000	10,000	10,000	10,000	29,000	29,000	29,000
	Payments										
	Repayment of borrowing	(176,017)	(170,619)	(78,843)				-	-	-	-
	NET CASH FROM/(USED) FINANCING ACTIVITIES	(165,452)	(155,714)	(62,168)	10,000	10,000	10,000	10,000	29,000	29,000	29,000
	NET INCREASE/ (DECREASE) IN CASH HELD	30,609,294	(14,728,467)	(5,850,542)	(2,452,073)	(2,452,073)	2,386,927	2,386,927	(793,617)	(1,020,298)	(1,211,403)
	Cash/cash equivalents at the year begin:	19,221,989	49,831,283	35,102,816	29,252,274	29,252,274	29,252,274	29,252,274	31,639,201	30,845,584	29,825,286
	Cash/cash equivalents at the year end:	49,831,283	35,102,816	29,252,274	26,800,201	26,800,201	31,639,201	31,639,201	30,845,584	29,825,286	28,613,884

It needs to be noted that there is a steady outflow of cash since 2007/08 till 2013/14

2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

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

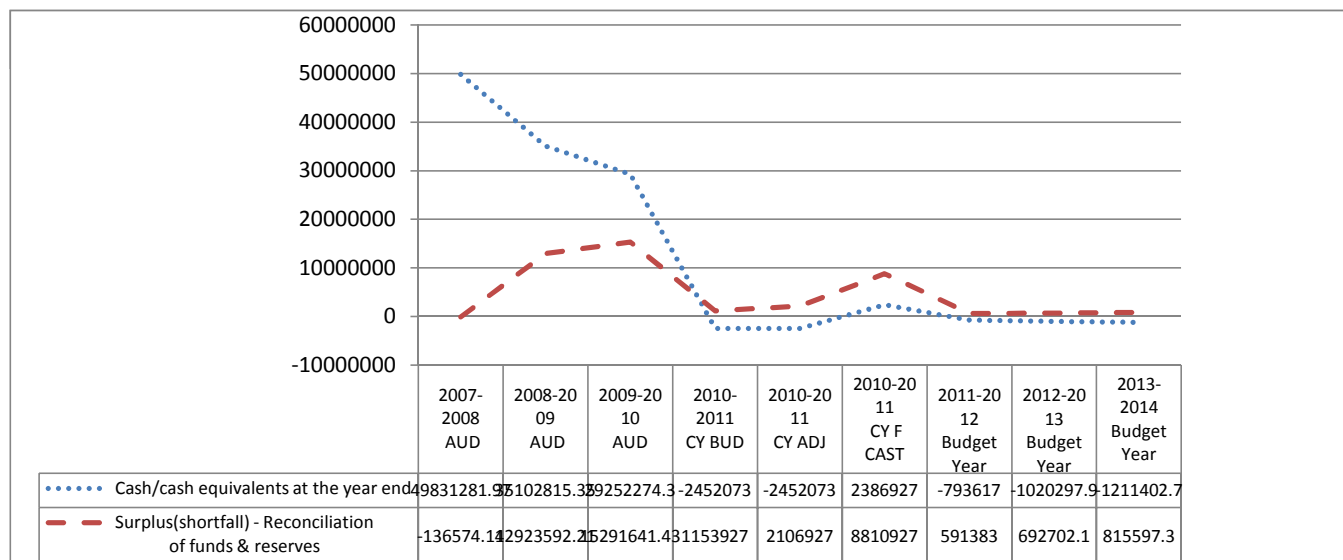
- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

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

MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

Description	2007/08	2008/09	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Cash and investments available										
Cash/cash equivalents at the year end	49,831,283	35,102,816	29,252,274	26,800,201	26,800,201	31,639,201	31,639,201	30,845,584	29,825,286	28,613,884
Other current investments > 90 days	(1)	(0)	1	(29,252,274)	(29,252,274)	(29,252,274)	(29,252,274)	(31,639,201)	(30,845,584)	(29,825,286)
Non current assets - Investments	-	-	-	-	-	-	-	-	-	-
Cash and investments available:	49,831,282	35,102,815	29,252,274	(2,452,073)	(2,452,073)	2,386,927	2,386,927	(793,617)	(1,020,298)	(1,211,403)
Application of cash and investments										
Unspent conditional transfers	36,046,475	16,040,469	13,097,173	-	-	-	-	-	-	-
Unspent borrowing										
Statutory requirements										
Other working capital requirements	25,481,381	18,243,940	12,573,455	(3,606,000)	(4,559,000)	(6,424,000)	(6,424,000)	(1,385,000)	(1,713,000)	(2,027,000)
Other provisions										
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	(11,560,000)	(12,105,186)	(11,709,995)							
Total Application of cash and investments:	49,967,856	22,179,223	13,960,633	(3,606,000)	(4,559,000)	(6,424,000)	(6,424,000)	(1,385,000)	(1,713,000)	(2,027,000)
Surplus(shortfall)	(136,574)	12,923,592	15,291,641	1,153,927	2,106,927	8,810,927	8,810,927	591,383	692,702	815,597

The following graph supplies an analysis of the trends relating to cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven year perspective.



2.6.5 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. Each of the measures is discussed below.

MBRR SA10 – Funding compliance measurement

R	Description	MFMA section	2007/08	2008/09	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Funding measures												
	Cash/cash equivalents at the year end - R	18(1)b	49,831,283	35,102,816	29,252,274	26,800,201	26,800,201	31,639,201	31,639,201	30,845,584	29,825,286	28,613,884
	Cash + investments at the yr end less applications - R	18(1)b	(136,574)	12,923,592	15,291,641	1,153,927	2,106,927	8,810,927	8,810,927	591,383	692,702	815,597
	Cash year end/monthly employee/supplier payments	18(1)b	18	13	11	10	10	10	10	11	9	8
	Surplus/(Deficit) excluding depreciation offsets: R	18(1)	1,085,521	17,171,905	2,156,559	4,342,000	21,443,000	26,282,000	26,282,000	4,966,000	6,236,001	6,245,554
	Service charge rev % change - macro CPI target exclusive	18(1)a,(2)	N.A.	15.41%	17.47%	1.86%	-6.00%	-6.84%	-6.00%	4.30%	11.91%	8.50%
	Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	371.41%	109.94%	77.99%	112.85%	142.64%	201.00%	201.00%	84.19%	86.48%	88.13%
	Debt impairment expense as a % of total billable revenue	18(1)a,(2)	17.35%	0.00%	5.49%	1.28%	1.28%	1.30%	1.30%	1.18%	1.05%	0.97%
	Capital payments % of capital expenditure	18(1)c;19	103.60%	100.00%	100.12%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Grants % of Govt. legislated/gazetted allocations	18(1)a	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100.00%	100.00%
	Current consumer debtors % change - incr(decr)	18(1)a	N.A.	-22.10%	-16.00%	45.30%	0.00%	0.00%	0.00%	-48.50%	20.40%	16.10%
	Long term receivables % change - incr(decr)	18(1)a	N.A.	-4.70%	-5.60%	-112.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	R&M % of Property Plant & Equipment	20(1)(vi)	1.48%	1.53%	0.97%	19.14%	3.58%	2.70%	3.66%	16.98%	14.15%	15.18%
	Asset renewal % of capital budget	20(1)(vi)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

2.6.5.1 Cash/cash equivalent position

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

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2011/12 MTREF shows R30.8 million, R29.8 million and R28.6 million for each respective financial year.

2.6.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in **MBRR Table A8, on page 21**. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts. Notably, the ratio has been falling significantly for the period 2007/08 to 2010/11, moving from 18 to 10 with the adopted 2010/11 MTREF. The ratio moves upwards to 11 and then reduces slightly to 9 and 8 for the outer years. This measure will have to be carefully monitored going forward.

2.6.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An „adjusted“ surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2011/12 MTREF the indicative outcome is a surplus of R4.9 million, R6.2 million for both outer years.

2.6.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

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

2.6.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are „collected“. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 84.1, 86.4 and 88.1 per cent for each of the respective financial years.

2.6.5.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 1.18, 1.05 and .97 per cent over the MTREF.

2.6.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to stay within strict compliance with the legislative requirement that creditors be paid within 30 days.

2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

Council will not borrow for the MTREF.

2.6.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as published in the Division of Revenue Act (DoRA) have been budgeted for. The municipality has budgeted for all transfers.

2.6.5.11 Consumer debtors change (Current and Non-current)

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. The MTREF shows a decrease of 48.5 per cent for 2011/12 and an increase of 20.4 per cent and 16.1 per cent for the outer years.

2.6.5.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the municipality's strategy pertaining to asset management and repairs and maintenance is contained in MBRR SA34C on page 90.

2.6.5.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for „repairs and maintenance“ budgets. Further details in this regard are contained in MBRR SA34b on pages 56 and 57.

2.7 Expenditure on grants and reconciliations of unspent funds

MBRR SA19 - Expenditure on transfers and grant programmes

Description	2007/08	2008/09	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	4,707,771	5,831,940	7,121,894	9,288,013	9,288,013	9,288,013	9,909,043	11,030,043	11,704,043
Equitable Share	3,209,785	4,324,209	5,733,259	6,888,013	6,888,013	6,888,013	7,259,043	8,330,043	9,054,043
Finance Management	660,590	616,321	788,304	1,200,000	1,200,000	1,200,000	1,450,000	1,500,000	1,750,000
Municipal Systems Improvement	837,396	891,411	600,331	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	900,000
Other transfers/grants [insert description]									
Provincial Government:	1,995,622	4,284,137	221,730	334,000	334,000	334,000	501,000	540,000	594,000
Sports and Recreation	195,979	308,690	221,730	334,000	334,000	334,000	501,000	540,000	594,000
Vanwykslei Drought Relief	224,394	797,447							
VWV Short Term Water Provision	1,143,802	492,016							
Camaron Waste Management	3,121	32,873							
Water Service Plan	28,839	2,653,111				-			
Paving Projects	380,052								
Other transfers/grants [insert description]	19,436								
District Municipality:	554,112	500,000	-	-	-	-	-	-	-
Subsidy salary municipal manager	554,112	500,000				-			
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]									
Total operating expenditure of Transfers and Grants	7,257,505	10,616,077	7,343,624	9,622,013	9,622,013	9,622,013	10,410,043	11,570,043	12,298,043
Capital expenditure of Transfers and Grants									
National Government:	13,155,390	21,321,526	8,525,145	6,562,000	23,262,000	23,262,000	7,892,000	9,596,000	10,124,000
Municipal Infrastructure(MIG)	13,155,390	21,321,526	8,525,145	6,562,000	12,262,000	12,262,000	7,892,000	9,596,000	10,124,000
Public Works					11,000,000	11,000,000			
Other capital transfers/grants [insert desc]									
Provincial Government:	-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]									
District Municipality:	-	-	-	-	-	-	-	-	-
Subsidy salary municipal manager									
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]									
Total capital expenditure of Transfers and Grants	13,155,390	21,321,526	8,525,145	6,562,000	23,262,000	23,262,000	7,892,000	9,596,000	10,124,000
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	20,412,895	31,937,603	15,868,769	16,184,013	32,884,013	32,884,013	18,302,043	21,166,043	22,422,043

