

DRAFT BUDGET OF JOE MOROLONG LOCAL MUNICIPALITY



JOE MOROLONG
LOCAL MUNICIPALITY

(NC 451)

2015/16 TO 2017/18 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Glossary

Adjustments Budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations – Money received from Provincial or National Government or other municipalities

AFS- Annual Financial Statements

Budget – The financial plan of the Municipality

Budget Related Policy – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy

Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's Statement of Financial Performance

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period

CFO - Chief Financial Officer

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality

KPI's – Key Performance Indicators. Measures of service output and/or outcome

MFMA – The Municipal Finance Management Act – No. 53 of 2003. The principle piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous three years and current years' financial position

NT – National Treasury

Operating Expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages

Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand

R&M – Repairs and maintenance on property, plant and equipment

SCM – Supply Chain Management

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget

Vote means one of the main segment into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and which specifies the total amount that is appropriated for the purpose of the department or functional area concerned.

Zero Based Budgeting means as opposed to incremental budgeting, zero-based budgeting means that each year's budget is drawn up independently from that of the previous year. This means that items are not included simply because they were in the previous budget. Each item has to be justified and motivated for and the purpose of each item is considered. All items in the capital are treated on a "zero-basis"

PART 1

MAYORAL BUDGET SPEECH

Madam Speaker, members of the Executive Committee, Councilors, Municipal Manager, other Senior Manager, guests, ladies and gentlemen, good morning to you all.

Let me start by quoting President Jacob Zuma during his SONA when he said “the year 2015 is the Year of the Freedom Charter and Unity in Action to Advance Economic Freedom. It is the year of going the extra mile in building a united, democratic, non-racial, non-sexist and prosperous South Africa”.

Madam Speaker, as the municipality we have been working tirelessly to ensure that the lives of our people improve and that service delivery needs are addressed. As a result the Council has reach the realization that going back to the basics as Minister Parvin Gordon’s vigorous expressed is what needs to be done. The Municipality launched a campaign “Operation Tsiboga” which aims to build relations with Traditional Leaders, communities and other stakeholders at large. It further, aim to improve communication and public participation in our local communities. Hence the establishment of the hotline which operates around the clock for community queries and complaints to be attended as a matter of urgent. An Audit Plan with all corrective measures has also been developed to address All Audit Findings of the previous Financial Year.

Ladies and gentlemen it is clear that the ANC led council means business in service delivery issues.

Madam Speaker allow me to extend my gratitude to all stakeholders that worked side by side with the Municipality in our unified struggle to improve the lives of our people.

We acknowledge that a lot still needs to be done in addressing all our challenges which I strongly believe that there is need for integrated solution from Government, NGOs, Communities and other Stakeholder.

Madam Speaker, the Joe Morolong Local Municipality is again for 2015/2016 budget year set the task to provide sustainable and economically viable local governance to our communities.

We find ourselves in a phase of economic difficulties and the provision of affordable and sustainable, quality services to all our communities remain high on the agenda. We find ourselves in a position where we have to continuously adapt our strategies to suit prevailing economic circumstances as we cannot isolate ourselves from the national and global economy.

The average inflation rate for the past year was 5.6% and the headline inflation forecast for forth coming financial year is estimated to be 4.8%, 5.9% and 5.6% respectively for 2016/17 and 2017/18.

It is with the aforementioned figures in mind that we still place strong emphasis on; value for money in all our procurement processes, the encouragement of savings and the maximizing of all revenue sources for the 2015/16 financial year, as we are still striving to secure the economic progression of the Municipality.

The budget I am tabling here today was prepared in accordance with the prescripts of the Municipal Finance Management Act, (Act 56 of 2003) and complies with Generally Recognized Accounting Practice as applicable to Local Government.

The budget was compiled, taking into account the Macro-economic growth parameters and also addresses the National Policy frameworks and provincial priorities including the following:

- Building of capacity for long term growth through investment in infrastructure
- Focus on core service delivery activities of local government
- Job creation and sustainable economic growth
- Participation in expanded public works programs and labour intensive projects.
- Protection of the poor through viable local economic development and strengthening of the social safety net.
- Effective and participative management through the regional management model.

- Maintaining of debt levels through debtor management as well as maximizing sources of revenue.
- Securing the health of the municipal asset base by increasing spending on repairs and maintenance.

The following underlying factors were also taken into consideration with the compilation of the 2015/16 budget:

- ❖ The National Policy framework with regards to basic service delivery to all our communities.
- ❖ External factors having a direct impact on the budget such as the Eskom tariff increase of 14.24%, bulk water tariff increase of 7.7%, consumer inflation, as well as other cost factors influencing service delivery.

FOCUS OF THE 2015/2016 BUDGET

- ❖ With the 2015/16 budget, emphasis is placed on the core service delivery obligations assigned to the municipality in the constitution.
- ❖ Maintenance and renewal of existing infrastructure should enjoy preference and we are focusing on preventative and scheduled maintenance preceded by proper planning processes.
- ❖ Innovative service delivery mechanisms such as the building of internal capacity to get more value for budget allocations.
- ❖ Provision of much needed infrastructure to ensure the economic progression of our communities
- ❖ Provision of basic services, improvement of the quality infrastructures well as sustainable service delivery.

CAPITAL BUDGET

The capital budget flows from the IDP process and contains information obtained from relevant stakeholders and communities through a public participation process as well as ward committee processes where applicable. The capital budget for the 2015/2016 financial year amounts to R 125.8 Million with the main focus on the following:

- ❖ Provision of water R 69.1 Million
- ❖ Roads R 17.6 Million

❖ Sanitation	R 20.9 Million
❖ Traffic Testing Centre	R 2.4 Million
❖ Sports & Recreations	R 8.4 Million
❖ Community Halls	R 4.0 Million
❖ Cemeteries	R 2.3 Million
❖ Computers, Offices Equipment & Other	R 0.8 Million
❖ Municipal Office Fencing	R 0.5 million

Capital projects for the 2015/1 financial year are funded from grants receivable from the National Government amounting to R 115.7 Million and own funding to the amount of R 10.1 Million

IN CONCLUSION

The budget we are tabling here today is another step closer in attaining the strategic goals of the municipality which includes amongst others, institutional development and transformation, service delivery to all our communities, the financial viability and sustainability of the municipality as well as good administration and public participation.

Thank you to the Municipal Manager who I believe has done an excellent job in leading the administration in the direction we both wish to move in and to the Directors and staff for their continued hard work in delivering services in line with the Municipality's vision of "A wealthy and prosperous local community with equal access to basic services and sustainable development opportunities".

I would like to thank Councillors who have a difficult task of balancing community expectation with limited resources.

I THANK YOU

M.D Moremi

MAYOR

Council's Budget Resolution

- ❖ Council of Joe Morolong Local Municipality, acting in terms of section 24 of the Municipality Finance Management Act: Act 56 of 2003, approves and adopt the Annual Budget for 2015/16 financial year and single-year capital appropriations as set-out in the core table contained in the bound budget document with effect from the a 1 July 2015.
 - ✓ Table A2: Budgeted Financial Performance (expenditure by standard classification)
 - ✓ Table A3: Budgeted Financial Performance (expenditure by municipal vote)
 - ✓ Table A4: Budgeted Financial Performance (revenue by source)
 - ✓ Table A5: Budgeted Capital Expenditure for both multi-year and single year appropriations by vote, standard classification and funding
- ❖ The council also, acting in terms of Section 75A of the municipality System Act, Act 32 of 2000, adopted with effect from 1 July 2015.
 1. Tariffs for property rates, electricity, water supply, sanitation services and solid waste services and tariffs for other services.
 2. And the Council of Joe Morolong approved cash backing implemented through the utilisation of bulk services fees and portion of revenue generated from property rates to ensure cash backing for unspent conditional grants for effectiveness to the Municipal budget as required by the legal prescripts, Section 8 of the municipality Budget and Reporting Regulations.

BUDGET RELATED POLICIES TABLED TO COUNCIL ALONG-SIDE WITH THE BUDGET:

- 1) Property Rates Policy
- 2) Banking and Investment Policy
- 3) Budget, Funding, Reserves & Virement Policy
- 4) Credit Control and Debt Collection Policy

- 5) Fixed Assets Policy
- 6) Indigent Policy
- 7) Risk Management Policy
- 8) Supply Chain Management Policy
- 9) Tariffs Policy
- 10) Fruitless and Wasteful Expenditure Policy
- 11) Cash Shortage Policy
- 12) Bad Debt Write Off Policy
- 13) Asset Management Policy
- 14) Petty Cash Policy

BUDGET RESOLUTION: 213/2014/15

1.1 Executive Summary

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all members of communities.

The municipality's service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on "nice to have" items in order to save money and improve service delivery. Key areas where savings were realized were on telephone and internet usage, workshops payment and catering.

- **National Treasury's MFMA Circular No. 67, 70, 74 and 75 was used to guide the compilation of the 2015/16 MTREF.**

- **The main challenges experienced during the compilation of the 2015/2015 MTREF can be summarized as follows:**
 - The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and cash position of the municipality;
 - Elimination of non-priority expenditure that does serve the interest of service delivery to communities
 - The municipality's inability to generate enough own revenue to assist the infrastructure challenges in our communities.
 - Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
 - Affordability of capital projects

- **The following budget principles and guidelines directly informed the compilation of the 2015/16 MTREF:**
 - The 2014/15 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2015/16 draft budget
 - The budget was prepared on a zero base principle and some of the operational expenses such as advertising, some contracted service and fuel expenses were prepared based on the 2014/2015 financial year performance.
 - Intermediate service level standards were used to inform the, targets and backlog eradication goals;
 - 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. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs. For the next financial year, tariffs and property rates have been increased and there are two separate tariffs and rates applicable to municipality; being the one for businesses and the other for residential
 - Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
 - There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the 2015/16 Medium-term Revenue and Expenditure Framework:

Table 1 Overview of the 2015/16 MTREF

	Adjustment Budget 2014/15 R '000	Budget Year 2015/16 R '000	Budget Year +1 2016/17 R 000	Budget Year +2 2017/18 R 000
Total Operating Revenue	R 136,514	R 172,893	R 167,617	R 171,025
Total Operating Expenditure	R 114,065	R 162,795	R 160,702	R 170,198
(Surplus)/Deficit for the year	R 22,448	R 10,095	R 6,915	R 0,827
Total Capital Expenditure	R 116,396	R 115,669	R 131,046	R 138,365

Total operating revenue has grown by R 36.4 million for the 2015/16 financial year when compared to the 2014/15 Adjustments Budget. For the two outer years, operational revenue will decrease by R 5.3 million and then increase by R 3.4 million respectively, equating to a total revenue growth of R 34.5 million over the MTREF when compared to the 2014/15 financial year. The decrease of R 5.3 million in 2016/17 financial year is as result of reduction in the operational grants

Total operating expenditure for the 2015/16 financial year has been appropriated at R 162.8 million and translates into a budgeted surplus of R 10.1 million. When compared to the 2014/15 Adjustments Budget, operational expenditure has increased by R 48.7 million in the 2015/16 budget as result of increase in spending for repairs and maintenance and will decrease by R 2.1 million and R 9.5 million for each of the respective outer years of the MTREF. The operating surplus for the two outer years increases to R 6.9million and then reduces to R 0.8 million. These surpluses will be used to fund capital expenditure and to further ensure cash backing of reserves and funds.

The capital budget of R 125.8 million for 2015/16 is 10 per cent less when compared to the 2014/15 Adjustment Budget. The decrease is due to the non allocation of RBIG and Kumba which was added on the 2014/15 Adjustment budget. The capital programme increases to R138 million in the 2016/17 financial year and R139.2 million in 2017/18. The capital budget will be funded from government grants and internally generated funds (surplus) over MTREF.

1.2. Operating Revenue Framework

For Joe Morolong local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality.

The reality is that we are faced with development backlogs, poverty and high unemployment.

The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Trading services are fully cost-reflective and ring-fenced;
- Determining the tariff escalation rate by calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of subsidised services; and
- Tariff policies of the municipality.