MBRR SA 20 - Reconciliation between transfers, grant receipts and unspent funds

R	Description	2007/08	2008/09	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
	Operating transfers and grants:									
	National Government:									
	Balance unspent at beginning of the year	4,170,657	30,062,037							
	Current year receipts	45,191,062	(2,451,037)		11,450,000	28,551,000	28,706,706	13,116,000	13,796,195	14,744,051
	Conditions met - transferred to revenue	19,299,682	14,553,366	-	11,450,000	28,551,000	28,706,706	13,116,000	13,796,195	14,744,051
	Conditions still to be met - transferred to liabilities	30,062,037	13,057,634							
	Provincial Government:									
	Balance unspent at beginning of the year	389,320	4,895,518							
	Current year receipts	6,663,167	1,104,244		340,000	340,000	340,000	501,000	540,000	594,000
	Conditions met - transferred to revenue	1,976,187	4,075,780	-	340,000	340,000	340,000	501,000	540,000	594,000
	Conditions still to be met - transferred to liabilities	5,076,301	1,923,982							
	District Municipality:									
	Balance unspent at beginning of the year									
	Current year receipts		500,000		-	-	-			
	Conditions met - transferred to revenue	-	500,000	-	-	-	-	-	-	-
	Conditions still to be met - transferred to liabilities									
	Other grant providers:									
	Balance unspent at beginning of the year	879,190	1,088,919							
	Current year receipts	51,382	280,198							
	Conditions met - transferred to revenue	22,436	310,264	-	-	-	-	-	-	-
	Conditions still to be met - transferred to liabilities	908,136	1,058,853							
	Total operating transfers and grants revenue	21,298,305	19,439,410	-	11,790,000	28,891,000	29,046,706	13,617,000	14,336,195	15,338,051
	Total operating transfers and grants - CTBM	36,046,475	16,040,469	-	-	-	-	-	-	-
	Capital transfers and grants:									
	National Government:									
	Balance unspent at beginning of the year									
	Current year receipts	1,440,698	14,100,680		6,562,000	6,562,000	6,562,000	7,892,000	9,596,000	10,124,000
	Conditions met - transferred to revenue	1,440,698	14,100,680	-	6,562,000	6,562,000	6,562,000	7,892,000	9,596,000	10,124,000
	Conditions still to be met - transferred to liabilities									
	Provincial Government:									
	Balance unspent at beginning of the year									
	Current year receipts	683,500	3,467,678							
	Conditions met - transferred to revenue	683,500	3,467,678	-	-	-	-	-	-	-
	Conditions still to be met - transferred to liabilities									
	District Municipality:									
	Balance unspent at beginning of the year									
	Current year receipts	554,112	500,000							
	Conditions met - transferred to revenue	554,112	500,000	-	-	-	-	-	-	-
	Conditions still to be met - transferred to liabilities									
	Other grant providers:									
	Balance unspent at beginning of the year									
	Current year receipts		100,211							
	Conditions met - transferred to revenue	-	100,211	-	-	-	-	-	-	-
	Conditions still to be met - transferred to liabilities									
	Total capital transfers and grants revenue	2,678,310	18,168,569	-	6,562,000	6,562,000	6,562,000	7,892,000	9,596,000	10,124,000
	Total capital transfers and grants - CTBM	-	-	-	-	-	-	-	-	-
	TOTAL TRANSFERS AND GRANTS REVENUE	23,976,615	37,607,979	-	18,352,000	35,453,000	35,608,706	21,509,000	23,932,195	25,462,051
	TOTAL TRANSFERS AND GRANTS - CTBM	36,046,475	16,040,469	-	-	-	-	-	-	-

2.8 Councillor and employee benefits

MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration R	2007/08	2008/09	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
	A	B	C	D	E	F	G	H	I
<u>Councillors (Political Office Bearers plus Other)</u>									
Salary	539,471	710,481	896,833	1,035,200	1,035,200	1,035,200	1,301,580	1,407,673	1,548,439
Pension Contributions									
Medical Aid Contributions									
Motor vehicle allowance	180,708	237,996	298,946	345,067	345,067	345,067	401,065	433,149	476,463
Cell phone allowance	68,328	75,888	77,259	89,219	89,219	89,219	98,393	108,232	119,055
Housing allowance									
Other benefits or allowances									
In-kind benefits									
Sub Total - Councillors	788,507	1,024,365	1,273,038	1,469,486	1,469,486	1,469,486	1,801,038	1,949,054	2,143,957
% increase		29.91%	24.28%	15.43%	0.00%	0.00%	22.56%	8.22%	10.00%
<u>Senior Managers of the Municipality</u>									
Salary	1,252,162	1,396,549	1,495,684	1,641,657	1,641,657	1,641,657	1,777,538	1,859,302	2,045,241
Pension Contributions	123,018	66,617	147,223	172,308	172,308	172,308	183,174	197,829	217,611
Medical Aid Contributions	79,269	62,589	86,948	99,238	99,238	99,238	112,494	120,813	135,357
Motor vehicle allowance	261,792	283,536	409,308	341,505	341,505	341,505	363,666	338,373	311,889
Cell phone allowance									
Housing allowance									
Performance Bonus				50,000	50,000	50,000	202,543	202,543	202,543
Other benefits or allowances	4,534	4,616	6,162	22,840	22,840	22,840	20,924	23,773	25,730
In-kind benefits									
Sub Total - Senior Managers of Municipality	1,720,775	1,813,907	2,145,326	2,327,548	2,327,548	2,327,548	2,660,339	2,742,633	2,938,371
% increase		5.41%	18.27%	8.49%	0.00%	0.00%	14.30%	3.09%	7.14%
<u>Other Municipal Staff</u>									
Basic Salaries and Wages	4,538,917	4,849,303	6,043,088	6,078,090	6,078,090	6,078,090	6,361,519	7,069,808	7,808,691
Pension Contributions	512,842	459,836	1,355,963	972,013	972,013	972,013	1,003,967	1,139,583	1,253,614
Medical Aid Contributions	398,637	413,952	240,618	431,624	431,624	431,624	512,231	522,140	590,399
Motor vehicle allowance				72,000	72,000	72,000	84,000	72,000	72,000
Cell phone allowance									
Housing allowance	900	900	5,138	24,480	24,480	24,480	24,480	24,480	17,280
Overtime			186,686	155,000	155,000	155,000	200,000	200,000	155,000
Performance Bonus				-	-	-	-	-	-
Other benefits or allowances	437,520	557,951	68,809	412,977	412,977	412,977	375,182	440,653	474,529
In-kind benefits									
Sub Total - Other Municipal Staff	5,888,816	6,281,942	7,900,301	8,146,184	8,146,184	8,146,184	8,561,379	9,468,664	10,371,513
% increase		6.68%	25.76%	3.11%	0.00%	0.00%	5.10%	10.60%	9.54%
Total Parent Municipality	8,398,098	9,120,214	11,318,665	11,943,218	11,943,218	11,943,218	13,022,756	14,160,351	15,453,841
TOTAL SALARY, ALLOWANCES & BENEFITS	8,398,098	9,120,214	11,318,665	11,943,218	11,943,218	11,943,218	13,022,756	14,160,351	15,453,841
% increase		8.60%	24.11%	5.52%	0.00%	0.00%	9.04%	8.74%	9.13%
TOTAL MANAGERS AND STAFF	7,609,591	8,095,849	10,045,627	10,473,732	10,473,732	10,473,732	11,221,718	12,211,297	13,309,884

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

Disclosure of Salaries, Allowances & Benefits 1.	Salary	Contrib.	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum		1.			2.	3.
<u>Councillors</u>						
Speaker	429,711		182,731			612,442
Chief Whip						-
Executive Mayor						-
Deputy Executive Mayor						-
Executive Committee						-
Total for all other councillors	773,476		415,120			1,188,596
Total Councillors	1,203,187	-	597,851			1,801,038
<u>Senior Managers of the Municipality</u>						
Municipal Manager (MM)	727,605	5,231		64,689		797,525
Chief Finance Officer	325,662	98,440	121,222	43,567		588,891
Head Operational Manager	398,609	114,481	121,222	50,720		685,032
Head: Corporate Services	325,662	98,440	121,222	43,567		588,891
						-
Total Senior Managers of the Municipality	1,777,538	316,592	363,666	202,543	-	2,660,339
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	2,980,725	316,592	961,517	202,543	-	4,461,377

MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers Numbers	2009/10			Current Year 2010/11			Budget Year 2011/12		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	7	7		7	7		7	7	
Board Members of municipal entities									
Municipal employees									
Municipal Manager and Senior Managers	4	3	1	4	3	1	4	3	1
Other Managers	3	3		3	3		3	3	
Professionals	–	–	–	–	–	–	–	–	–
<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>									
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)	14	14		15	15		15	15	
Service and sales workers									
Skilled agricultural and fishery workers									
Craft and related trades									
Plant and Machine Operators	10	10		9	9		9	9	
Elementary Occupations	42	42		42	42		42	42	
TOTAL PERSONNEL NUMBERS	80	79	1	80	79	1	80	79	1
% increase				–	–	–	–	–	–
Total municipal employees headcount	73	72	1	73	72	1	73	72	1
Finance personnel headcount	9	9	–	9	9	–	9	9	–
Human Resources personnel headcount	2	2	–	3	3	–	2	2	–