The following table is a summary of the 2015/16 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

NC451 Joe Morolong - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source									
Property rates	3 116	6 925	3 371	9 651	6 303	6 303	10 489	11 223	12 009
Property rates - penalties & collection charges									
Service charges - electricity revenue	7 467	5 177	4 914	7 249	5 855	5 855	6 598	7 435	8 378
Service charges - water revenue	6 295	10 262	5 315	6 419	6 746	6 746	6 798	7 172	7 566
Service charges - sanitation revenue	(1 844)	1 141	1 439	1 510	1 510	1 510	1 585	1 664	1 748
Service charges - refuse revenue	729	652	838	915	915	915	960	1 008	1 059
Service charges - other									
Rental of facilities and equipment	37	171	100	95	95	95	97	103	108
Interest earned - external investments	1 303	123	260		92	92	-	-	-
Interest earned - outstanding debtors		3 385	3 727	50	352	352	50	50	50
Dividends received									
Fines									
Licences and permits									
Agency services							109	116	123
Transfers recognised - operational	62 589	70 029	74 257	111 580	113 634	113 634	145 624	138 486	139 604
Other revenue	23 451	3 296	1 022	694	1 012	1 012	582	360	381
Gains on disposal of PPE									
Total Revenue (excluding capital transfers and contributions)	103 145	101 161	95 241	138 163	136 514	136 514	172 893	167 617	171 025

The following table gives a breakdown of source of income by categories for the year 2015/16 financial year.

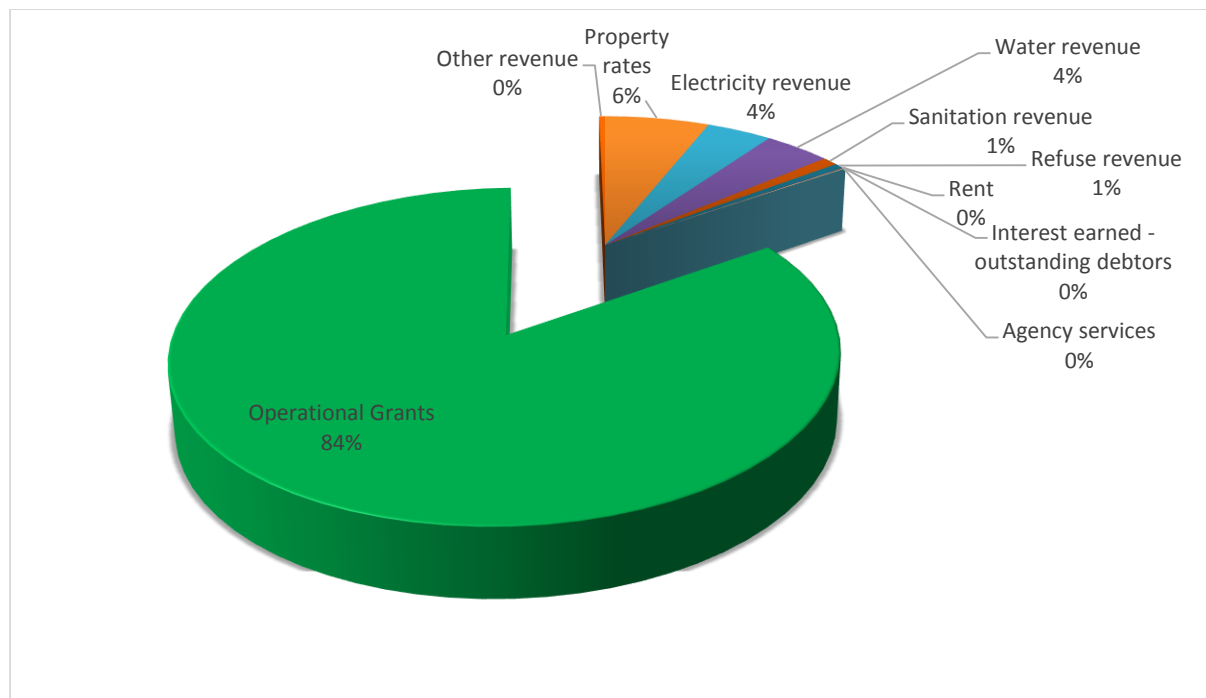


Table 3 Percentage growth in revenue by main revenue source

Description R thousand	Current Year 2015/16		2015/16 Medium Term Revenue & Expenditure Framework					
	ADJUSTED BUDGET	%	Budget Year 2015/16	%	Budget Year 2016/17	%	Budget Year 2017/18	%
Revenue By Source								
Property rates	6 303	4.62%	10 489	6.07%	11 223	6.70%	12 009	7.02%
Property rates - penalties & collection charges	–	0.00%	–	0.00%	–	0.00%	–	0.00%
Service charges - electricity revenue	5 855	4.29%	6 598	3.82%	7 435	4.44%	8 378	4.90%
Service charges - water revenue	6 746	4.94%	6 798	3.93%	7 172	4.28%	7 566	4.42%
Service charges - sanitation revenue	1 510	1.11%	1 585	0.92%	1 664	0.99%	1 748	1.02%
Service charges - refuse revenue	915	0.67%	960	0.56%	1 008	0.60%	1 059	0.62%
Service charges - other	–	0.00%	–	0.00%	–	0.00%	–	0.00%
Rental of facilities and equipment	95	0.07%	97	0.06%	103	0.06%	108	0.06%
Interest earned - external investments	92	0.07%	–	0.00%	–	0.00%	–	0.00%
Interest earned - outstanding debtors	352	0.26%	50	0.03%	50	0.03%	50	0.03%
Dividends received	–	0.00%	–	0.00%	–	0.00%	–	0.00%
Fines	2	0.00%	–	0.00%	–	0.00%	–	0.00%
Licences and permits	–	0.00%	–	0.00%	–	0.00%	–	0.00%
Agency services	–	0.00%	109	0.06%	116	0.07%	123	0.07%
Transfers recognised - operational	113 634	83.24%	145 624	84.23%	138 486	82.62%	139 604	81.63%
Other revenue	1 010	0.74%	582	0.34%	360	0.21%	381	0.22%
Gains on disposal of PPE	–	0.00%	–	0.00%	–	0.00%	–	0.00%
Total Revenue (excluding capital transfers and contributions)	136 514	100.00%	172 893	100.00%	167 617	100%	171 025	100%
Total Revenue from rates and service charges	21 328	16%	26 430	15%	28 503	17%	30 760	18%

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

The municipality's revenue from operating grants and transfers totals R145, 6 million in 2015/16 and steadily increases to R139.6 million by 2017/18 which translates to 84% in 2015/16 and decreases to 82% by 2017/18 of total revenue of municipality generated from grants, the revenue from operating grants form a significant percentage of the revenue basket for the Joe Morolong Local Municipality. The increase in property rates revenue in relation to the updated valuation, whereby there are additional mining development in the area. In terms of services charges mainly water municipality is busy installing the meters in all government sector department (e.g. schools, clinics, etc.) where they have been receiving water for free and decided to install prepaid meter for all new water projects that they undertake in order to manage water usage. Rates, service charges and other revenues comprise 16 percent in 2015/16 and 17 and 18 percent of the total revenue mix respectively in 2016/17 and 2017/18.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 4 Operating Transfers and Grant Receipts

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:									
Operating Transfers and Grants									
National Government:	61 379	69 806	73 667	107 758	107 758	107 758	142 694	135 440	136 385
Local Government Equitable Share	54 260	67 506	71 227	93 255	93 255	93 255	115 253	117 673	117 381
Water Services Operating Subsidy	3 875			10 000	10 000	10 000	22 500	15 000	15 826
Finance Management	1 887	1 500	1 550	1 600	1 600	1 600	1 675	1 810	2 145
Municipal Systems Improvement	965	800	890	934	934	934	930	957	1 033
EPWP Incentive	393			1 969	1 969	1 969	2 336		
Provincial Government:	684	223	590	969	3 023	3 023	-	-	-
Sport and Recreation	684	223	590	969	969	969			
Housing					2 054	2 054			
District Municipality:	525	-	-	-	-	-	-	-	-
<i>John Taolo Gaetsewe District Municipality</i>	525								
Other grant providers:	-	-	-	-	-	-	-	-	-
<i>[insert description]</i>									
Total Operating Transfers and Grants	62 589	70 029	74 257	108 727	110 781	110 781	142 694	135 440	136 385

1.2.1. Operational revenue assumptions – tariffs

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

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

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the

CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions.

1.2.2. Property Rates

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

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of all residential properties and of all properties used for multiple purposes, provided one or more components of such properties are used for residential purposes, is exempt from the payment of rates in terms of Section 17(1)(h) of the Property Rates Act.
- 100% rebate will granted to registered indigents in terms of the Indigent Policy

Table 5 Comparison of rates to be levied for the 2015/16 financial year

Category	Current Tariff (from 01 July 2014)	Approved Tariff (from 01 July 2015)
	c	c
Residential properties	0.00764	0.00818
State owned properties	0.01399	0.01497
Business & Commercial	0.01399	0.01497
Agricultural	0.00764	0.00818
Industrial	0.01399	0.01657
Mines	0.01549	0.01657

1.2.3 Sales of Water and Impact of Tariff Increases

South Africa in general faces similar challenges with regard to water supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

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

A tariff increase of 11 per cent as from 1 July 2015 for water. This is based on input cost assumption of 7.7 percent increase in the cost of bulk water (Sedibeng Water) and cost related to renewal of water infrastructure. In addition 6kl of water per 30 day period will again be granted for free to all the registered indigents.

Table 6 Approved Water Tariffs

Category	Current Tariffs 2014/15	Approved Tariffs 2015/16
Residential	Rand per kl	Rand per kl
0 – 10 kl	4.51	5.00
10 – 20 kl	5.63	6.25
> 20 kl	10.76	11.94
Business		
0 – 10 kl	11.26	12.50
10 – 20 kl	14.56	16.16
> 20 kl	19.87	22.06
Industrial		
0 – 10 kl	15.91	35.00
10 – 20 kl	19.20	45.00
> 20 kl	23.18	65.00

1.2.4. Sanitation and Impact of Tariff Increase

A tariff increase of 7 percent for sanitation from 1 July 2015 is approved by council.

Table 7 Comparison between current sanitation charges and increases

Categories	Current Tariffs 2014/15	Approved Tariffs 2015/16
Residential		
Availability charge	56.71	60.68
Basic charge	56.71	60.68
Charge per Toilet	78.44	83.93
Business		
Availability charge	65.19	69.75
Basic charge	65.19	69.75
Charge per Toilet	139.92	149.71

1.2.5 Refuse and Impact of Tariff Increases

A tariff increase of 7 percent for refuse from 1 July 2015 is approved by council

Table 8 Comparison between current refuse charges and increases

Categories	Current Tariffs 2014/15	Approved Tariffs 2015/16
Van Zylsrus		
Residential	22.79	24.39
Business (per container)	47.30	50.61
Hotazel		
Availability charge	38.90	41.63
Basic charge	38.90	41.63
Basic removal charge	114.80	122.83

1.2.6 Electricity and impact of Tariff Increases

A tariff increase of 12% percent for electricity from 1 July 2015 is approved by council as recommended by NERSA in MFMA Circular no: 75

Table 9 Comparison between current electricity charges and increases

Categories	Current Tariffs 2014/15	Approved Tariffs 2015/16
Hotazel		
Availability charge	77.27	87.07
Single Phased pre-paid		
-basic charge	66.31	74.73
-per kwh	1.22	1.38
Three phase pre-paid		
-basic charge	96.58	108.83
-per kwh	1.48	1.67
Normal metered		
-basic charge	96.58	108.83
-per kwh	1.22	1.38

The tariffs for 2015/16 MTREF are based on the following assumptions:

- That the demand for services will remain at the same levels, meaning that consumers will continue consuming at the same quantities as the previous period
- That the paying customers will continue paying for their services and those who cannot afford will register as indigents and benefit from free basic services
- That credit control policy will be applied to prevent customers in accumulating debt without paying the municipality and entering into a repayment arrangement with the municipality's finance department
- That non-paying customers including indigents who consume more than the approved quantum will be disconnected from services in line with the credit control policy until acceptable arrangements/payments are made
- That the municipality will take a conservative approach on tariff hike taking into account affordability and inflation
- That no surcharges will be implemented in their near future for all services
- That consumers will continue to switch over from post-paid to prepaid electricity metering
- That the municipality will charge a basic charge for the first 6kl of water will be not be charged and that indigent person will be fully subsidized for the same.
- That the average tariff increases will be as affordable as possible.