2.9 Monthly targets for revenue, expenditure and cash flow

MBRR SA25 - Budgeted monthly revenue and expenditure

Description		Budget Year 2011/12												Medium Term Revenue and Expenditure		
R		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Revenue By Source																
	Property rates	3,993,222											-	3,993,222	4,956,281	5,712,541
	Property rates - penalties & collection charges	11,278	10,689	10,112	24,295	22,783	21,207	18,195	17,346	15,662	14,034	12,763	11,636	190,000	199,500	209,475
	Service charges - electricity revenue	534,544	555,127	555,642	505,714	509,393	507,257	527,945	539,078	505,080	522,616	495,514	653,677	6,411,587	7,617,578	9,111,156
	Service charges - water revenue	275,729	286,346	286,612	260,858	262,755	261,653	272,325	278,067	260,530	269,576	255,596	337,182	3,307,229	3,806,386	4,217,555
	Service charges - sanitation revenue	172,152	178,781	178,947	162,867	164,052	163,364	170,027	173,612	162,663	168,311	159,582	210,524	2,064,882	2,327,358	2,586,738
	Service charges - refuse revenue	228,427	237,223	237,443	216,107	217,679	216,767	225,607	230,365	215,836	223,330	211,749	279,342	2,739,875	3,150,546	3,418,192
	Service charges - other												-	-	-	-
	Rental of facilities and equipment	73,928	2,372	85,549	2,202	29,406	6,229	79,746	79,529	8,508	31,891	7,545	1,327	408,230	428,642	450,074
	Interest earned - external investments	14,484	-	30,457	11,550	13,613	35,348	7,515	10,423	33,254	7,526	9,805	1,123,025	1,297,000	1,361,850	1,429,943
	Interest earned - outstanding debtors	321	319	317	315	313	311	309	307	305	303	301	(121)	3,300	3,465	3,638
	Dividends received												-	-	-	-
	Fines	20	23	608	1,709	311	9	1,209	1,995	1,278	2,387	774	1,907	12,230	12,842	13,484
	Licences and permits	2,021	120	440	5,624	1,061	340	540	390	801	1,621	1,121	1,621	15,700	16,071	16,875
	Agency services	8,291	3,277	5,122	8,353	5,466	9,715	6,310	4,624	8,375	7,371	7,306	22,789	97,000	101,850	106,943
	Transfers recognised - operational	4,688,666	1,450,000		501,000	3,488,666			3,488,668				-	13,617,000	14,336,195	15,338,051
	Other revenue	62,410	10,130	16,604	9,475	25,303	9,540	11,614	37,287	11,232	21,167	9,890	694,703	919,356	965,400	1,013,724
	Gains on disposal of PPE												-	-	-	-
Total Revenue (excluding capital transfers and contribution)		10,065,494	2,734,407	1,407,854	1,710,068	4,740,800	1,231,740	1,321,342	4,861,691	1,223,523	1,270,133	1,171,946	3,337,612	35,076,611	39,283,964	43,628,389
Expenditure By Type																
	Employee related costs	638,389	838,634	772,126	874,756	769,317	995,869	774,079	793,315	995,869	1,751,182	802,609	1,215,573	11,221,718	12,211,297	13,309,884
	Remuneration of councillors	119,700	118,523	123,231	118,523	119,701	117,815	328,616	147,710	148,973	148,973	148,973	160,300	1,801,038	1,949,054	2,143,957
	Debt impairment											225,000	-	225,000	236,250	248,063
	Depreciation & asset impairment											3,357,000	-	3,357,000	3,860,550	4,465,370
	Finance charges											384,031	-	384,031	422,434	464,677
	Bulk purchases	271,680	402,495	1,065,334	367,858	375,437	372,633	388,966	408,182	372,209	370,801	394,842	850,440	5,640,877	7,012,243	8,812,024
	Other materials	32,197	58,839	72,507	53,888	58,695	94,330	91,146	60,513	46,453	42,775	64,689	93,913	769,945	811,604	858,686
	Contracted services												-	-	-	-
	Transfers and grants	2,296,004				2,296,004			2,296,004				371,030	7,259,043	8,330,043	9,054,043
	Other expenditure	1,044,228	892,588	1,841,207	1,483,953	1,037,486	2,263,669	702,405	512,059	1,434,426	588,182	761,392	(5,220,636)	7,341,959	7,808,388	8,147,926
	Loss on disposal of PPE											2,000	-	2,000	2,100	2,205
Total Expenditure		4,402,198	2,311,079	3,874,405	2,898,978	4,656,640	3,844,316	2,285,212	4,217,783	2,997,930	2,902,913	6,140,536	(2,529,380)	38,002,611	42,643,963	47,506,835
Surplus/(Deficit)		5,663,295	423,328	(2,466,551)	(1,188,910)	84,160	(2,612,576)	(963,870)	643,908	(1,774,407)	(1,632,780)	(4,968,590)	5,866,992	(2,926,000)	(3,359,999)	(3,878,446)
	Transfers recognised - capital	2,000,000	2,892,000	3,000,000									-	7,892,000	9,596,000	10,124,000
	Contributions recognised - capital												-	-	-	-
	Contributed assets												-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		7,663,295	3,315,328	533,449	(1,188,910)	84,160	(2,612,576)	(963,870)	643,908	(1,774,407)	(1,632,780)	(4,968,590)	5,866,992	4,966,000	6,236,001	6,245,554
	Taxation												-	-	-	-
	Attributable to minorities												-	-	-	-
	Share of surplus/ (deficit) of associate												-	-	-	-
Surplus/(Deficit) attributable to municipality		7,663,295	3,315,328	533,449	(1,188,910)	84,160	(2,612,576)	(963,870)	643,908	(1,774,407)	(1,632,780)	(4,968,590)	5,866,992	4,966,000	6,236,001	6,245,554

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

Description		Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
R		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Revenue by Vote																
	Executive and Council	6,703,471	4,342,000	3,064,371	513,844	3,505,905	37,717	30,005	3,489,796	29,140	27,001	3,718	(1,638,159)	20,108,809	23,065,498	24,421,471
	Budget and Treasury	4,150,265	25,296	83,628	48,647	78,283	39,842	88,589	145,908	46,795	57,619	3,204	2,553,510	7,321,566	7,896,474	8,979,229
	Corporate Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Planning and Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Community and Social Services	20	903	288	808	1,460	265	641	142	227	714	453	729	6,650	6,983	7,332
	Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Public Safety	-	-	-	-	-	-	-	-	529	132	-	44	705	740	777
	Sport and Recreation	154	-	192	492	542	4,144	5,492	3,992	1,992	102	696	105	17,900	18,870	19,868
	Environmental Protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Solid Waste Management	228,427	237,223	237,443	216,107	217,679	216,767	225,607	230,365	215,836	223,330	211,749	280,122	2,740,655	3,151,365	3,419,052
	Waste Water Management	172,152	178,781	178,947	162,867	164,052	163,364	170,027	173,612	162,663	168,311	185,818	510,524	2,391,118	2,653,594	2,912,974
	Road Transport	732	732	732	732	732	732	732	732	732	732	732	732	8,780	8,805	9,245
	Water	275,729	286,346	286,612	260,858	262,755	261,653	272,325	278,067	260,530	269,576	381,832	537,622	3,633,905	4,133,084	4,544,276
	Electricity	534,544	555,127	555,642	505,714	509,393	507,257	527,945	539,078	505,080	522,616	383,744	1,092,383	6,738,523	7,944,550	9,438,165
	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	?	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		12,065,493	5,626,408	4,407,854	1,710,068	4,740,800	1,231,741	1,321,342	4,861,691	1,223,523	1,270,133	1,171,945	3,337,612	42,968,611	48,879,963	53,752,389
Expenditure by Vote to be appropriated																
	Executive and Council	3,383,409	538,181	1,513,529	981,997	2,947,668	2,048,055	599,084	2,575,959	1,231,267	1,284,566	4,335,594	(6,716,358)	14,723,951	16,483,193	17,617,554
	Budget and Treasury	348,497	392,478	457,372	520,628	414,210	477,467	366,973	348,350	415,522	354,538	502,632	373,837	4,972,504	5,355,531	5,834,722
	Corporate Services	86,241	114,548	149,612	114,287	113,036	113,357	107,032	105,002	156,811	118,536	126,858	120,059	1,425,379	1,496,548	1,602,363
	Planning and Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Health	-	4,747	157	111	-	4,184	1,292	1,944	2,376	-	-	24,668	39,479	44,429	50,290
	Community and Social Services	63,575	88,980	65,327	77,573	71,315	65,887	64,997	68,836	90,578	64,087	82,337	187,727	991,219	1,066,548	1,169,053
	Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Public Safety	1,922	8,496	3,770	8,269	6,063	5,552	3,417	5,723	7,016	2,094	2,960	10,169	65,451	71,329	78,781
	Sport and Recreation	19,775	32,858	20,895	27,222	38,047	42,432	45,882	27,792	46,592	37,146	32,137	86,126	456,904	474,635	509,068
	Environmental Protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Solid Waste Management	92,434	127,444	114,846	147,531	124,569	100,830	97,726	118,619	131,752	139,934	108,846	1,175,316	2,479,847	2,651,869	2,893,921
	Waste Water Management	90,875	208,959	203,526	246,378	202,299	214,859	203,995	206,254	215,180	189,615	197,412	578,421	2,757,773	3,044,565	3,407,299
	Road Transport	94,447	238,733	209,355	200,665	192,062	219,023	187,893	187,537	183,039	182,636	181,735	791,817	2,868,942	3,179,552	3,579,007
	Water	18,401	103,724	94,348	129,667	82,717	78,992	106,180	81,862	87,024	77,181	94,349	106,661	1,061,086	1,220,713	1,374,333
	Electricity	202,622	450,931	1,041,668	444,650	464,654	473,678	500,761	489,905	430,773	452,580	475,676	732,178	6,160,076	7,555,051	9,390,444
	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	?	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		4,402,198	2,311,079	3,874,405	2,898,978	4,656,640	3,844,316	2,285,212	4,217,783	2,997,930	2,902,913	6,140,536	(2,529,379)	38,002,611	42,643,963	47,506,835
Surplus/(Deficit) before assoc.		7,663,295	3,315,329	533,449	(1,188,910)	84,160	(2,612,575)	(963,870)	643,908	(1,774,407)	(1,632,780)	(4,968,591)	5,866,991	4,966,000	6,236,000	6,245,554
	Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Share of surplus/(deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)		7,663,295	3,315,329	533,449	(1,188,910)	84,160	(2,612,575)	(963,870)	643,908	(1,774,407)	(1,632,780)	(4,968,591)	5,866,991	4,966,000	6,236,000	6,245,554

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

R	Description	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Revenue - Standard																
	Governance and administration	10,853,736	4,367,296	3,147,999	562,491	3,584,188	77,559	118,574	3,635,704	75,935	84,620	6,922	915,351	27,430,375	30,961,972	33,400,700
	Executive and council	6,703,471	4,342,000	3,064,371	513,844	3,505,905	37,717	30,005	3,489,796	29,140	27,001	3,718	(1,638,159)	20,108,809	23,065,498	24,421,471
	Budget and treasury office	4,150,265	25,296	83,628	48,647	78,283	39,842	88,569	145,908	46,795	57,619	3,204	2,553,510	7,321,566	7,886,474	8,979,229
	Corporate services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Community and public safety	174	903	479	1,300	2,002	4,409	6,132	4,133	2,748	948	1,149	879	25,255	26,593	27,977
	Community and social services	20	903	288	808	1,460	265	641	142	227	714	453	729	6,650	6,983	7,332
	Sport and recreation	154	-	192	492	542	4,144	5,492	3,992	1,992	102	696	105	17,900	18,870	19,868
	Public safety	-	-	-	-	-	-	-	-	529	132	-	44	705	740	777
	Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Economic and environmental services	732	732	732	732	732	732	732	732	732	732	732	732	8,780	8,805	9,245
	Planning and development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Road transport	732	732	732	732	732	732	732	732	732	732	732	732	8,780	8,805	9,245
	Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Trading services	1,210,852	1,257,477	1,258,644	1,145,546	1,153,879	1,149,941	1,195,904	1,221,122	1,144,109	1,183,833	1,163,143	2,420,651	15,504,201	17,882,593	20,314,467
	Electricity	534,544	555,127	555,642	505,714	509,393	507,257	527,945	539,078	505,080	522,616	383,744	1,092,383	6,738,523	7,944,550	9,438,165
	Water	275,729	286,346	286,612	260,858	262,755	261,653	272,325	278,067	260,530	269,576	381,832	537,622	3,633,905	4,133,084	4,544,276
	Waste water management	172,152	178,781	178,947	162,867	164,052	163,364	170,027	173,612	162,663	168,311	185,818	510,524	2,391,118	2,653,594	2,912,974
	Waste management	228,427	237,223	237,443	216,107	217,679	216,767	225,607	230,365	215,836	223,330	211,749	280,122	2,740,655	3,151,365	3,419,052
	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Revenue - Standard	12,065,493	5,626,408	4,407,854	1,710,068	4,740,800	1,231,741	1,321,342	4,861,691	1,223,523	1,270,133	1,171,945	3,337,612	42,968,611	48,879,963	53,752,389
Expenditure - Standard																
	Governance and administration	3,818,147	1,046,207	2,120,513	1,616,912	3,474,914	2,638,879	1,073,089	3,029,311	1,803,600	1,757,640	4,965,084	(6,222,462)	21,121,834	23,335,272	25,054,639
	Executive and council	3,383,409	539,181	1,513,529	981,997	2,947,668	2,048,055	599,084	2,575,959	1,231,267	1,284,566	4,335,594	(6,716,358)	14,723,951	16,483,193	17,617,554
	Budget and treasury office	348,497	392,478	457,372	520,628	414,210	477,467	366,973	348,350	415,522	354,538	502,632	373,837	4,972,504	5,365,531	5,834,722
	Corporate services	86,241	114,548	149,612	114,287	113,036	113,357	107,032	105,002	156,811	118,536	126,858	120,059	1,425,379	1,496,548	1,602,363
	Community and public safety	85,272	135,081	90,149	113,175	115,425	118,055	115,588	104,295	146,562	103,327	117,434	308,690	1,553,053	1,656,941	1,807,192
	Community and social services	63,575	88,980	65,327	77,573	71,315	65,887	64,997	68,836	90,578	64,087	82,337	187,727	991,219	1,066,548	1,169,053
	Sport and recreation	19,775	32,858	20,895	27,222	38,047	42,432	45,882	27,792	46,592	37,146	32,137	86,126	456,904	474,635	509,068
	Public safety	1,922	8,496	3,770	8,269	6,063	5,552	3,417	5,723	7,016	2,094	2,960	10,169	65,451	71,329	78,781
	Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Health	-	4,747	157	111	-	4,184	1,292	1,944	2,376	-	-	24,668	39,479	44,429	50,290
	Economic and environmental services	94,447	238,733	209,355	200,665	192,062	219,023	187,893	187,537	183,039	182,636	181,735	791,817	2,868,942	3,179,552	3,579,007
	Planning and development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Road transport	94,447	238,733	209,355	200,665	192,062	219,023	187,893	187,537	183,039	182,636	181,735	791,817	2,868,942	3,179,552	3,579,007
	Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Trading services	404,332	891,058	1,454,388	968,226	874,239	868,359	908,642	896,640	864,729	859,310	876,283	2,592,576	12,458,782	14,472,198	17,065,997
	Electricity	202,622	450,931	1,041,668	444,650	464,654	473,678	500,761	489,905	430,773	452,580	475,676	732,178	6,160,076	7,555,051	9,390,444
	Water	18,401	103,724	94,348	129,667	82,717	78,992	106,160	81,862	87,024	77,181	94,349	106,661	1,061,086	1,220,713	1,374,333
	Waste water management	90,875	208,959	203,526	246,378	202,299	214,859	203,995	206,254	215,180	189,615	197,412	578,421	2,757,773	3,044,565	3,407,299
	Waste management	92,434	127,444	114,846	147,531	124,569	100,830	97,726	118,619	131,752	139,934	108,846	1,175,316	2,479,847	2,651,869	2,893,921
	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Expenditure - Standard	4,402,198	2,311,079	3,874,405	2,898,978	4,656,640	3,844,316	2,285,212	4,217,783	2,997,930	2,902,913	6,140,536	(2,529,379)	38,002,611	42,643,963	47,506,835
	Surplus/(Deficit) before assoc.	7,663,295	3,315,329	533,449	(1,188,910)	84,160	(2,612,575)	(963,870)	643,908	(1,774,407)	(1,632,780)	(4,968,591)	5,866,991	4,966,000	6,236,000	6,245,554
	Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Surplus/(Deficit) for the year	7,663,295	3,315,329	533,449	(1,188,910)	84,160	(2,612,575)	(963,870)	643,908	(1,774,407)	(1,632,780)	(4,968,591)	5,866,991	4,966,000	6,236,000	6,245,554

MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Multi-year expenditure to be appropriated															
Executive and Council													-	-	-
Budget and Treasury													-	-	-
Corporate Services													-	-	-
Planning and Development													-	-	-
Health													-	-	-
Community and Social Services													-	-	-
Housing													-	-	-
Public Safety													-	-	-
Sport and Recreation													-	-	-
Environmental Protection													-	-	-
Solid Waste Management													-	-	-
Waste Water Management													-	-	-
Road Transport													-	-	-
Water													-	-	-
Electricity													-	-	-
Capital multi-year expenditure sub-total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated															
Executive and Council													-	-	-
Budget and Treasury	2,000,000												2,000,000	46,000	500,000
Corporate Services													-	-	-
Planning and Development													-	-	-
Health													-	-	-
Community and Social Services													-	-	-
Housing													-	50,000	-
Public Safety													-	-	-
Sport and Recreation													-	-	-
Environmental Protection													-	4,500,000	1,000,000
Solid Waste Management													-	-	-
Waste Water Management													-	5,000,000	5,000,000
Road Transport													-	-	-
Water		2,892,000	3,000,000										3,000,000	-	-
Electricity													2,892,000	-	-
Capital single-year expenditure sub-total	2,000,000	2,892,000	3,000,000	-	-	-	-	-	-	-	-	-	7,892,000	9,596,000	10,124,000
Total Capital Expenditure	2,000,000	2,892,000	3,000,000	-	-	-	-	-	-	-	-	-	7,892,000	9,596,000	10,124,000

MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Description	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Capital Expenditure - Standard															
Governance and administration	2,000,000	-	-	-	-	-	-	-	-	-	-	-	2,000,000	46,000	500,000
Executive and council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office	2,000,000	-	-	-	-	-	-	-	-	-	-	-	2,000,000	46,000	500,000
Corporate services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety	-	-	-	-	-	-	-	-	-	-	-	-	-	4,550,000	1,000,000
Community and social services	-	-	-	-	-	-	-	-	-	-	-	-	-	50,000	-
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	4,500,000	1,000,000
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	-	2,892,000	-	-	-	-	-	-	-	-	-	-	2,892,000	-	-
Planning and development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport	-	2,892,000	-	-	-	-	-	-	-	-	-	-	2,892,000	-	-
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	-	-	3,000,000	-	-	-	-	-	-	-	-	-	3,000,000	5,000,000	8,624,000
Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,000,000
Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,624,000
Waste water management	-	-	3,000,000	-	-	-	-	-	-	-	-	-	3,000,000	-	-
Waste management	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000,000	5,000,000
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	2,000,000	2,892,000	3,000,000	-	-	-	-	-	-	-	-	-	7,892,000	9,596,000	10,124,000