1.2.7 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 has been kept to between 6.6 per cent and 10.4 per cent, with the increase for indigent households being to 6.6 per cent.

Table 10– Table SA14 Household bills

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16 % incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Rand/cent										
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates			94.19	99.84	99.84	99.84	7.0%	106.83	114.31	122.31
Electricity: Basic levy										
Electricity: Consumption										
Water: Basic levy										
Water: Consumption			1 632.35	1 811.91	1 811.91	1 811.91	11.0%	2 011.22	2 232.45	2 478.02
Sanitation			314.05	332.89	332.89	332.89	7.0%	356.19	381.13	407.80
Refuse removal			165.30	175.22	175.22	175.22	7.0%	187.49	200.61	214.65
Other										
sub-total	-	-	2 205.89	2 419.86	2 419.86	2 419.86	10.0%	2 661.73	2 928.50	3 222.79
VAT on Services										
Total large household bill:	-	-	2 205.89	2 419.86	2 419.86	2 419.86	10.0%	2 661.73	2 928.50	3 222.79
% increase/-decrease		-	-	9.7%	-	-		10.0%	10.0%	10.0%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates			57.17	57.17	57.17	57.17	7.0%	61.17	65.45	70.04
Electricity: Basic levy										
Electricity: Consumption										
Water: Basic levy										
Water: Consumption			501.76	501.76	501.76	501.76	11.0%	556.95	618.22	686.22
Sanitation							-			
Refuse removal			24.50	24.50	24.50	24.50	7.0%	26.22	28.05	30.01
Other										
sub-total	-	-	583.43	583.43	583.43	583.43	10.4%	644.34	711.72	786.27
VAT on Services										
Total small household bill:	-	-	583.43	583.43	583.43	583.43	10.4%	644.34	711.72	786.27
% increase/-decrease		-	-	-	-	-		10.4%	10.5%	10.5%
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates								-	-	-
Electricity: Basic levy										
Electricity: Consumption			57.00	57.00	57.00	57.00	12.7%	64.23	72.38	81.57
Water: Basic levy			-	-	-	-				
Water: Consumption			4.06	4.06	4.06	4.06	11.0%	4.51	5.00	5.55
Sanitation			53.12	53.12	53.12	53.12	7.0%	56.84	60.82	65.07
Refuse removal			21.50	21.50	21.50	21.50	7.0%	23.01	24.62	26.34
Other										
sub-total	-	-	135.68	135.68	135.68	135.68	9.5%	148.58	162.82	178.54
VAT on Services										
Total small household bill:	-	-	135.68	135.68	135.68	135.68	9.5%	148.58	162.82	178.54
% increase/-decrease		-	-	-	-	-		9.5%	9.6%	9.7%

1.3 Operating Expenditure Framework

The Municipality's expenditure framework for the 2015/16 budget and MTREF is informed by the following:

- Budgetary constraints (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Funding compliance Budget Circular 42
- Operational gains and efficiencies will be directed to funding repairs and maintenance;
- Strict adherences to the principle of no project plan *no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2015/16 budget and MTREF (classified per main type of operating expenditure):

Table 11 Summary of operating expenditure by standard classification item

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Expenditure By Type										
Employee related costs	36 563	27 974	37 025	45 227	44 715	44 715	44 715	50 034	52 936	55 742
Remuneration of councillors	9 284	6 718	7 504	8 226	8 247	8 247	8 247	8 538	9 033	9 512
Debt impairment	56 089	32 578	2 336	1 213	1 213	1 213	1 213	1 322	1 394	1 471
Depreciation & asset impairment	67 954	20 507	24 326	9 826	7 717	7 717	7 717	10 000	10 550	11 130
Finance charges	2 402	96	232	884	899	899	899	934	943	951
Bulk purchases	6 306	8 926	11 018	11 169	9 469	9 469	9 469	10 852	12 091	13 473
Other materials	-									
Contracted services	-	82	168	4 636	8 700	8 700	8 700	16 040	18 347	19 316
Transfers and grants	66 067	115 727	13 705	2 021	2 471	2 471	2 471	5 491	5 937	6 427
Other expenditure	43 784	57 503	61 354	26 071	30 635	30 635	30 635	59 584	49 471	52 175
Loss on disposal of PPE										
Total Expenditure	288 449	270 111	157 668	109 273	114 065	114 065	114 065	162 795	160 702	170 198

The budgeted allocation for employee related costs for the 2015/16 financial year totals R50.0 million, which equals 31 per cent of the total operating expenditure. The previous year's collective SALGBC wage increase averaged above inflation. Salary increases have been factored into this budget at a percentage increase of 6.2 per cent for the 2015/16 financial year. An annual increase of 5.3 per cent has been included in the two outer years of the MTREF. The municipality have made provision

for under community services which was contracted with service provide to be incorporate to the organisational structure as the contract have come to an end.

In addition to the above there are new positions to be filled under certain departments; Budget and Treasury seven positions, Community Services four positions, Sewerage eight and Refuse two, Electricity two, and Water Unit two position.

The cost associated with the remuneration of Councillors is determined by the Minister of Cooperative 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.

The provision of debt impairment was determined based on an annual collection rate of 95 percent and the Debt Write-off Policy of the municipality. For the 2015/16 financial year this amount equates to R1.3 million and escalates to R1.5 million by 2017/18. While this expenditure is considered to be a non-cash flow item, it informed the total cost related to rendering the services of the municipality, as well as the municipality's realistically expected revenues to be collected.

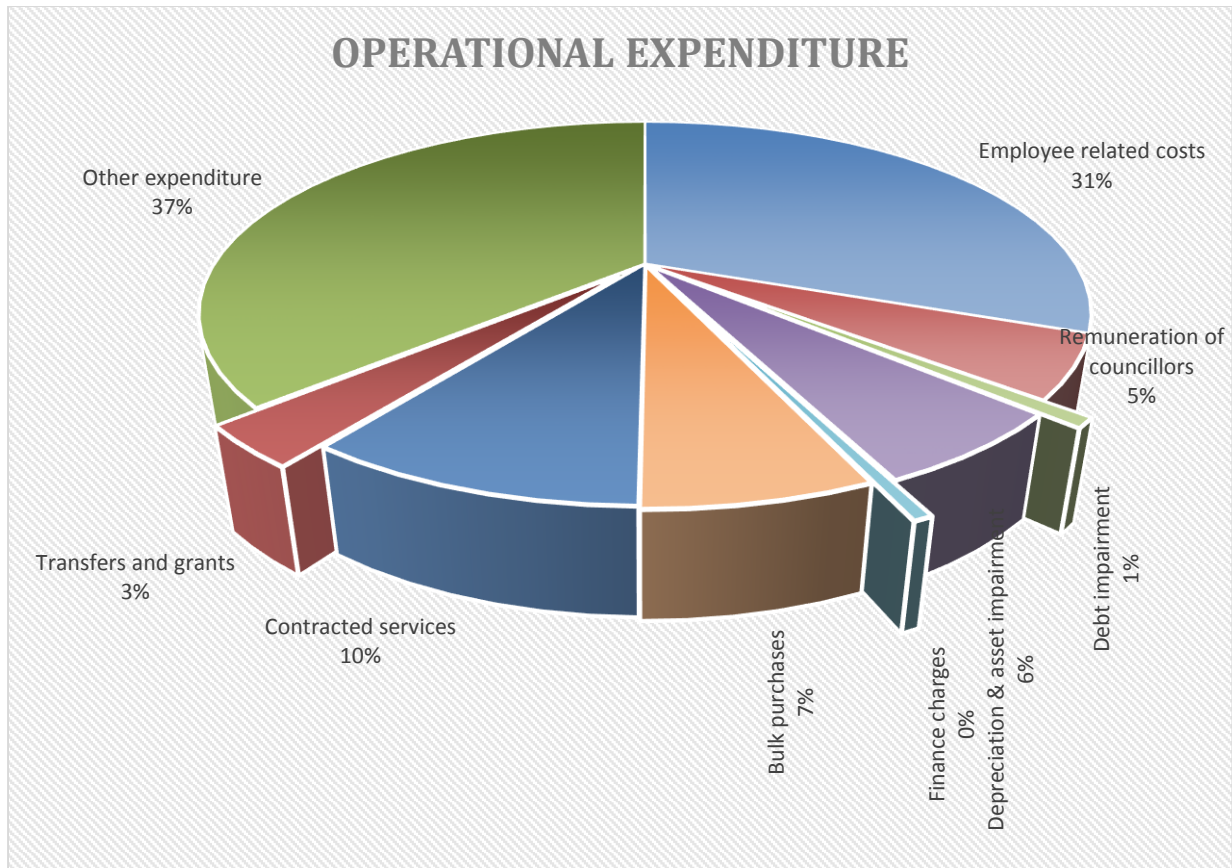
Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 0.81 percent (R0.93 million) of operating expenditure for 2015/16 and increases to R0.95 million by 2017/18.

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

Other expenditure comprises of various line items relating to the daily operations of the municipality including repairs and maintenance. This group of expenditure has also been investigated as a possible avenue where savings and efficiencies can be achieved but the cost under these items are relatively fixed due to the fact that we were already very conservative when compiling the budget, growth has been limited

to average increase of 5.5 per cent for 2015/16 unless there was a specific reason for such line item to be more than inflation.

The following table gives a breakdown of main expenditure categories for the year 2015/16 financial year.



1.3.1 Repairs and Maintenance

Table 12 Repairs and Maintenance per asset class

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE OTHER ITEMS									
<u>Depreciation & asset impairment</u>	67 954	20 507	24 326	9 826	7 717	7 717	10 000	10 550	11 130
<u>Repairs and Maintenance by Asset Class</u>	5 357	11 683	18 215	7 730	6 515	6 515	29 333	22 247	23 498
<i>Infrastructure - Road transport</i>	724	152	78	205	218	218	243	262	277
<i>Infrastructure - Electricity</i>	-	-	-	200	280	280	200	225	254
<i>Infrastructure - Water</i>	1 066	3 763	14 289	6 075	4 955	4 955	28 575	21 225	22 393
<i>Infrastructure - Sanitation</i>	-	-	13	135	80	80	10	11	11
<i>Infrastructure - Other</i>	-	2 215	848	310	305	305	15	16	17
Infrastructure	1 790	6 129	15 228	6 925	5 838	5 838	29 043	21 738	22 951
Community	942	16	187	80	40	40	80	84	89
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	2 625	5 538	2 800	725	637	637	210	424	458
TOTAL EXPENDITURE OTHER ITEMS	73 311	32 190	42 541	17 556	14 231	14 231	39 333	32 797	34 628

For the 2015/16 financial year, R29.0 million of total repairs and maintenance will be spent on infrastructure assets. Water infrastructure has received a significant proportion of this allocation totalling up to R28.6 million, followed by roads and electricity infrastructure by R 0.2 million each, other infrastructure and sanitation at R0.1 million. Community assets has been allocated R0.08 million and other assets has been allocated R0.2 million of total repairs and maintenance.

The total repairs and maintenance amounts to 2.3% of the total value Property, Plant and Equipment in the 2015/16 budget and decreases to at least 1.6% in the following year. We acknowledge that the municipality should provide at least 8% of the total value of assets for repair and maintenance as stated on MFMA Circular No 70, whereby the value of our municipal assets amount to R 1.0 billion. Currently the municipality's focus on the refurbishment of the water infrastructure mainly the old infrastructure.

1.4 Capital expenditure

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

Table 13 2015/16 Medium-term capital budget per vote

Vote Description	Current Year 2014/15		2014/15 Medium Term Revenue & Expenditure Framework						
	R thousand	Adjusted Budget	%	Budget Year 2015/16	%	Budget Year 2016/17	%	Budget Year 2017/18	%
Executive and council	600		0.43%	30	0.02%	–	0.00%	–	0.00%
Budget and treasury office	20		0.01%	195	0.16%	98	0.07%	349	0.25%
Corporate services	872		0.63%	550	0.44%	250	0.18%	200	0.14%
Community and social services	10 556		7.60%	6 426	5.11%	4 500	3.26%	–	0.00%
Public safety	–		0.00%	2 433	1.93%	1 592	1.15%	–	0.00%
Sport and recreation	–		0.00%	8 350	6.64%	8 680	6.29%	8 680	6.24%
Planning and development	400		0.29%	13	0.01%	–	0.00%	–	0.00%
Road transport	28 259		20.35%	17 555	13.96%	20 474	14.84%	4 215	3.03%
Water	78 890		56.82%	69 140	54.97%	90 505	65.60%	108 391	77.87%
Waste water management	19 247		13.86%	21 074	16.76%	11 863	8.60%	17 357	12.47%
Total Capital Expenditure - Standard	138 845		100%	125 767	100%	137 961	100%	139 192	100%

For 2015/16 an amount of R 125.8 million has been budgeted for the capital expenses and increases to R 139.2 million in 2017/18. For 2015/16 financial year an amount of R 107.6 million has been appropriated for development of Infrastructure which represent 85.5 per cent of the total capital budget. In the outer years this amount totals R 122.6million, 88.9 per cent and R 130 million, 93.4 per cent respectively for each of the financial years. For 2015/16 financial year water receives the highest allocation of R 69.1 million, which represent 54.9 per cent followed by waste water management at R 21.1 million at 16.8 per cent and then roads at R 17.5 million at 14 per cent.

Total budget for capital expenditure amount to R125.8 million.

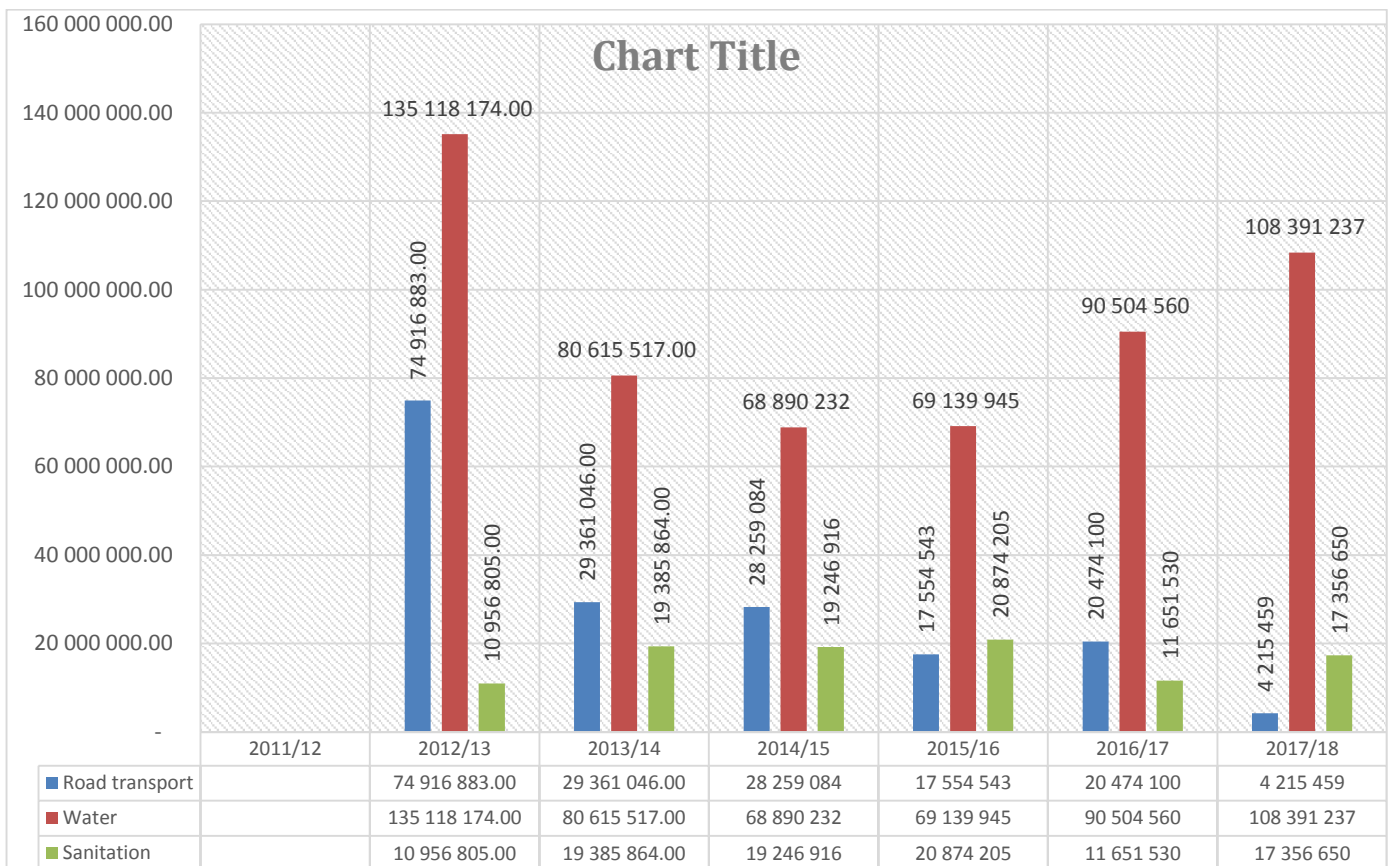
Capital budget for the 2014/15 financial year amounts to R125.8 Million with the main focus on the following:

- Provision of water R 69.1 Million
- Roads R 17.6 Million
- Sanitation R 20.9 Million
- Traffic Testing Centre R 2.4 Million
- Sports & Recreations R 8.4 Million

- Community Halls R 4.0 Million
- Cemeteries R 2.3 Million
- Computers, Offices Equipment & Other R 0.8 Million
- Municipal Office Fencing R 0.5 million

Capital projects for the 2015/1 financial year are funded from grants receivable from the National Government amounting to R 115.7 Million and own funding to the amount of R 10.1 Million.

The following graph provides a breakdown of capital budget to spent on infrastructure projects over the MTREF



1.5 Annual Budget Tables

The following 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 2015/16 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page

NC451 Joe Morolong - Table A1 Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands										
Financial Performance										
Property rates	3 116	6 925	3 371	9 651	6 303	6 303	6 303	10 489	11 223	12 009
Service charges	12 648	17 232	12 505	16 093	15 025	15 025	15 025	15 941	17 280	18 751
Investment revenue	1 303	123	260	-	92	92	92	-	-	-
Transfers recognised - operational	62 589	70 029	74 257	111 580	113 634	113 634	113 634	145 624	138 486	139 604
Other own revenue	23 489	6 852	4 849	839	1 460	1 460	1 460	839	629	662
Total Revenue (excluding capital transfers and contributions)	103 145	101 161	95 241	138 163	136 514	136 514	136 514	172 893	167 617	171 025
Employee costs	36 563	27 974	37 025	45 227	44 715	44 715	44 715	50 034	52 936	55 742
Remuneration of councillors	9 284	6 718	7 504	8 226	8 247	8 247	8 247	8 538	9 033	9 512
Depreciation & asset impairment	67 954	20 507	24 326	9 826	7 717	7 717	7 717	10 000	10 550	11 130
Finance charges	2 402	96	232	884	899	899	899	934	943	951
Materials and bulk purchases	6 306	8 926	11 018	11 169	9 469	9 469	9 469	10 852	12 091	13 473
Transfers and grants	66 067	115 727	13 705	2 021	2 471	2 471	2 471	5 491	5 937	6 427
Other expenditure	99 873	90 163	63 858	31 921	40 548	40 548	40 548	76 945	69 212	72 963
Total Expenditure	288 449	270 111	157 668	109 273	114 065	114 065	114 065	162 795	160 702	170 198
Surplus/(Deficit)	(185 305)	(168 950)	(62 426)	28 890	22 448	22 448	22 448	10 098	6 915	827
Transfers recognised - capital	65 513	136 743	127 472	104 205	116 396	116 396	116 396	115 669	131 046	138 365
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(119 791)	(32 207)	65 046	133 095	138 845	138 845	138 845	125 767	137 961	139 192
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(119 791)	(32 207)	65 046	133 095	138 845	138 845	138 845	125 767	137 961	139 192
Capital expenditure & funds sources										
Capital expenditure	2 656	246 156	131 146	133 095	138 845	138 845	138 845	125 767	137 961	139 192
Transfers recognised - capital	-	227 008	100 292	104 205	108 236	108 236	108 236	115 669	131 046	138 365
Public contributions & donations	-	-	29 340	-	8 160	8 160	8 160	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	2 656	19 148	1 514	28 890	22 448	22 448	22 448	10 098	6 915	827
Total sources of capital funds	2 656	246 156	131 146	133 095	138 845	138 845	138 845	125 767	137 961	139 192
Financial position										
Total current assets	54 964	39 103	47 757	9 458	25 576	25 576	25 576	22 939	37 092	51 921
Total non current assets	890 714	1 052 533	1 159 368	1 017 648	1 168 019	1 168 019	1 168 019	1 262 412	1 378 171	1 488 877
Total current liabilities	115 822	96 704	52 311	11 190	13 606	13 606	13 606	14 675	15 236	15 818
Total non current liabilities	5 406	5 087	4 194	4 387	3 851	3 851	3 851	4 145	3 834	3 520
Community wealth/Equity	824 450	989 844	1 150 620	1 011 529	1 176 138	1 176 138	1 176 138	1 266 531	1 396 193	1 521 460
Cash flows										
Net cash from (used) operating	(15 842)	230 544	149 643	136 892	150 879	150 879	150 879	139 700	152 570	154 463
Net cash from (used) investing	(2 674)	(245 794)	(131 146)	(133 073)	(138 845)	(138 845)	(138 845)	(125 767)	(137 961)	(139 192)
Net cash from (used) financing	2 394	(611)	(1 225)	(784)	(784)	(784)	(784)	(784)	(784)	(784)
Cash/cash equivalents at the year end	13 292	(2 568)	14 703	6 048	14 349	14 349	14 349	16 248	30 073	44 559
Cash backing/surplus reconciliation										
Cash and investments available	13 654	(2 568)	14 703	3 231	19 349	19 349	19 349	16 448	30 283	44 779
Application of cash and investments	153 264	51 647	(18 386)	2 036	1 825	1 825	1 825	8 546	8 847	9 155
Balance - surplus (shortfall)	(139 610)	(54 216)	33 089	1 195	17 524	17 524	17 524	7 902	21 436	35 624
Asset management										
Asset register summary (WDV)	890 352	1 052 533	1 159 368	1 017 648	1 168 019	1 168 019	1 262 412	1 262 412	1 378 171	1 488 877
Depreciation & asset impairment	67 954	20 507	24 326	9 826	7 717	7 717	10 000	10 000	10 550	11 130
Renewal of Existing Assets	-	-	-	10 500	10 250	10 250	10 250	500	-	-
Repairs and Maintenance	5 357	11 683	18 215	7 730	6 515	6 515	29 333	29 333	22 247	23 498
Free services										
Cost of Free Basic Services provided	-	-	1 915	2 011	2 461	2 461	5 491	5 491	5 937	6 427
Revenue cost of free services provided	-	-	-	-	-	-	28 470	28 470	30 502	32 694
Households below minimum service level										
Water:	2	2	2	2	2	2	2	2	1	1
Sanitation/sew erage:	3	3	3	3	3	3	3	3	3	3
Energy:	-	-	-	4	4	4	4	4	4	4
Refuse:	23	23	23	24	24	24	24	24	24	24

Table 14 – Table A1 Budget Summary

Explanatory notes: Table A1 Budget Summary

- 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).
- 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.
- Financial management reforms emphasizes 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 positive over the next three years (MTREF)
- Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognized is reflected on the Financial Performance Budget;
 - ii. Internally generated funds are financed from a combination of the current operating surplus.