MBRR SA30 - Budgeted monthly cash flow

Description		Budget Year 2010/11											Medium Term Revenue and Expenditure			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year +1 2010/11	Budget Year +2 2011/12	Forecast 2012/13
R																
Cash Receipts By Source																
	Property rates	149,494	226,501	389,697	312,124	149,359	746,794	80,220	328,254	221,242	77,265	50,096	862,855	3,593,900	4,460,653	5,141,287
	Property rates - penalties & collection charges	18,408	4,371	5,298	16,788	13,398	74,934	3,766	12,194	535	-	76	21,233	171,000	179,550	188,528
	Service charges - electricity revenue	232,594	628,040	226,503	268,155	695,095	312,569	244,801	631,628	720,732	238,459	272,402	1,299,449	5,770,428	6,855,820	8,200,040
	Service charges - water revenue	135,813	366,716	132,256	156,577	405,870	182,511	142,941	368,811	420,839	139,238	159,057	365,878	2,976,506	3,425,747	3,795,800
	Service charges - sanitation revenue	85,276	230,259	83,043	98,314	254,844	114,598	89,752	231,575	264,243	87,427	98,871	219,192	1,858,394	2,094,622	2,328,064
	Service charges - refuse revenue	114,021	307,874	111,035	131,453	340,746	153,226	120,005	309,633	353,313	116,896	133,535	274,149	2,465,888	2,835,491	3,076,373
	Service charges - other												-	-	-	-
	Rental of facilities and equipment	24,945	27,755	86,177	1,737	19,262	19,817	28,933	147,254	9,829	28,022	8,794	5,705	408,230	428,642	450,074
	Interest earned - external investments	-	5,611	2,567	36,011	1,906	7,431	69,949	21,418	62,278	831,761	38,017	220,050	1,297,000	1,361,850	1,429,943
	Interest earned - outstanding debtors	388	386	384	382	380	378	376	373	371	369	367	(853)	3,300	3,465	3,638
	Dividends received												-	-	-	-
	Fines	4	21	20	4	838	393	3,248	392	803	1,084	259	5,165	12,230	12,842	13,484
	Licences and permits	1,415	84	308	3,937	742	238	378	273	560	1,135	784	5,845	15,700	16,071	16,875
	Agency services	8,291	3,277	5,122	8,353	5,466	9,715	6,310	4,624	8,375	7,371	7,306	22,789	97,000	101,850	106,943
	Transfers recognised - operational	3,016,666				3,016,667			3,016,667				4,567,000	13,617,000	14,336,195	15,338,051
	Other revenue	56,628	22,382	34,983	57,046	37,333	66,352	43,096	31,580	57,201	50,344	49,895	412,516	919,356	965,400	1,013,724
Cash Receipts by Source		3,843,944	1,823,277	1,077,395	1,090,879	4,941,906	1,688,956	833,774	5,104,675	2,120,323	1,579,370	820,460	8,280,973	33,205,932	37,078,199	41,102,823
Other Cash Flows by Source																
	Transfer receipts - capital	2,000,000	2,892,000	3,000,000									-	7,892,000	9,596,000	10,124,000
	Contributions recognised - capital & Contributed assets												-	-	-	-
	Proceeds on disposal of PPE												-	-	-	-
	Short term loans												-	-	-	-
	Borrowing long term/refinancing												-	-	-	-
	Increase (decrease) in consumer deposits	2,500	3,000	3,000	1,000	2,000	3,000	3,000	1,500	4,000	1,000	3,500	1,500	29,000	29,000	29,000
	Decrease (Increase) in non-current debtors	657	659	662	664	666	668	670	673	675	677	679	682	8,032	8,032	8,032
	Decrease (increase) other non-current receivables	2,825,459	1,708,514	948,426	1,243,158	1,127,639	2,457,727	606,338	671,485	1,345,290	2,767,364	718,150	1,895,825	18,315,375	20,696,374	22,559,047
	Decrease (increase) in non-current investments												-	-	-	-
Total Cash Receipts by Source		8,672,560	6,427,450	5,029,482	2,335,701	6,072,211	4,150,352	1,443,783	5,778,333	3,470,288	4,348,411	1,542,789	10,178,980	59,450,339	67,407,605	73,822,902
Cash Payments by Type																
	Employee related costs	638,389	838,634	772,126	874,756	769,317	995,869	774,079	793,315	995,869	1,751,182	802,609	1,215,573	11,221,718	12,211,297	13,309,884
	Remuneration of councillors	119,700	118,523	123,231	118,523	119,701	117,815	328,616	147,710	148,973	148,973	148,973	160,300	1,801,038	1,949,054	2,143,957
	Debt impairment	-	-	-	-	-	-	-	-	-	-	225,000	-	225,000	236,250	248,063
	Depreciation & asset impairment	-	-	-	-	-	-	-	-	-	-	3,357,000	-	3,357,000	3,860,550	4,465,370
	Finance charges	-	-	-	-	-	-	-	-	-	-	384,031	-	384,031	422,434	464,677
	Bulk purchases	271,680	402,495	1,065,334	367,858	375,437	372,633	388,966	408,182	372,209	370,801	394,842	850,440	5,640,877	7,012,243	8,812,024
	Other materials	32,197	58,839	72,507	53,888	58,695	94,330	91,146	60,513	46,453	42,775	64,689	93,913	769,945	811,604	858,686
	Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Transfers and grants	2,296,004	-	-	-	2,296,004	-	-	2,296,004	-	-	-	371,030	7,259,043	8,330,043	9,054,043
	Other expenditure	1,044,228	892,588	1,841,207	1,483,953	1,037,486	2,263,669	702,405	512,059	1,434,426	589,182	761,392	(5,220,636)	7,341,959	7,808,388	8,147,926
	Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	2,000	-	2,000	2,100	2,205
Cash Payments by Type		4,402,198	2,311,079	3,874,405	2,898,978	4,656,640	3,844,316	2,285,212	4,217,783	2,997,930	2,902,913	6,140,536	(2,529,380)	38,002,611	42,643,963	47,506,835
Other Cash Flows/Payments by Type																
	Capital assets	2,000,000	2,892,000	3,000,000	-								-	7,892,000	9,596,000	10,124,000
	Repayment of borrowing												-	-	-	-
	Other Cash Flows/Payments	867,983	599,140	323,444	361,523	350,534	756,002	203,278	211,394	452,215	861,078	219,486	569,081	5,775,158	6,063,916	6,367,112
Total Cash Payments by Type		7,270,181	5,802,219	7,197,849	3,260,501	5,007,174	4,600,318	2,488,490	4,429,177	3,450,145	3,763,991	6,360,022	(1,960,299)	51,669,769	58,303,879	63,997,947
NET INCREASE/(DECREASE) IN CASH HELD		1,402,379	625,231	(2,168,367)	(924,800)	1,065,036	(449,966)	(1,044,707)	1,349,156	20,143	584,420	(4,817,233)	12,139,279	7,780,570	9,103,726	9,824,956
Cash/cash equivalents at the month/year begin:			1,402,379	2,027,610	(140,757)	(1,065,558)	(521)	(450,488)	(1,495,195)	(146,039)	(125,897)	458,523	(4,358,710)	-	7,780,570	16,884,296
Cash/cash equivalents at the month/year end:		1,402,379	2,027,610	(140,757)	(1,065,558)	(521)	(450,488)	(1,495,195)	(146,039)	(125,897)	458,523	(4,358,710)	7,780,570	7,780,570	16,884,296	26,709,252

2.10 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).

2.11 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.

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

Vote	2007/08	2008/09	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	1,543,500	11,642,536	-	600,000	17,300,000	17,300,000	5,000,000	-	1,000,000
Infrastructure - Road transport	-	-	-	-	11,000,000	11,000,000	-	-	-
Roads, Pavements & Bridges					11,000,000	11,000,000			
Storm water									
Infrastructure - Electricity	-	-	-	-	5,700,000	5,700,000	-	-	-
Generation									
Transmission & Reticulation									
Street Lighting					5,700,000	5,700,000			
Infrastructure - Water	-	-	-	-	-	-	-	-	1,000,000
Dams & Reservoirs									1,000,000
Water purification									
Reticulation									
Infrastructure - Sanitation	1,543,500	11,642,536	-	600,000	600,000	600,000	3,000,000	-	-
Reticulation	1,543,500	11,642,536							
Sewerage purification				600,000	600,000	600,000	3,000,000		
Infrastructure - Other	-	-	-	-	-	-	2,000,000	-	-
Waste Management									
Transportation									
Gas									
Other							2,000,000		
Community	65,310	385,479	-	-	-	-	-	4,500,000	-
Parks & gardens									
Sportsfields & stadia								4,500,000	
Swimming pools									
Community halls									
Libraries		100,211							
Recreational facilities									
Fire, safety & emergency									
Security and policing									
Buses									
Clinics									
Museums & Art Galleries									
Cemeteries									
Social rental housing									
Other	65,310	285,268							
Heritage assets	-	5,000	-	-	-	-	-	-	-
Buildings									
Other		5,000							
Investment properties	-	-	-	-	-	-	-	-	-
Housing development									
Other									

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

Vote R	2007/08	2008/09	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Other assets	210,841	48,764	709,160	-	401,000	401,000	-	46,000	500,000
General vehicles			231,579						
Specialised vehicles									
Plant & equipment	40,629	18,714	137,504						
Computers - hardware/equipment	17,100	30,050	93,110		401,000	401,000			
Furniture and other office equipment	153,112		208,267						
Abattoirs									
Markets									
Civic Land and Buildings								46,000	500,000
Other Buildings									
Other Land									
Surplus Assets - (Investment or Inventory)									
Other			38,700						
Agricultural assets	-	-	-	-	-	-	-	-	-
List sub-class									
Biological assets	-	-	-	-	-	-	-	-	-
List sub-class									
Intangibles	-	-	12,639	-	-	-	-	-	-
Computers - software & programming			12,639						
Other (list sub-class)									
Total Capital Expenditure on new assets	1,819,651	12,081,779	721,799	600,000	17,701,000	17,701,000	5,000,000	4,546,000	1,500,000
Specialised vehicles	-	-	-	-	-	-	-	-	-
Refuse									
Fire									
Conservancy									
Ambulances									

MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

Vote R	2007/08	2008/09	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	1,052,400	5,634,670	4,529,853	5,962,000	5,962,000	5,962,000	2,892,000	5,000,000	7,624,000
Infrastructure - Road transport	386,000	2,014,166	1,724,789	3,709,000	3,709,000	3,709,000	2,892,000	-	-
Roads, Pavements & Bridges	386,000	2,014,166	1,724,789	3,709,000	3,709,000	3,709,000	2,892,000	-	-
Storm water	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	-	-	-	-	-	-	-	-	2,000,000
Generation	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	-	-	-	-	-	-	-	-	2,000,000
Street Lighting	-	-	-	-	-	-	-	-	-
Infrastructure - Water	666,400	3,620,504	567,768	-	-	-	-	-	624,000
Dams & Reservoirs	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-
Reticulation	666,400	3,620,504	567,768	-	-	-	-	-	624,000
Infrastructure - Sanitation	-	-	2,237,296	600,000	600,000	600,000	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	2,237,296	600,000	600,000	600,000	-	-	-
Infrastructure - Other	-	-	-	1,653,000	1,653,000	1,653,000	-	5,000,000	5,000,000
Waste Management	-	-	-	1,653,000	1,653,000	1,653,000	-	5,000,000	5,000,000
Transportation	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Community	-	-	-	-	-	-	-	50,000	1,000,000
Parks & gardens	-	-	-	-	-	-	-	-	-
Sportsfields & stadia	-	-	-	-	-	-	-	-	1,000,000
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	50,000	-
Social rental housing	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-

MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

Vote R	2007/08	2008/09	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Other assets	-	-	-	-	-	-	-	-	-
General vehicles									
Specialised vehicles									
Plant & equipment									
Computers - hardware/equipment									
Furniture and other office equipment									
Abattoirs									
Markets									
Civic Land and Buildings									
Other Buildings									
Other Land									
Surplus Assets - (Investment or Inventory)									
Other									
Agricultural assets	-	-	-	-	-	-	-	-	-
List sub-class									
Biological assets	-	-	-	-	-	-	-	-	-
List sub-class									
Intangibles	-	-	-	-	-	-	-	-	-
Computers - software & programming									
Other (list sub-class)									
Total Capital Expenditure on renewal of existing assets	1,052,400	5,634,670	4,529,853	5,962,000	5,962,000	5,962,000	2,892,000	5,050,000	8,624,000
Specialised vehicles	-	-	-	-	-	-	-	-	-
Refuse									
Fire									
Conservancy									
Ambulances									

MBRR SA34c - Repairs and maintenance expenditure by asset class

R	Description	2007/08	2008/09	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
	Repairs and maintenance expenditure by Asset Class/Sub-class									
	Infrastructure	142,031	214,849	125,397	348,300	348,300	297,024	350,300	367,965	386,369
	Infrastructure - Road transport	25,690	37,450	28,449	31,000	31,000	27,148	31,000	32,550	34,179
	Roads, Pavements & Bridges	25,690	37,450	28,449	31,000	31,000	27,148	31,000	32,550	34,179
	Storm water									
	Infrastructure - Electricity	87,580	99,927	42,394	81,500	81,500	45,378	81,500	85,575	89,855
	Generation				3,000	3,000	3,000	3,000	3,150	3,308
	Transmission & Reticulation	87,580	99,927	42,394	78,500	78,500	42,378	78,500	82,425	86,547
	Street Lighting									
	Infrastructure - Water	27,081	55,147	40,421	72,000	72,000	60,698	74,000	77,850	81,744
	Dams & Reservoirs	1,514	3,739		33,000	33,000	21,698	35,000	36,900	38,745
	Water purification									
	Reticulation	25,567	51,408	40,421	39,000	39,000	39,000	39,000	40,950	42,999
	Infrastructure - Sanitation	981	5,259	10,373	155,800	155,800	155,800	155,800	163,590	171,771
	Reticulation	981	5,259	10,373	155,800	155,800	122,585	155,800	163,590	171,771
	Sewerage purification									
	Infrastructure - Other	699	17,066	3,760	8,000	8,000	8,000	8,000	8,400	8,820
	Waste Management									
	Transportation	699	17,066	3,760	8,000	8,000	8,000	8,000	8,400	8,820
	Gas									
	Other									
	Community	37,905	29,763	55,653	67,600	67,600	55,206	79,600	83,581	87,984
	Parks & gardens	10,570	7,500	3,301	22,000	22,000	15,261	22,000	23,100	24,255
	Sportsfields & stadia									
	Swimming pools	6,870	8,773	16,764	10,000	10,000	9,877	12,000	12,600	13,230
	Community halls									
	Libraries	6,312	5,141	4,651	8,500	8,500	8,500	10,500	11,025	11,577
	Recreational facilities			1,713						
	Fire, safety & emergency	77	1,033	273	4,100	4,100	4,100	4,100	4,305	4,742
	Security and policing	6,919	2,289	19,316	18,000	18,000	12,468	26,000	27,300	28,666
	Buses									
	Clinics	4,844	1,203	6,681	3,000	3,000	3,000	3,000	3,150	3,308
	Museums & Art Galleries	82	1,192							
	Cemeteries	2,231	2,632	2,954	2,000	2,000	2,000	2,000	2,101	2,206
	Social rental housing									
	Other									
	Heritage assets	-	-	2,497	4,000	4,000	4,000	4,000	4,200	4,410
	Buildings			2,497	4,000	4,000	4,000	4,000	4,200	4,410
	Other									
	Other									
	Other assets	235,516	432,564	269,927	332,545	332,545	212,072	336,045	355,858	379,923
	General vehicles	41,959	101,651	72,338	90,000	90,000	57,309	92,400	100,030	111,522
	Specialised vehicles	93,089	110,919	75,701	80,000	80,000	58,904	80,000	84,000	88,200
	Plant & equipment	9,742	11,150			-	-			
	Computers - hardware/equipment	65,784	72,111	88,521	67,866	67,866	31,741	67,866	71,260	74,823
	Furniture and other office equipment				46,779	46,779	35,454	46,779	49,118	51,574
	Abattoirs									
	Markets									
	Civic Land and Buildings	24,942	136,733	33,367	47,900	47,900	28,664	49,000	51,450	53,804
	Other Buildings									
	Other Land									
	Surplus Assets - (Investment or Inventory)									
	Other									
	Total Repairs and Maintenance Expenditure	415,452	677,176	453,474	752,445	752,445	568,302	769,945	811,604	858,686

MBRR SA35 - Future financial implications of the capital budget

Vote Description	2011/12 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Present value
R							
Capital expenditure							
Executive and Council	-	-	-				
Budget and Treasury	2,000,000	46,000	500,000				
Corporate Services	-	-	-				
Planning and Development	-	-	-				
Health	-	-	-				
Community and Social Services	-	50,000	-				
Housing	-	-	-				
Public Safety	-	-	-				
Sport and Recreation	-	4,500,000	1,000,000				
Environmental Protection	-	-	-				
Solid Waste Management	-	5,000,000	5,000,000				
Waste Water Management	3,000,000	-	-				
Road Transport	2,892,000	-	-				
Water	-	-	1,624,000				
Electricity	-	-	2,000,000				
Total Capital Expenditure	7,892,000	9,596,000	10,124,000	-	-	-	-
Future operational costs by vote							
Executive and Council	-	-	-				
Budget and Treasury	133,366	140,545	147,952				
Corporate Services	46,779	49,118	51,574				
Planning and Development	-	-	-				
Health	3,000	3,150	3,308				
Community and Social Services	18,000	18,901	19,847				
Housing	-	-	-				
Public Safety	6,300	6,615	6,947				
Sport and Recreation	36,500	38,325	40,241				
Environmental Protection	-	-	-				
Solid Waste Management	8,700	9,135	9,592				
Waste Water Management	235,800	247,590	259,971				
Road Transport	116,500	122,325	128,444				
Water	74,000	77,850	81,744				
Electricity	91,000	98,050	109,066				
Other	-	-	-				
Total future operational costs	769,945	811,604	858,686	-	-	-	-
Future revenue by source							
Property rates							
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							
Total future revenue	-	-	-	-	-	-	-
Net Financial Implications	8,661,945	10,407,604	10,982,686	-	-	-	-

MBRR SA36 - Detailed capital budget per municipal vote

Municipal Vote/Capital project	Program/Project description	Project number	IDP Goal code 3.	Asset Class 4.	Asset Sub-Class 4.	Total Project Estimate	Prior year outcomes		2011/12 Medium Term Revenue & Expenditure Framework			Project information	
							Audited Outcome 2009/10	Current Year 2010/11	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Ward location	New or renewal
Parent municipality:													
List all capital projects grouped by Municipal Vote				Examples	Examples								
Road Transport	Upgrade of streets	4615	A	Infrastructure	Infrastructure - Road transport			12,000,000	2,892,000			1	Renewal
	Upgrade of streets	4615	A			1,724,789		709,000				2	Renewal
	Upgrade of streets	4616	A					1,000,000				3	Renewal
	Upgrade of streets	4617	A					1,000,000				4	Renewal
Electricity	Upgrade of network town	6414	A		Transmission & Reticulation						2,000,000	1	Renewal
	Change to pre-paid meters	6415	A					401,000				1	Renewal
	Street lighting	4622	A		Street Lighting			5,700,000				1,2,3 & 4	New
	High mast lighting	6421	A									3	New
	High mast lighting	6422	A									4	New
Water	Upgrade of water network	6612	A		Infrastructure - Water							3	Renewal
	Upgrade of water network	6613	A			567,768						4	Renewal
	Upgrade of water network	6614	A									1	Renewal
	Erection of reservoir	6813	A									3	New
Waste Water Management	Installation of waterborne sewerage	5416	A		Infrastructure - Sanitation	2,468,875						1	New
	Upgrade of sanitation pits	5413	A									3	Renewal
	Upgrade oxidation ponds	5422	A					600,000				2	Renewal
	Upgrade oxidation ponds	5423	A					600,000	3,000,000			3	New
Solid Waste Management	Upgrade refuse sites	5313	A		Infrastructure - Other			826,500				3	Renewal
	Upgrade refuse sites	5314	A					826,500				4	Renewal
	Upgrade refuse sites	5315	A							5,000,000	5,000,000	1	Renewal
Water	Water services plan	6815	A									1	Renewal
	Water services plan	6816	A									3	Renewal
	Water services plan	6817	A									4	Renewal
Budget and Treasury	Surface of runway	5212	A						2,000,000			1	Renewal
Sport and Recreation	Upgrade of sports field	3812	A	Community	Sportsfields & stadia					4,500,000		1	Renewal
	Upgrade of sports field	3813	A									4	Renewal
Budget and Treasury	Purchase of hall	3013	A		Community halls							1	Renewal
	Purchase of hall	3015	A									1	New
Community and Social Services	Fencing of library	1613	A		Libraries							1	New
Budget and Treasury	Ablution facilities for hawkers	3016	D		Recreational facilities							1	New
	Ablution facilities for hawkers	3017	A									3	New
	Ablution facilities for hawkers	3018	A									4	New
Community and Social Services	Lay out of cemetery	212	A		Cemeteries					50,000		4	New
Road Transport	Public transport plan	5012	E		Other							1	New
Community and Social Services	Purchase of horse cart	3212	D	Heritage assets	Other							1	New
Road Transport	Purchase of vehicles	3612	A	Other assets	General vehicles							1	New
	Purchase of vehicles	3613	A									1	New
Waste Water Management	Purchase of sanitation truck	5424	A		Specialised vehicles							1	New
	Purchase of LDV												
Public Safety	Purchase of vehicles	1812	E									1	New
Road Transport	Purchase of tools	3614	A		Plant & equipment	116,842						1	New
Electricity	Purchase of tools	6011	A			20,662						1	New
Community and Social Services	Purchase of equipment	1611	D			105,749							
Budget and Treasury	Purchase of computers	4411	A		Computers - hardware/equipment	208,267						1	New
	Survey of land	2816	A		Other Land					46,000	500,000	1	New
Community and Social Services	Revaluation of game	3411	D		Other	38,700							
Total Capital expenditure	-						5,251,652	23,663,000	7,892,000	9,596,000	10,124,000	10	-

MBRR SA37 - Projects delayed from previous financial year

The municipality has no projects that will be delayed from the previous year.