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

NC451 Joe Morolong - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard									
<i>Governance and administration</i>	84 912	82 970	82 034	105 857	103 212	103 212	128 791	132 104	133 031
Executive and council	19 022	3 642	4 581	5 317	5 446	5 446	5 998	6 279	6 564
Budget and treasury office	64 973	79 176	77 307	100 285	97 460	97 460	122 522	125 561	126 186
Corporate services	918	152	146	256	306	306	271	264	281
<i>Community and public safety</i>	684	8 414	608	2 966	5 021	5 021	2 498	171	181
Community and social services	684	225	608	2 966	2 966	2 966	2 388	55	58
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	109	116	123
Housing	-	8 188	-	-	2 054	2 054	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	61 220	62 211	66 204	57 235	65 394	65 394	58 615	60 929	64 397
Planning and development	61 220	62 211	66 204	57 235	57 235	57 235	58 615	60 929	64 397
Road transport	-	-	-	-	8 160	8 160	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	21 842	84 309	73 868	76 310	79 283	79 283	98 658	105 460	111 782
Electricity	7 467	5 177	4 914	7 249	5 855	5 855	6 598	7 435	8 378
Water	15 489	77 339	66 677	66 636	71 004	71 004	89 515	95 352	100 597
Waste water management	(1 844)	1 141	1 439	1 510	1 510	1 510	1 585	1 664	1 748
Waste management	729	652	838	915	915	915	960	1 008	1 059
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	168 658	237 904	222 714	242 368	252 910	252 910	288 562	298 663	309 391
Expenditure - Standard									
<i>Governance and administration</i>	102 158	104 178	80 554	54 818	57 678	57 678	62 906	65 416	69 034
Executive and council	74 182	13 664	17 185	16 106	16 672	16 672	16 740	17 682	18 620
Budget and treasury office	10 732	72 040	41 299	27 019	29 746	29 746	34 372	33 316	35 080
Corporate services	17 244	18 474	22 070	11 693	11 259	11 259	11 793	14 418	15 335
<i>Community and public safety</i>	(8 032)	11 703	10 276	10 528	12 643	12 643	6 654	7 040	7 247
Community and social services	6 969	6 528	5 643	10 528	10 588	10 588	5 732	6 064	6 218
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	922	976	1 029
Housing	(15 001)	5 175	4 634	-	2 054	2 054	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	126 315	54 302	13 759	8 011	7 962	7 962	10 314	8 248	8 697
Planning and development	126 315	54 302	13 759	8 011	7 962	7 962	10 314	8 248	8 697
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	68 008	99 929	53 079	35 916	35 782	35 782	82 921	79 999	85 219
Electricity	3 540	2 194	7 002	6 688	5 268	5 268	8 380	9 421	10 591
Water	64 468	97 735	46 077	29 228	30 514	30 514	71 891	67 775	71 676
Waste water management	-	-	-	-	-	-	1 451	1 535	1 617
Waste management	-	-	-	-	-	-	1 199	1 269	1 336
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	288 449	270 111	157 668	109 273	114 065	114 065	162 795	160 702	170 198
Surplus/(Deficit) for the year	(119 791)	(32 207)	65 046	133 095	138 845	138 845	125 767	137 961	139 192

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

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.

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.

Note that as a general principle the revenues for the Trading Services should exceed their expenditures.

Table 16 – Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

NC451 Joe Morolong - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote									
Vote 1 - Executive & Council	19 022	3 642	4 581	5 317	5 446	5 446	5 998	6 279	6 564
Vote 2 - Budget & Treasury Office	64 973	79 176	77 307	100 285	97 460	97 460	122 522	125 561	126 186
Vote 3 - Corporate Support Services	918	152	146	256	306	306	271	264	281
Vote 4 - Community Services	(430)	10 207	2 884	5 391	7 445	7 445	5 043	2 844	2 988
Vote 5 - Technical Services	60 302	56 502	63 708	57 211	65 370	65 370	58 615	60 929	64 397
Vote 6 - Electricity Services	7 467	5 177	4 914	7 249	5 855	5 855	6 598	7 435	8 378
Vote 7 - Water Services	15 489	77 339	66 677	66 636	71 004	71 004	89 515	95 352	100 597
Vote 8 - Development & Town Planning Services	918	5 709	2 496	24	24	24	-	-	-
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	168 658	237 904	222 714	242 368	252 910	252 910	288 562	298 663	309 391
Expenditure by Vote to be appropriated									
Vote 1 - Executive & Council	74 182	13 664	17 185	16 106	16 672	16 672	16 740	17 682	18 620
Vote 2 - Budget & Treasury Office	10 732	72 040	41 299	27 019	29 746	29 746	34 372	33 316	35 080
Vote 3 - Corporate Support Services	17 244	18 474	22 070	11 693	11 259	11 259	11 793	14 418	15 335
Vote 4 - Community Services	(8 032)	11 703	10 276	10 528	12 643	12 643	9 305	9 843	10 200
Vote 5 - Technical Services	107 534	44 949	3 847	5 833	5 936	5 936	5 715	5 604	5 914
Vote 6 - Electricity Services	3 540	2 194	7 002	6 688	5 268	5 268	8 380	9 421	10 591
Vote 7 - Water Services	64 468	97 735	46 077	29 228	30 514	30 514	71 891	67 775	71 676
Vote 8 - Development & Town Planning Services	18 781	9 353	9 912	2 178	2 026	2 026	4 599	2 644	2 784
Vote 9 - [NAME OF VOTE 9]	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	288 449	270 111	157 668	109 273	114 065	114 065	162 795	160 702	170 198
Surplus/(Deficit) for the year	(119 791)	(32 207)	65 046	133 095	138 845	138 845	125 767	137 961	139 192

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

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 total budgeted operating and capital expenditure performance in relation to the organisational structure of the municipality. This table also presents the overall surplus of the municipality for each budget year. The operating expenditure is separately presented on table A4 and the capital expenditure presented on table A5

Table 17 – Table A4 Budgeted Financial Performance (revenue and expenditure)

NC451 Joe Morolong - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	R thousand Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source										
Property rates	3 116	6 925	3 371	9 651	6 303	6 303	6 303	10 489	11 223	12 009
Property rates - penalties & collection charges										
Service charges - electricity revenue	7 467	5 177	4 914	7 249	5 855	5 855	5 855	6 598	7 435	8 378
Service charges - water revenue	6 295	10 262	5 315	6 419	6 746	6 746	6 746	6 798	7 172	7 566
Service charges - sanitation revenue	(1 844)	1 141	1 439	1 510	1 510	1 510	1 510	1 585	1 664	1 748
Service charges - refuse revenue	729	652	838	915	915	915	915	960	1 008	1 059
Service charges - other										
Rental of facilities and equipment	37	171	100	95	95	95	95	97	103	108
Interest earned - external investments	1 303	123	260		92	92	92	-	-	-
Interest earned - outstanding debtors		3 385	3 727	50	352	352	352	50	50	50
Dividends received										
Fines										
Licences and permits										
Agency services								109	116	123
Transfers recognised - operational	62 589	70 029	74 257	111 580	113 634	113 634	113 634	145 624	138 486	139 604
Other revenue	23 451	3 296	1 022	694	1 012	1 012	1 012	582	360	381
Gains on disposal of PPE										
Total Revenue (excluding capital transfers and contributions)	103 145	101 161	95 241	138 163	136 514	136 514	136 514	172 893	167 617	171 025
Expenditure By Type										
Employee related costs	36 563	27 974	37 025	45 227	44 715	44 715	44 715	50 034	52 936	55 742
Remuneration of councillors	9 284	6 718	7 504	8 226	8 247	8 247	8 247	8 538	9 033	9 512
Debt impairment	56 089	32 578	2 336	1 213	1 213	1 213	1 213	1 322	1 394	1 471
Depreciation & asset impairment	67 954	20 507	24 326	9 826	7 717	7 717	7 717	10 000	10 550	11 130
Finance charges	2 402	96	232	884	899	899	899	934	943	951
Bulk purchases	6 306	8 926	11 018	11 169	9 469	9 469	9 469	10 852	12 091	13 473
Other materials	-									
Contracted services	-	82	168	4 636	8 700	8 700	8 700	16 040	18 347	19 316
Transfers and grants	66 067	115 727	13 705	2 021	2 471	2 471	2 471	5 491	5 937	6 427
Other expenditure	43 784	57 503	61 354	26 071	30 635	30 635	30 635	59 584	49 471	52 175
Loss on disposal of PPE										
Total Expenditure	288 449	270 111	157 668	109 273	114 065	114 065	114 065	162 795	160 702	170 198
Surplus/(Deficit)	(185 305)	(168 950)	(62 426)	28 890	22 448	22 448	22 448	10 098	6 915	827
Transfers recognised - capital	65 513	136 743	127 472	104 205	116 396	116 396	116 396	115 669	131 046	138 365
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-
Contributed assets										
Surplus/(Deficit) after capital transfers & contributions	(119 791)	(32 207)	65 046	133 095	138 845	138 845	138 845	125 767	137 961	139 192
Taxation										
Surplus/(Deficit) after taxation	(119 791)	(32 207)	65 046	133 095	138 845	138 845	138 845	125 767	137 961	139 192
Attributable to minorities										
Surplus/(Deficit) attributable to municipality	(119 791)	(32 207)	65 046	133 095	138 845	138 845	138 845	125 767	137 961	139 192
Share of surplus/ (deficit) of associate										
Surplus/(Deficit) for the year	(119 791)	(32 207)	65 046	133 095	138 845	138 845	138 845	125 767	137 961	139 192

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

Total operating revenue is R 172.9 Million for 2015/16 and decrease to R 167.6 and then increases to R 171.0 Million by 2016/17 and 2017/18 respectively.

Revenue to be generated from property rates will be R 10.5 Million in the 2015/16 and increase to R 12.0 million by 2017/18 financial year.

Services charges relating to electricity, water, sanitation and refuse removal constitutes R 15.9 million in 2015/16 and increases to R 18.7 million in 2017/18. This growth can mainly be attributed to the increase in the bulk prices of electricity and water.

Transfers recognised – operating income 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 increasing.

The total operational expenditure amounts to R 145.6 million for 2015/16 and decrease to R139.6 million by 2017/18.

The increase in the employee related cost is as results that the municipality will have to fill new positions under certain departments being; Budget and Treasury seven positions, Community Services four positions, Sewerage eight and Refuse two, Electricity two, and Water Unit two position

Table 18– Table A5 Budgeted Capital Expenditure by vote, standard classification and funding source

NC451 Joe Morolong - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury Office	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Support Services	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services	-	-	-	23 559	19 247	19 247	29 225	20 331	26 037
Vote 5 - Technical Services	-	-	-	16 788	20 099	20 099	17 555	20 474	4 215
Vote 6 - Electricity Services	-	-	-	-	-	-	-	-	-
Vote 7 - Water Services	-	-	-	13 859	14 859	14 859	68 890	90 241	108 113
Vote 8 - Development & Town Planning Services	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	-	-	-	54 205	54 205	54 205	115 669	131 047	138 365
Single-year expenditure to be appropriated									
Vote 1 - Executive & Council	2 200	861	667	622	600	600	30	-	-
Vote 2 - Budget & Treasury Office	-	528	521	231	20	20	195	98	349
Vote 3 - Corporate Support Services	456	372	327	1 105	872	872	550	250	200
Vote 4 - Community Services	-	25 767	19 386	12 533	10 556	10 556	9 059	6 303	-
Vote 5 - Technical Services	-	74 976	29 423	2 900	8 560	8 560	-	-	-
Vote 6 - Electricity Services	-	6 016	-	-	-	-	-	-	-
Vote 7 - Water Services	-	137 636	80 822	61 500	64 031	64 031	250	264	278
Vote 8 - Development & Town Planning Services	-	-	-	-	-	-	13	-	-
Capital single-year expenditure sub-total	2 656	246 156	131 146	78 890	84 640	84 640	10 098	6 914	827
Total Capital Expenditure - Vote	2 656	246 156	131 146	133 095	138 845	138 845	125 767	137 961	139 192
Capital Expenditure - Standard									
Governance and administration	2 656	1 761	1 515	1 958	1 492	1 492	775	348	549
Executive and council	2 200	861	667	622	600	600	30	-	-
Budget and treasury office	-	528	521	231	20	20	195	98	349
Corporate services	456	372	327	1 105	872	872	550	250	200
Community and public safety	-	14 810	-	21 092	10 556	10 556	17 210	14 772	8 680
Community and social services	-	14 810	-	12 533	10 556	10 556	6 426	4 500	-
Sport and recreation	-	-	-	8 559	-	-	8 350	8 680	8 680
Public safety	-	-	-	-	-	-	2 433	1 592	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	-	74 976	29 423	19 688	28 659	28 659	17 568	20 474	4 215
Planning and development	-	59	62	2 900	400	400	13	-	-
Road transport	-	74 917	29 361	16 788	28 259	28 259	17 555	20 474	4 215
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	-	154 609	100 208	90 359	98 137	98 137	90 214	102 367	125 748
Electricity	-	6 016	-	-	-	-	-	-	-
Water	-	137 636	80 822	75 359	78 890	78 890	69 140	90 505	108 391
Waste water management	-	10 957	19 386	15 000	19 247	19 247	21 074	11 863	17 357
Waste management	-	-	-	-	-	-	-	-	-
Other									
Total Capital Expenditure - Standard	2 656	246 156	131 146	133 095	138 845	138 845	125 767	137 961	139 192
Funded by:									
National Government	-	147 194	100 292	104 205	108 236	108 236	115 669	131 046	138 365
Provincial Government	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	79 814	-	-	-	-	-	-	-
Transfers recognised - capital	-	227 008	100 292	104 205	108 236	108 236	115 669	131 046	138 365
Public contributions & donations									
Borrowing	-	-	29 340	8 160	8 160	8 160	-	-	-
Internally generated funds	2 656	19 148	1 514	28 890	22 448	22 448	10 098	6 915	827
Total Capital Funding	2 656	246 156	131 146	133 095	138 845	138 845	125 767	137 961	139 192

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

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.

The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.

Capital expenditure has been appropriated at R 125.8 million for the 2015/16 financial year and increases over the MTREF to R 138 million and R 139.2 million respectively for the two outer years.

Unlike multi-year capital appropriations, all of our capital projects are expected to be completed with a single year 2015/2016. Included in our single-year appropriations is an expenditure that will be incurred in the 2015/16 budget year such as the procurement of computers and office furniture. 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.

The capital programme is funded from National Treasury capital transfers and internally generated funds from current year surpluses.

Table 19- Table A6 Budget Financial position

NC451 Joe Morolong - Table A6 Budgeted Financial Position

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS										
Current assets										
Cash	13 293	28	3 099	3 013	14 349	14 349	14 349	16 248	30 073	44 559
Call investment deposits	–	1 980	17 475	218	5 000	5 000	5 000	200	210	220
Consumer debtors	15 368	19 126	23 976	4 727	4 727	4 727	4 727	4 916	5 155	5 406
Other debtors	24 182	16 657	1 245							
Current portion of long-term receivables										
Inventory	2 121	1 312	1 962	1 500	1 500	1 500	1 500	1 575	1 654	1 736
Total current assets	54 964	39 103	47 757	9 458	25 576	25 576	25 576	22 939	37 092	51 921
Non current assets										
Long-term receivables										
Investments	362									
Investment property	3 085			3 085	–					
Investment in Associate										
Property, plant and equipment	887 240	1 052 533	1 159 054	1 014 183	1 167 639	1 167 639	1 167 639	1 261 992	1 377 751	1 488 228
Agricultural										
Biological										
Intangible	28	–	314	380	380	380	380	420	420	649
Other non-current assets										
Total non current assets	890 714	1 052 533	1 159 368	1 017 648	1 168 019	1 168 019	1 168 019	1 262 412	1 378 171	1 488 877
TOTAL ASSETS	945 678	1 091 635	1 207 125	1 027 106	1 193 595	1 193 595	1 193 595	1 285 351	1 415 263	1 540 798
LIABILITIES										
Current liabilities										
Bank overdraft		4 577	5 871							
Borrowing	611	627	627	784	784	784	784	784	784	784
Consumer deposits										
Trade and other payables	114 691	90 855	45 120	9 760	12 177	12 177	12 177	13 214	13 740	14 287
Provisions	519	645	693	645	645	645	645	677	711	747
Total current liabilities	115 822	96 704	52 311	11 190	13 606	13 606	13 606	14 675	15 236	15 818
Non current liabilities										
Borrowing	4 163	3 536	2 310	2 836	2 300	2 300	2 300	2 516	2 124	1 724
Provisions	1 244	1 551	1 884	1 551	1 551	1 551	1 551	1 629	1 710	1 796
Total non current liabilities	5 406	5 087	4 194	4 387	3 851	3 851	3 851	4 145	3 834	3 520
TOTAL LIABILITIES	121 228	101 791	56 505	15 577	17 457	17 457	17 457	18 820	19 070	19 338
NET ASSETS	824 450	989 844	1 150 620	1 011 529	1 176 138	1 176 138	1 176 138	1 266 531	1 396 193	1 521 460
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)	824 450	989 844	1 150 620	1 011 529	1 176 138	1 176 138	1 176 138	1 266 531	1 396 193	1 521 460
Reserves	–	–	–	–	–	–	–	–	–	–
Minorities' interests										
TOTAL COMMUNITY WEALTH/EQUITY	824 450	989 844	1 150 620	1 011 529	1 176 138	1 176 138	1 176 138	1 266 531	1 396 193	1 521 460

Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice, and improves understand-ability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
- 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.
- 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.
- 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.

Table 20- Table A7 Budgeted Cash Flow

NC451 Joe Morolong - Table A7 Budgeted Cash Flows

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	3 144	2 453	3 371	9 168	4 727	4 727	9 965	10 662	11 408
Service charges	(64 916)	28 098	45 458	15 288	13 823	13 823	15 144	16 416	17 814
Other revenue	23 489	3 426	3 355	646	13 100	13 100	783	573	605
Government - operating	61 664	70 029	74 257	111 580	110 781	110 781	145 624	138 486	139 604
Government - capital	67 916	327 252	127 487	104 205	119 249	119 249	115 669	131 046	138 365
Interest	1 303	123	260	40	269	269	48	48	48
Dividends							-	-	-
Payments									
Suppliers and employees	(106 039)	(200 742)	(104 313)	(103 935)	(108 935)	(108 935)	(144 635)	(141 432)	(149 738)
Finance charges	(2 402)	(96)	(232)	(100)	(115)	(115)	(149)	(157)	(166)
Transfers and Grants	-				(2 021)	(2 021)	(2 748)	(3 070)	(3 477)
NET CASH FROM/(USED) OPERATING ACTIVITIES	(15 842)	230 544	149 643	136 892	150 879	150 879	139 700	152 570	154 463
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE							-	-	-
Decrease (Increase) in non-current debtors							-	-	-
Decrease (increase) other non-current receivables							-	-	-
Decrease (increase) in non-current investments	(18)	362					-	-	-
Payments									
Capital assets	(2 656)	(246 156)	(131 146)	(133 073)	(138 845)	(138 845)	(125 767)	(137 961)	(139 192)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(2 674)	(245 794)	(131 146)	(133 073)	(138 845)	(138 845)	(125 767)	(137 961)	(139 192)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans							-	-	-
Borrowing long term/refinancing							-	-	-
Increase (decrease) in consumer deposits							-	-	-
Payments									
Repayment of borrowing	2 394	(611)	(1 225)	(784)	(784)	(784)	(784)	(784)	(784)
NET CASH FROM/(USED) FINANCING ACTIVITIES	2 394	(611)	(1 225)	(784)	(784)	(784)	(784)	(784)	(784)
NET INCREASE/ (DECREASE) IN CASH HELD	(16 122)	(15 861)	17 272	3 035	11 250	11 250	13 149	13 825	14 486
Cash/cash equivalents at the year begin:	29 414	13 293	(2 568)	3 013	3 099	3 099	3 099	16 248	30 073
Cash/cash equivalents at the year end:	13 292	(2 568)	14 703	6 048	14 349	14 349	16 248	30 073	44 559

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

The cash level of the municipality fell substantially from the 2011/12 to 2012/13 period resulting in an overdraft and started to increase from 2013/14 to 2017/18 budget.

The tabled budget for 2014/15 provide for a net increase in cash of R 3 million resulting in an overall projected positive cash position of R 6.1 million in the original budget and increases after adjustment budget to R 11.3 million at the year end of 2014/15.

The budgeted cash flow for 2015/16 provide for a net increase in cash of R 13.1 million resulting in an overall projected positive cash position of R 16.2 million.

Table 21- Table A8 Budgeted Cash Flow Cash Backed Reserves/Accumulated Surplus Reconciliation

NC451 Joe Morolong - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available										
Cash/cash equivalents at the year end	13 292	(2 568)	14 703	6 048	14 349	14 349	14 349	16 248	30 073	44 559
Other current investments > 90 days	0	-	-	(2 817)	5 000	5 000	5 000	200	210	220
Non current assets - Investments	362	-	-	-	-	-	-	-	-	-
Cash and investments available:	13 654	(2 568)	14 703	3 231	19 349	19 349	19 349	16 448	30 283	44 779
Application of cash and investments										
Unspent conditional transfers	17 063	-	-	-	-	-	-	-	-	-
Unspent borrowing	-	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	526	-	-	-	-	550	570	590
Other working capital requirements	136 202	51 647	(18 912)	2 036	1 825	1 825	1 825	7 996	8 277	8 565
Other provisions	-	-	-	-	-	-	-	-	-	-
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:	153 264	51 647	(18 386)	2 036	1 825	1 825	1 825	8 546	8 847	9 155
Surplus(shortfall)	(139 610)	(54 216)	33 089	1 195	17 524	17 524	17 524	7 902	21 436	35 624

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

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

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”.

Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

Explanatory notes to Table A9 - Asset Management

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

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 doesn't meet the above recommendations.

The total repairs and maintenance amounts to 2.3% of the total value Property, Plant and Equipment in the 2015/16 budget and decreases to at least 1.6% in the following year. We acknowledge that the municipality should provide at least 8% of the total value of assets for repair and maintenance as stated on MFMA Circular No 70. The value of our municipal assets amount to R 1.0 billion and the total budgeted repairs and maintenance amount to R 29.3 million and decreases to R 22.2 million and then R 23.5 million respectively for the outer years.