2.12 Legislation compliance status**Compliance****1. In year reporting****Reporting to****2. Internship programme**

The municipality is participating in the Municipal Financial Management Internship programme and has employed

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 detailed SDBIP document is at a draft stage and will be finalised after approval of the 2011/12 MTREF in April

6. Annual Report

The annual report is compiled in terms of the MFMA and National Treasury requirements

7. MFMA Training

MFMA training has not yet commenced.

8. Policies

An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March

2.13 Other supporting documents

MBRR Table SA1 - Supporting detail to budgeted financial performance

Description	2007/08	2008/09	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R										
REVENUE ITEMS:										
<u>Property rates</u>										
Total Property Rates	2,363,571	2,683,429	3,892,838	7,099,536	7,099,536	7,008,809	7,008,809	6,205,306	6,627,563	7,620,438
less Revenue Foregone	-	-	-	3,072,645	3,072,645	3,114,805	3,114,805	2,212,084	1,671,282	1,907,897
Net Property Rates	2,363,571	2,683,429	3,892,838	4,026,891	4,026,891	3,894,004	3,894,004	3,993,222	4,956,281	5,712,541
<u>Service charges - electricity revenue</u>										
Total Service charges - electricity revenue	2,836,573	3,725,463	4,466,913	5,280,111	5,280,111	5,207,404	5,207,404	6,411,587	7,617,578	9,111,156
less Revenue Foregone										
Net Service charges - electricity revenue	2,836,573	3,725,463	4,466,913	5,280,111	5,280,111	5,207,404	5,207,404	6,411,587	7,617,578	9,111,156
<u>Service charges - water revenue</u>										
Total Service charges - water revenue	2,175,676	2,624,724	2,974,678	3,083,081	3,083,081	3,094,063	3,094,063	3,307,229	3,806,386	4,217,555
less Revenue Foregone										
Net Service charges - water revenue	2,175,676	2,624,724	2,974,678	3,083,081	3,083,081	3,094,063	3,094,063	3,307,229	3,806,386	4,217,555
<u>Service charges - sanitation revenue</u>										
Total Service charges - sanitation revenue	3,050,289	3,809,413	1,847,552	1,935,853	1,935,853	1,926,160	1,926,160	2,064,882	2,327,358	2,586,738
less Revenue Foregone										
Net Service charges - sanitation revenue	3,050,289	3,809,413	1,847,552	1,935,853	1,935,853	1,926,160	1,926,160	2,064,882	2,327,358	2,586,738
<u>Service charges - refuse revenue</u>										
Total refuse removal revenue	-	-	2,470,537	2,588,384	2,588,384	2,584,448	2,584,448	2,739,875	3,150,546	3,418,192
Total landfill revenue										
less Revenue Foregone										
Net Service charges - refuse revenue	-	-	2,470,537	2,588,384	2,588,384	2,584,448	2,584,448	2,739,875	3,150,546	3,418,192
<u>Other Revenue by source</u>										
Fuel levy										
Other revenue	56,822	214,251	868,406	577,356	577,356	940,660	940,660	919,356	965,400	1,013,724
Total 'Other' Revenue	56,822	214,251	868,406	577,356	577,356	940,660	940,660	919,356	965,400	1,013,724
EXPENDITURE ITEMS:										
<u>Employee related costs</u>										
Salaries and Wages	5,791,079	6,245,851	7,538,772	7,719,747	7,719,747	7,719,747	7,719,747	8,139,057	8,929,110	9,853,932
Contributions to UIF, pensions, medical aid	1,555,819	1,357,062	1,697,224	1,942,993	1,942,993	1,942,993	1,942,993	2,046,834	2,267,539	2,502,263
Travel, motor car, accom; & other allowances	261,792	283,536	409,308	413,505	413,505	413,505	413,505	447,666	410,373	383,889
Housing benefits and allowances	900	900	5,138	24,480	24,480	24,480	24,480	24,480	24,480	17,280
Overtime	-	-	186,686	155,000	155,000	155,000	155,000	200,000	200,000	155,000
Performance bonus	-	-	-	50,000	50,000	50,000	50,000	202,543	202,543	202,543
Long service awards										
Payments in lieu of leave										
Post-retirement benefit obligations		208,499	208,499	168,007	168,007	168,007	168,007	161,138	177,252	194,977
sub-total	7,609,590	8,095,848	10,045,627	10,473,732	10,473,732	10,473,732	10,473,732	11,221,718	12,211,297	13,309,884
<u>Less: Employees costs capitalised to PPE</u>										
Total Employee related costs	7,609,590	8,095,848	10,045,627	10,473,732	10,473,732	10,473,732	10,473,732	11,221,718	12,211,297	13,309,884
<u>Contributions recognised - capital</u>										
List contributions by contract										
Total Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-
<u>Depreciation & asset impairment</u>										
Depreciation of Property, Plant & Equipment	1,325,331	1,470,315	2,544,117	2,630,601	2,630,601	2,630,601	2,630,601	3,357,000	3,860,550	4,465,370
Lease amortisation										
Capital asset impairment	278,481	130,279	15,874	-	-	-	-	-	-	-
Total Depreciation & asset impairment	1,603,812	1,600,594	2,559,991	2,630,601	2,630,601	2,630,601	2,630,601	3,357,000	3,860,550	4,465,370

MBRR Table SA1 - Supporting detail to budgeted financial performance

Description	2007/08	2008/09	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R										
Bulk purchases										
Electricity Bulk Purchases	2,015,240	2,772,497	3,690,255	4,012,822	4,012,822	5,031,860	5,031,860	5,640,877	7,012,243	8,812,024
Water Bulk Purchases										
Total bulk purchases	2,015,240	2,772,497	3,690,255	4,012,822	4,012,822	5,031,860	5,031,860	5,640,877	7,012,243	8,812,024
Contracted services										
<i>List services provided by contract</i>										
sub-total	-	-	-	-	-	-	-	-	-	-
Allocations to organs of state:										
Electricity										
Water										
Sanitation										
Other										
Total contracted services	-	-	-	-	-	-	-	-	-	-
Other Expenditure By Type										
Collection costs	-	-	-	35,000	35,000	-	-	35,000	35,000	35,000
Contributions to 'other' provisions	-	-	-	-	-	-	-	-	-	-
Consultant fees	-	-	-	-	-	-	-	-	-	-
Audit fees	303,686	746,733	996,134	1,110,000	1,110,000	899,848	899,848	1,110,000	1,221,000	1,343,100
General expenses	364,728	368,869	614,986	983,107	983,107	798,617	798,617	1,147,078	1,327,329	1,451,806
Internal charges (Activity Based Costing)	929,434	999,246	1,349,604	1,748,699	1,748,699	1,703,223	1,703,223	1,921,776	2,239,845	2,631,313
Internal recoveries (Activity Based Costing)	(840,756)	(984,994)	(1,349,605)	(1,748,699)	(1,748,699)	(1,754,002)	(1,754,002)	(1,921,776)	(2,239,847)	(2,631,317)
Advertisements, printing and stationery	91,835	111,311	145,994	147,000	147,000	126,990	126,990	147,000	154,348	162,060
Bank charges	50,989	62,043	69,485	65,902	65,902	71,997	71,997	82,282	90,510	99,561
Fuel and oil	376,946	501,589	387,160	440,284	440,284	371,871	371,871	460,284	480,822	502,388
Insurance costs	193,306	178,389	181,363	257,454	257,454	248,307	248,307	342,535	360,544	377,523
Legal fees	14,288	5,168	2,830	20,000	20,000	326	326	20,000	20,500	21,025
Membership fees	22,940	33,812	100,000	101,680	101,680	100,000	100,000	101,680	101,705	101,730
Operating Grant Expenditure	15,989,443	13,697,226	5,779,100	2,740,000	2,740,000	9,302,000	9,302,000	3,151,000	3,240,000	3,244,000
Telephone and postage	247,107	280,226	285,706	396,550	396,550	273,499	273,499	295,100	309,855	325,344
Travel and subsistence	425,803	437,667	469,651	450,000	450,000	535,553	535,553	450,000	466,777	484,393
Actuarial losses	-	-	702,816	-	-	-	-	-	-	-
Total 'Other' Expenditure	18,169,749	16,437,285	9,735,224	6,746,977	6,746,977	12,678,229	12,678,229	7,341,959	7,808,388	8,147,926
Repairs and Maintenance by Expenditure Item										
Employee related costs										
Other materials	415,452	677,176	453,474	752,445	752,445	568,302	568,302	769,945	811,604	858,686
Contracted Services										
Other Expenditure										
Total Repairs and Maintenance Expenditure	415,452	677,176	453,474	752,445	752,445	568,302	568,302	769,945	811,604	858,686