Table 23- Table A10 Basic Service Delivery Measurement

NC451 Joe Morolong - Table A10 Basic service delivery measurement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets	1									
Water:										
Piped water inside dwelling		3 718	3 718	3 718	3 718	3 718	3 718	3 818	3 868	3 918
Piped water inside yard (but not in dwelling)										
Using public tap (at least min.service level)	2	18 048	18 048	18 048	18 048	18 048	18 048	18 248	18 448	18 698
Other water supply (at least min.service level)	4									
<i>Minimum Service Level and Above sub-total</i>		21 766	21 766	21 766	21 766	21 766	21 766	22 066	22 316	22 616
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply		1 941	1 941	1 941	1 941	1 941	1 941	1 691	1 491	1 241
<i>Below Minimum Service Level sub-total</i>		1 941	1 941	1 941	1 941	1 941	1 941	1 691	1 491	1 241
Total number of households	5	23 707	23 707	23 707	23 707	23 707	23 707	23 757	23 807	23 857
Sanitation/sewerage:										
Flush toilet (connected to sewerage)										
Flush toilet (with septic tank)		2 131	2 131	2 131	2 131	2 131	2 131	2 131	2 131	2 131
Chemical toilet										
Pit toilet (ventilated)		18 254	18 254	18 254	18 254	18 254	18 254	18 454	18 654	18 954
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		20 385	20 385	20 385	20 385	20 385	20 385	20 585	20 785	21 085
Bucket toilet		469	469	469	469	469	469	419	369	319
Other toilet provisions (< min.service level)										
No toilet provisions		2 432	2 432	2 432	2 853	2 853	2 853	2 753	2 653	2 453
<i>Below Minimum Service Level sub-total</i>		2 901	2 901	2 901	3 322	3 322	3 322	3 172	3 022	2 772
Total number of households	5	23 286	23 286	23 286	23 707	23 707	23 707	23 757	23 807	23 857
Energy:										
Electricity (at least min.service level)										
Electricity - prepaid (min.service level)		19 384	19 384	19 384	19 384	19 384	19 384	19 634	19 834	19 984
<i>Minimum Service Level and Above sub-total</i>		19 384	19 384	19 384	19 384	19 384	19 384	19 634	19 834	19 984
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources					4 323	4 323	4 323	4 123	3 973	3 873
<i>Below Minimum Service Level sub-total</i>		-	-	-	4 323	4 323	4 323	4 123	3 973	3 873
Total number of households	5	19 384	19 384	19 384	23 707	23 707	23 707	23 757	23 807	23 857
Refuse:										
Removed at least once a week										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		1 581	1 581	1 581	1 581	1 581	1 581	1 581	1 581	1 681
Using communal refuse dump										
Using own refuse dump		19 146	19 146	19 146	19 146	19 146	19 146	19 196	19 246	19 196
Other rubbish disposal										
No rubbish disposal		2 707	2 707	2 707	2 980	2 980	2 980	2 980	2 980	2 930
<i>Below Minimum Service Level sub-total</i>		23 434	23 434	23 434	23 707	23 707	23 707	23 757	23 807	23 807
Total number of households	5	23 434	23 434	23 434	23 707	23 707	23 707	23 757	23 807	23 807
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)				8 480	8 195	8 195	8 195	8 195	8 195	8 195
Sanitation (free minimum level service)										
Electricity/other energy (50kwh per household per month)				8 480	8 195	8 195	8 195	8 195	8 195	8 195
Refuse (removed at least once a week)										
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)				100	105	105	105	3 343	3 517	3 700
Sanitation (free sanitation service)										
Electricity/other energy (50kwh per household per month)				1 815	1 906	2 356	2 356	2 148	2 420	2 727
Refuse (removed once a week)										
Total cost of FBS provided (minimum social package)		-	-	1 915	2 011	2 461	2 461	5 491	5 937	6 427
Highest level of free service provided										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kw/h per household per month)										
Refuse (average litres per week)										
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)								15	15	15
Property rates (other exemptions, reductions and rebates)								19 881	20 969	22 115
Water								8 575	9 518	10 565
Sanitation										
Electricity/other energy										
Refuse										
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of free services provided (total social package)	6	-	-	-	-	-	-	28 470	30 502	32 694

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 continues to make good progress with the eradication of backlogs.

It is anticipated that these Free Basic Services will cost the municipality R 5.5 million in 2015/16, increasing to R 6.4 million in 2017/18. This is covered by the municipality's equitable share allocation from national government. Currently, the 'free services' represent about 3 percent of total operating expenditure.

It is very difficult to measure correctly the revenue cost of free basic as the municipality is mostly rural and the infrastructure used for water was communal stand pipes except Van Zylsrus and Hotazel, and the municipality is busy installing the prepaid meter that assist in measuring the correct cost of revenue for free basic service, and Eskom provide the electricity in more than 99% of municipal areas

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

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

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the executive chairpersonship of Finance, Human Resource and Administration.

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.

2.2 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 2014) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 11 August 2014. Below is the table with planned and actual dates:

NO	REQUIRED INPUTS	BY WHOM	PERIOD (FINAL DATE FOR COMPLETION)	ACTUAL DATES
1.	Preparation for IDP and budget process plan for approval by council	CFO and IDP manager	14 August 2014	11 August 2014
2.	Preparation for IDP review process by communicating to IDP forum stakeholders	Director	03 to 09 September 2014	09 September 2014
3.	IDP steering committee meeting	Mayor/ IDP Manager	10 September 2014	22 September 2014
4.	IDP meeting with all stakeholders (representative forum meeting)	Mayor/ IDP Manager	11 September 2014	22 July 2014
5.	Inputs for all projects from all stakeholders (2014/15)	IDP manager	15 to 19 September 2014	
6.	IDP steering committee meeting	Mayor/ IDP Manager	27 October 2014	08 October 2014
7.	Second IDP meeting with all the stakeholders	IDP manager	31 October 2014	15 October 2014
8.	Comparison between 2013/14 IDP initiatives originating from the strategic planning session.	All the Departments	03 to 07 November 2014	10 November 2014
9.	Formulation of key IDP priorities	All Departments	10 to 14 November 2014	08-21 October 2014
10	First draft budget and policies to council for 2015/16	CFO/ Municipal Manager	18 November 2014	18 November 2014
11	Prepare and distribute departmental total budgets MTEF to all heads of departments with actual figures and distribute the budget guidelines received from national treasury to all heads of departments.	CFO	19 November 2014	06 October 2014
12	Meeting with heads of departments for budget compilation	CFO	20 November 2014	03 & 04 October 2014
13	Adjustments of all grants gazetted for MTEF as per DORA	CFO	21 November 2014	No DORA adjustments
14	Community Consultation/participation on the draft of the IDP	IDP MANAGER	25 to 28 November 2014	08 to 21 October 2014
15	Community consultation for IDP inputs	IDP Manager	01 December 2014	
16	Meeting with heads of departments for budget compilation	CFO	05 December 2014	05 March 2015
17	Align total budget with IDP with National and provincial priorities and Growth and Development Plan	All the departments	15 January 2015	05 March 2015
18	Presentation of a Draft IDP & Budget 2015/ 16	Council	27 March 2015	20 March 2015
19	Commence public budget IDP participation process with all wards within Joe Morolong Local Municipality	CFO/ IDP(Chairpersons)	29 April 2015	To start 07 April 2015
20	Presentation of public participation results to Council for inclusion into the final budget of 2015/16	Mayor/ CFO/ IDP	30 April 2015	
21	Final total budget proposal to council for approval	Mayor/ CFO/ IDP	29 May 2015	
22	Finalisation of top layer SDBIPs	Directors	04 June 2015	
23	Finalisation of Departmental SDBIPs	MM	18 June 2015	
24	Send approval IDP and budget to COGHSTA, Provincial and National Treasury	CFO/ MM	25 June 2015	

There were deviations from key dates set out in the budget time schedule tabled in council on the 11 August 2014 but the activities were all carried out in different dates as compared to the planned dates.

2.3 Intergrated Development Plan

Integrated Development Planning is the process through which the municipality prepares a strategic developmental plan, which is the principal strategic instrument guiding all planning, management, budgeting, development and implementation decisions, taking into account inputs from all stakeholders.

For our planning and programmes to be effective all strategic planning within the municipality must take place within the framework of the IDP. Through integrated development planning different plans are integrated, coordinated and linked to the use of natural, financial, human and physical resources.

During IDP review the following are some of the issues and concerns raised as well as comments received during the consultation process:

- Several complaints were received regarding poor service delivery, especially water and the state of road infrastructure (road sign, bridges, internal, access and main roads) that it need to tarred;
- There were requests regarding the electricity for high mass lights, infill's and extensions on the areas were the have been new development.
- To increase the swiftness for construction of halls, sports fields, toilets (UDS) and fencing of cemeteries including maintenance.
- The community also requested the municipality to improve on turnaround time relating to maintenance issues relating to water infrastructure

2.4 IDP and Service Delivery and Budget Implementation Plan

Municipalities are required to develop five year Integrated Development Plans which must be reviewed annually. It is also required that such plans must find expression in the Budget. The IDP and the budget are interrelated documents. The IDP is the budget in words, just as the budget is the IDP in figures. In the past two years

comprehensive efforts have been made towards ensuring that the two documents are closely link.

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

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

When compiling of the 2015/16 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the midyear of 2014/15 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.5 Community Consultation

The 2015/16 MTREF will be tabled before council on the 20 March 2015 together with community consultation time table. Consultation time table will be published in the municipal website and local newspaper and hard copies for draft budget will be available in the main municipal office and satellite offices and draft budget softcopy was loaded on the municipal website (www.joemorolong.gov.za).

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

Ward Committees were utilised to facilitate the community consultation process from 07 to 17 April 2015. The applicable dates and venues will be published in all the local newspapers and notice board of public places. Other stakeholders involved in the consultation will include Agri Kuruman, sector departments, mining houses and churches and community-based organisations.

2.6 Overview of alignment of annual budget with IDP

The IDP crosses departmental divisions by linking the physical, social, institutional and economic components of planning and development with management and development structure. It also integrates and aligns planning in different spheres of government and therefore enforcing and upholding the spirit of co-operative governance in the public sector.

For our planning and programmes to be effective all strategic planning within the municipality must take place within the framework of the IDP. Through integrated development planning different plans are integrated, coordinated and linked to the use of natural, financial, human and physical resources.

The following IDP's five strategic objectives that have directly informed the compilation of 2014/15 MTREF budget

- Provide quality basic services to community
- Good governance and community participation
- Institutional Development and Transformation
- Local Economic Development
- Municipal Financial Viability

The following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 24 – Table SA4: Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
Provide quality basic services to community	Provision of infrastructure for water, sanitation, waste management, electricity and roads	83 258	139 018	135 299	131 096	142 229	142 229	154 727	163 715	173 372
Good governance and community participation	Promote community involvement through planning, monitoring and budgeting processes. Engagement of ward committees to hold monthly meeting with communities	(430)	10 207	2 884	5 391	7 445	7 445	5 043	2 844	2 988
Institutional Development and Transformation	Addressing Auditor General queries as per the action plan to ensure improvement in audit opinion. Firm up on performance management system. Managing the interface between the administrative and political structures	19 939	3 794	4 727	5 573	5 752	5 752	6 269	6 543	6 845
Local Economic Development	Ensure sustainable rural economic growth; ensure that most of the municipal projects are implemented through labour intensive programme. Also ensure that atleast 30% of most municipal infrastructural projects are awarded to local emerging contractors	918	5 709	2 496	24	24	24	-	-	-
Municipal Financial Viability	Improved budgeting, revenue generation & protection, debtors control, grow and diversify revenue and value for money expenditure through an integrated financial plan	64 973	79 176	77 307	100 285	97 460	97 460	122 522	125 561	126 186
Total Revenue		168 658	237 904	222 714	242 368	252 910	252 910	288 562	298 663	309 391

Table 25 – Table SA5: Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
Provide quality basic services to community	Provision of infrastructure for water, sanitation, waste management, electricity and roads	175 542	144 878	56 926	41 749	41 719	41 719	85 985	82 799	88 180
Good governance and community participation	Promote community involvement through planning, monitoring and budgeting processes. Engagement of ward committees to hold monthly meeting with communities	(8 032)	11 703	10 276	10 528	12 643	12 643	9 305	9 843	10 200
Institutional Development and Transformation	Addressing Auditor General queries as per the action plan to ensure improvement in audit opinion. Firm up on performance management system. Managing the interface between the administrative and political structures	91 425	32 137	39 255	27 798	27 932	27 932	28 533	32 099	33 954
Local Economic Development	Ensure sustainable rural economic growth; ensure that most of the municipal projects are implemented through labour intensive programme. Also ensure that atleast 30% of most municipal infrastructural projects are awarded to local emerging contractors	18 781	9 353	9 912	2 178	2 026	2 026	4 599	2 644	2 784
Municipal Financial Viability	Improved budgeting, revenue generation & protection, debtors control, grow and diversify revenue and value for money expenditure through an integrated financial plan	10 732	72 040	41 299	27 019	29 746	29 746	34 372	33 316	35 080
Total Expenditure		288 449	270 111	157 668	109 273	114 065	114 065	162 795	160 702	170 198