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

Description	Executive and Council	Budget and Treasury	Corporate Services	Planning and Development	Health	Community and Social Services	Housing	Public Safety	Sport and Recreation	Environmental Protection	Solid Waste Management	Waste Water Management	Road Transport	Water	Electricity	Total
R																
Revenue By Source																
Property rates	-	3,993,222	-	-	-	-	-	-	-	-	-	-	-	-	-	3,993,222
Property rates - penalties & collection charges	-	190,000	-	-	-	-	-	-	-	-	-	-	-	-	-	190,000
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,411,587	6,411,587
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	3,307,229	-	3,307,229
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	2,064,882	-	-	-	2,064,882
Service charges - refuse revenue	-	-	-	-	-	-	-	-	-	-	2,739,875	-	-	-	-	2,739,875
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	395,530	-	-	-	500	-	-	12,200	-	-	-	-	-	-	408,230
Interest earned - external investments	1,297,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,297,000
Interest earned - outstanding debtors	3,300	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,300
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	12,000	-	-	-	-	230	-	-	-	-	-	-	-	-	-	12,230
Licences and permits	-	7,420	-	-	-	-	-	-	-	-	-	-	8,280	-	-	15,700
Agency services	-	97,000	-	-	-	-	-	-	-	-	-	-	-	-	-	97,000
Transfers recognised - operational	10,903,043	1,735,249	-	-	-	-	-	-	-	-	-	326,236	-	326,236	326,236	13,617,000
Other revenue	1,466	903,145	-	-	-	5,920	-	705	5,700	-	780	-	500	440	700	919,356
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	12,216,809	7,321,566	-	-	-	6,650	-	705	17,900	-	2,740,655	2,391,118	8,780	3,633,905	6,738,523	35,076,611
Expenditure By Type																
Employee related costs	1,393,367	2,725,710	1,190,030	-	-	824,742	-	38,442	292,118	-	2,065,878	904,254	1,247,428	281,380	288,369	11,221,718
Remuneration of councillors	1,801,038	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,801,038
Debt impairment	225,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	225,000
Depreciation & asset impairment	-	1,119,000	-	-	-	-	-	-	-	-	-	1,119,000	1,119,000	-	-	3,357,000
Finance charges	-	384,031	-	-	-	-	-	-	-	-	-	-	-	-	-	384,031
Electricity Bulk Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,640,877	5,640,877
Other materials	-	133,366	46,779	-	3,000	18,000	-	6,300	36,500	-	8,700	235,800	116,500	74,000	91,000	769,945
Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants	7,259,043	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,259,043
Other expenditure	4,045,503	610,397	188,570	-	36,479	148,477	-	20,709	126,286	-	415,269	498,719	386,014	705,706	159,830	7,341,959
Loss on disposal of PPE	-	-	-	-	-	-	-	-	2,000	-	-	-	-	-	-	2,000
Total Expenditure	14,723,951	4,972,504	1,425,379	-	39,479	991,219	-	65,451	456,904	-	2,479,847	2,757,773	2,868,942	1,061,086	6,160,076	38,002,611
Surplus/(Deficit)	(2,507,142)	2,349,062	(1,425,379)	-	(39,479)	(984,569)	-	(64,746)	(439,004)	-	260,808	(366,655)	(2,860,162)	2,572,819	578,447	(2,926,000)
Transfers recognised - capital	7,892,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,892,000
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	5,384,858	2,349,062	(1,425,379)	-	(39,479)	(984,569)	-	(64,746)	(439,004)	-	260,808	(366,655)	(2,860,162)	2,572,819	578,447	4,966,000

MBRR Table SA3 – Supporting detail to Statement of Financial Position

R	Description	2007/08	2008/09	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
ASSETS											
	Call investment deposits										
	Call investment deposits	50,048,559	34,708,361	29,252,274				-	-	-	-
	Other current investments > 90 days										
	Total Call investment deposits	50,048,559	34,708,361	29,252,274	-	-	-	-	-	-	-
	Consumer debtors										
	Consumer debtors	8,436,150	7,723,941	8,986,856	3,420,864	3,420,864	3,420,864	3,420,864	1,870,680	2,205,765	2,525,566
	Less: Provision for debt impairment	(5,084,430)	(5,120,476)	(6,805,425)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)
	Total Consumer debtors	3,351,720	2,603,465	2,181,431	3,195,864	3,195,864	3,195,864	3,195,864	1,645,680	1,980,765	2,300,566
	Debt impairment provision										
	Balance at the beginning of the year	5,001,831	6,905,947	5,910,682	-	-	-	-	-	225,000	450,000
	Contributions to the provision	1,904,116		894,743	225,000	225,000	225,000	225,000	225,000	225,000	225,000
	Bad debts written off		(995,265)		-	-	-	-			
	Balance at end of year	6,905,947	5,910,682	6,805,425	225,000	225,000	225,000	225,000	225,000	450,000	675,000
	Property, plant and equipment (PPE)										
	PPE at cost/valuation (excl. finance leases)	37,083,031	54,633,844	59,851,189	6,562,000	23,663,000	23,663,000	23,663,000	7,892,000	9,596,000	10,124,000
	Leases recognised as PPE										
	Less: Accumulated depreciation	8,952,164	10,357,062	12,869,398	2,630,601	2,630,601	2,630,601	2,630,601	3,357,000	3,861,000	4,465,900
	Total Property, plant and equipment (PPE)	28,130,867	44,276,782	46,981,790	3,931,399	21,032,399	21,032,399	21,032,399	4,535,000	5,735,000	5,658,100
LIABILITIES											
	Current liabilities - Borrowing										
	Short term loans (other than bank overdraft)										
	Current portion of long-term liabilities	160,708	57,746		-	-	-	-			
	Total Current liabilities - Borrowing	160,708	57,746	-	-	-	-	-	-	-	-
	Trade and other payables										
	Trade and other creditors	60,981	3,102,996	527,960				-			
	Unspent conditional transfers	36,046,475	16,040,469	13,097,173	-	-	-	-			
	VAT	1,826,926	1,969,476	658,322	-	-	-	-			
	Total Trade and other payables	37,934,381	21,112,940	14,283,455	-	-	-	-	-	-	-
	Non current liabilities - Borrowing										
	Borrowing	57,746									
	Finance leases (including PPP asset element)										
	Total Non current liabilities - Borrowing	57,746	-	-	-	-	-	-	-	-	-
	Provisions - non-current										
	Retirement benefits	2,838,982	3,168,960	4,141,026	315,158	315,158	315,158	315,158	384,031	422,434	464,677
	List other major provision items										
	Refuse landfill site rehabilitation										
	Other										
	Total Provisions - non-current	2,838,982	3,168,960	4,141,026	315,158	315,158	315,158	315,158	384,031	422,434	464,677
CHANGES IN NET ASSETS											
	Accumulated Surplus/(Deficit)										
	Accumulated Surplus/(Deficit) - opening balance	7,920,315	28,222,729	44,849,448							
	GRAP adjustments										
	Restated balance	7,920,315	28,222,729	44,849,448	-	-	-	-	-	-	-
	Surplus/(Deficit)	1,085,521	17,171,905	2,156,559	4,342,000	21,443,000	26,282,000	26,282,000	4,966,000	6,236,001	6,245,554
	Appropriations to Reserves	(2,648,721)	(593,308)								
	Transfers from Reserves		48,122	395,191							
	Depreciation offsets										
	Other adjustments	21,865,614									
	Accumulated Surplus/(Deficit)	28,222,729	44,849,448	47,401,197	4,342,000	21,443,000	26,282,000	26,282,000	4,966,000	6,236,001	6,245,554
	Reserves										
	Housing Development Fund	805,497	757,374	362,183	-	-	-	-			
	Capital replacement	10,754,503	11,347,812	11,347,812							
	Capitalisation										
	Government grant										
	Donations and public contributions										
	Self-insurance										
	Other reserves (list)										
	Revaluation		39,900	54,450							
	Total Reserves	11,560,000	12,145,086	11,764,445	-	-	-	-	-	-	-
	TOTAL COMMUNITY WEALTH/EQUITY	39,782,728	56,994,533	59,165,642	4,342,000	21,443,000	26,282,000	26,282,000	4,966,000	6,236,001	6,245,554

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

Description of economic indicator	1996 Census	2001 Census	2007 Survey	2007/08	2008/09	2009/10	Current Year 2010/11	2011/12 Medium Term Revenue & Expenditure Framework		
Demographics										
Population		9,488	9,867	9,867	9,867	9,867	9,867	9,867	9,867	9,867
Females aged 5 - 14		1,854	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841
Males aged 5 - 14		1,865	1,834	1,834	1,834	1,834	1,834	1,834	1,834	1,834
Females aged 15 - 34		2,918	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120
Males aged 15 - 34		2,851	3,073	3,073	3,073	3,073	3,073	3,073	3,073	3,073
Unemployment										
Household income (households) (1.)										
None		22	59	59	59	59	59	59	59	59
R1 - R4800		2,209	2,496	2,496	2,496	2,496	2,496	2,496	2,496	2,496
R4800 - R9600		169	173	173	173	173	173	173	173	173
Poverty profiles (2.)										
Earning two social pensions and less										
Household/demographics (000)										
Number of people in municipal area		9,488	9,867	9,867	9,867	9,867	9,867	9,867	9,867	9,867
Number of poor people in municipal area		5,056	4,550	4,550	4,550	4,550	4,550	4,921	4,921	4,921
Number of households in municipal area		2,401	2,728	2,728	2,728	2,728	2,728	2,728	2,728	2,728
Number of poor households in municipal area		1,264	1,264	1,264	1,264	1,264	1,264	1,367	1,367	1,367
Definition of poor household (R per month)				1,640	1,740	1,880	2,020	2,160	2,300	2,440
Housing statistics (3.)										
Formal		53	46	46	46	46	46	50	50	50
Informal		2,319	2,575	2,658	2,658	2,658	2,658	2,758	2,758	2,758
Total number of households		82	153	70	70	70	70	70	70	70
Dwellings provided by municipality (4.)		-	2,401	2,728	2,728	2,728	2,728	2,828	2,828	2,828
Dwellings provided by province/s								100		
Dwellings provided by private sector (5.)										
Total new housing dwellings		-	-	-	-	-	-	100	-	-
Economic (6.)										
Inflation/inflation outlook (CPIX)				5.7%	5.7%	5.7%	5.7%	5.7%	6.2%	5.9%
Interest rate - borrowing				10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Interest rate - investment				6.0%	6.0%	6.0%	6.0%	6.0%	5.0%	5.0%
Remuneration increases				7.7%	7.7%	7.7%	7.7%	7.7%	8.2%	7.9%
Consumption growth (electricity)				0.4%	0.4%	0.4%	0.4%	0.4%	0.0%	0.0%
Consumption growth (water)				9.4%	9.4%	9.4%	9.4%	9.4%	0.0%	0.0%
Collection rates (7.)										
Property tax/service charges				81.0%	81.0%	81.0%	81.0%	81.0%	81.0%	81.0%
Rental of facilities & equipment				81.0%	81.0%	81.0%	81.0%	81.0%	81.0%	81.0%
Interest - external investments				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors				81.0%	81.0%	81.0%	81.0%	81.0%	81.0%	81.0%
Revenue from agency services				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

MBRR SA32 – List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R
Shared services	yrs	3	Internal Audit	30/06/2013	100,000
PIMMS	yrs	3	Contribution	30/06/2013	100,000

2.14 Municipal manager's quality certificate

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

Z.E. Dingile

Municipal Manager of Kareeberg Municipality (NC074)

Signature _____

Date _____