Table 26– Table SA6: Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective R thousand	Goal	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Provide quality basic services to community	Provision of infrastructure for water, sanitation, waste management, electricity and roads	–	218 628	110 245	95 046	107 549	107 549	86 694	110 979	112 607
Good governance and community participation	Promote community involvement through planning, monitoring and budgeting processes. Engagement of ward committees to hold monthly meeting with communities	–	25 767	19 386	36 092	29 803	29 803	38 284	26 634	26 037
Institutional Development and Transformation	Addressing Auditor General queries as per the action plan to ensure improvement in audit opinion. Firm up on performance management system. Managing the interface between the administrative and political structures	2 656	1 233	994	1 727	1 472	1 472	580	250	200
Local Economic Development	Ensure sustainable rural economic growth; ensure that most of the municipal projects are implemented through labour intensive programme. Also ensure that atleast 30% of most municipal infrastructural projects are awarded to local emerging contractors	–	–	–	–	–	–	13	–	–
Municipal Financial Viability	Improved budgeting, revenue generation & protection, debtors control, grow and diversify revenue and value for money expenditure through an integrated financial plan	–	528	521	231	20	20	195	98	349
Total Capital Expenditure		2 656	246 156	131 146	133 095	138 845	138 845	125 767	137 961	139 192

2.7 Measurable performance objectives and indicators

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

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

Table 27– Table SA7: Measurable performance objectives

Description	Unit of measurement	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Vote 1 - Executive & Council										
Function 1 - Council										
Sub-function 1 - (name)										
<i>Tabling & Approval of IDP & Budget for each budget year</i>	Approval before 31 May each year	1	1	1	1	1	1	1	1	1
<i>Hold quarterly council meeting</i>	Number of meeting held	4	4	4	4	4	4	4	4	4
<i>Approval of Sec 72 Reports by 25 January each year</i>	Approved Report & Resolution	1	1	1	1	1	1	1	1	1
<i>Tabling & Approval of Adjusted Budget</i>	Number of Adjusted Budget	1	1	1	1	1	1	1	1	1
Sub-function 2 - Municipal Manager										
<i>The keeping and compilation of minutes of all meetings of Council and its committee</i>	Number of minutes	20	20	20	20	20	20	20	20	20
<i>Publication of four newsletter in financial year</i>	Number of newsletter	4	4	4	4	4	4	4	4	4
Vote 2 - Budget & Treasury Office										
Sub-function 1 - Budget & Treasury										
<i>Financial Statements by 31 August 2014 and submitted to the Auditor-General</i>	Submitted AFS	1	1	1	1	1	1	1	1	1
<i>All salaries and third party payments paid on time</i>	Number	12	12	12	12	12	12	12	12	12
<i>Monthly sec 71 reports</i>	Number of report	12	12	12	12	12	12	12	12	12
<i>Compile Quaterly reports</i>	7 reports per quarter	28	28	28	28	28	28	28	28	28
Vote 3 - Corporate Services										
Function 1 - Corporate										
<i>Maintenance of an effective record and registry system.</i>	Continuous				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Administration of Human Resource recruitment and selection.</i>	Continuous				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Update of Skills Development Plan</i>	Number				1	1	1	1	1	1
<i>Oversee that training in terms of the Skills Development Plan is being implemented.</i>	Continuous				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Reclaim all monies due in term of Skills Development Plan.</i>	4				4	4	4	4	4	4
Vote 4 - Community Service										
Function 1 - Community										
<i>Number with VIP toilets</i>	Number							1494	1200	2545
<i>Construction of sportfields</i>	Number							2	2	2
<i>Construction of phase 1 Testing station</i>	Complete testing staion							1	1	
<i>This indicator reflects the number of single residential properties that the Municipality is aware of which are receiving a weekly door to door refuse removal service.</i>	Number (1500)				1500	1500	1500	1500	1500	1500
Vote 5 - Techical Service										
Function 1 - Technical										
<i>Construction of internal roads</i>	Kilomeetre							6	5	1.5
<i>Construction of bridge</i>	Number							1		
Vote 7 - Water Unit										

Function 1 - Water									
<i>Water control and management – breaks and losses – daily, weekly and monthly.</i>	Continuous				95%	95%	95%	95%	95%
<i>Water breaks must be repaired within twelve (12) hours after break has been reported.</i>	Continuous				95%	95%	95%	95%	95%
<i>Managing total water supply system to ensure sufficient water provision.</i>	Continuous				95%	95%	95%	95%	95%
<i>Monitoring of water quality and testing</i>	Monthly				12	12	12	12	12
And so on for the rest of the Votes									

The following table sets out the municipalities main performance objectives and benchmarks for the 2015/16 MTREF

Table 28– Table SA8: Performance indicators and benchmarks.

NC451 Joe Morolong - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.3%	0.9%	1.5%	1.5%	1.5%	1.5%	1.1%	1.1%	1.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	2.3%	6.9%	6.3%	7.4%	7.4%	7.4%	6.3%	5.9%	5.5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	0.5	0.4	0.9	0.8	1.9	1.9	1.9	1.6	2.4	3.3
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.5	0.4	0.9	0.8	1.9	1.9	1.9	1.6	2.4	3.3
Liquidity Ratio	Monetary Assets/Current Liabilities	0.1	0.0	0.4	0.3	1.4	1.4	1.4	1.1	2.0	2.8
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		8.0%	7.9%	16.3%	34.5%	20.7%	20.7%	20.7%	36.5%	36.6%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		8.0%	7.9%	16.3%	34.5%	20.7%	20.7%	20.7%	36.5%	36.6%	36.3%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	38.3%	35.4%	26.5%	3.4%	3.5%	3.5%	3.5%	2.8%	3.1%	3.2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))				98.0%	99.0%	99.0%	99.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		734.5%	-3537.4%	303.3%	107.5%	58.5%	58.5%	58.5%	77.9%	43.8%	30.7%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	0									
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Total Volume Losses (kℓ)										
Employee costs	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	35.4%	27.7%	38.9%	32.7%	32.8%	32.8%	32.8%	28.9%	31.6%	32.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	44.4%	34.3%	46.8%	38.7%	38.8%	38.8%	38.8%	33.9%	37.0%	38.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	5.2%	11.5%	19.1%	5.6%	4.8%	4.8%	4.8%	17.0%	13.3%	13.7%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	68.2%	20.4%	25.8%	7.8%	6.3%	6.3%	6.3%	6.3%	6.9%	7.1%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	55.2	21.0	25.5	25.2	25.2	25.2	27.5	32.8	35.0	37.8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	250.3%	147.1%	157.9%	18.3%	22.1%	22.1%	22.1%	18.5%	18.0%	17.5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.2	(0.3)	2.2	0.9	2.0	2.0	2.0	1.8	3.2	4.4

Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, municipality borrowing strategy is primarily informed by the affordability of debt repayments. The following financial performance indicators have formed part of the compilation of the 2014/15 MTREF:

- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. It is estimated that the cost of borrowing as a percentage of the operating expenditure will be 1.1 per cent in 2015/16 and will then decrease to 1.0 per cent at the end of the MTREF.
- *Capital charges to own revenue* is a measure of the cost of borrowing in relation to the municipality's own revenue. It is estimated that the cost of borrowing as a percentage of the own revenue will be 6.3 per cent in 2015/16 and will then decrease to 5.5 per cent at the end of the MTREF

Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities. For the 2015/16 MTREF the current ratio is 1.6 in the 2015/16 and will increase to 3.3 percent at the end of MTREF. Going forward it will be necessary to improve these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. For the 2015/16 MTREF the ratio is 1.1 in the 2015/16 financial year and 2.0 and 2.8 for the two outer years. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the municipality.

Revenue Management

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

Creditors Management

The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure more than 95 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the municipality's business.

Other Indicators

- Electricity and Water losses: the municipality is still busy installing the meters that will assist in measuring the losses of both electricity and electricity with the assistance DBSA programme.
- Employee costs as a percentage of operating revenue fluctuate over the 2015/16 MTREF.
- Repairs and maintenance as percentage of operating revenue fluctuate over the 2015/16 MTREF. The increasing repairs and maintenance is part of the municipality's plan for protection of revenue generating assets.

2.8 Overview budget related policies

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

a) Budget, Funding, Reserves and Virement Policy

The policy aim to set out; the principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget, responsibilities of the mayor , the accounting officer , the chief financial officer and other senior managers in compiling the budget and to establish and maintain procedures to ensure adherence Joe Morolong Municipality's IDP review and budget processes.

b) Banking and Investment Policy

The policy aim to gain the optimal return on banking and investments, without incurring undue risks, during those periods when cash revenues are not needed for capital or operational purposes. The effectiveness of the policy is dependent on the accuracy of the municipality's cash management programme, which must identify the amounts surplus to the municipality's needs, as well as the time when and period for which such revenues are surplus.

c) Credit Control and Debt Collection Policy

The policy aim to maximize revenue by timeously collecting all moneys owed to the municipality; ensure that action are taken to recover arrear debt is warranted and fair; to enable Joe Morolong Local Municipality to develop and maintain a sustainable service delivery relationship with its customers; to deliver excellent service to the communities of Joe Morolong Local Municipality in return for payment of their rates and service accounts and encourage and inculcate the culture of payment.

d) Tariffs Policy

The policy aim to empower council with among other things, the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements. To determine fair, transparent and affordable charges based on its economic regions and their impact on local economic development.

e) Fruitless and Wasteful Expenditure Policy

The policy aim to provide for measures to identify unauthorised, irregular or fruitless and wasteful expenditure; provide for frameworks to avoid of any irregular expenditure or any fruitless and wasteful expenditure; provide for recovery of irregular expenditure or any fruitless and wasteful expenditure and to provide for reporting on any irregular expenditure or any fruitless and wasteful expenditure.

f) Supply Chain Management Policy

The policy aim to ensure sound, sustainable and accountable supply chain management practices within the municipality, whilst promoting black economic empowerment as a priority in terms of the goals and objectives of the municipality's preferential procurement policy.

The above policies will be available on the municipal website (www.joemorolong.gov.za) as well as the following:

- Property Rates policy
- Fixed Assets policy
- Indigent Policy
- Risk Management Policy
- Cash Shortage Policy
- Bad Debt Written Off Policy
- Asset Management Policy
- Petty Cash Policy

2.9 Overview of budget assumptions

a) Inflation

There are some factors that have been taken into consideration in the compilation of the 2015/16 budget:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on municipal residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 31 per cent of total operating expenditure in the 2014/15 MTREF. The wage agreement has not yet been concluded between SALGBC and municipal workers unions which can be a little risky based on the previous agreements that was signed.

b) Collection rate for revenue services

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

The rate of revenue collection currently has been budgeted at 95 per cent of annual billings for rates, services, rents, and for other revenue. The performance of arrear collections have been budgeted at 95 per cent collection for 2015/16 MTREF.

c) Salary increases

The wage agreement has not yet been concluded between SALGBC and municipal workers unions which can be a little risky based on the previous agreements that was signed. The municipality has budgeted salary increase of 6.2 percent and in case the agreement will be below the budgeted increase,

this will be good as it will be the additional money available on improving of service delivery.

d) Impact of national, provincial and local policies

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

- EPWP and LED through the capital projects
- Provision of clean water
- Sanitation
- Electricity; and
- Decent housing

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

e) Ability of the municipality to spend and deliver on the programmes

It is estimated that spending rate at an average of at least 98 per cent is to be achieved on operating expenditure and average of 99 per cent on the capital programme for the 2015/16 MTREF of which performance has been factored into the cash flow budget.

2.10 Overview of budget funding

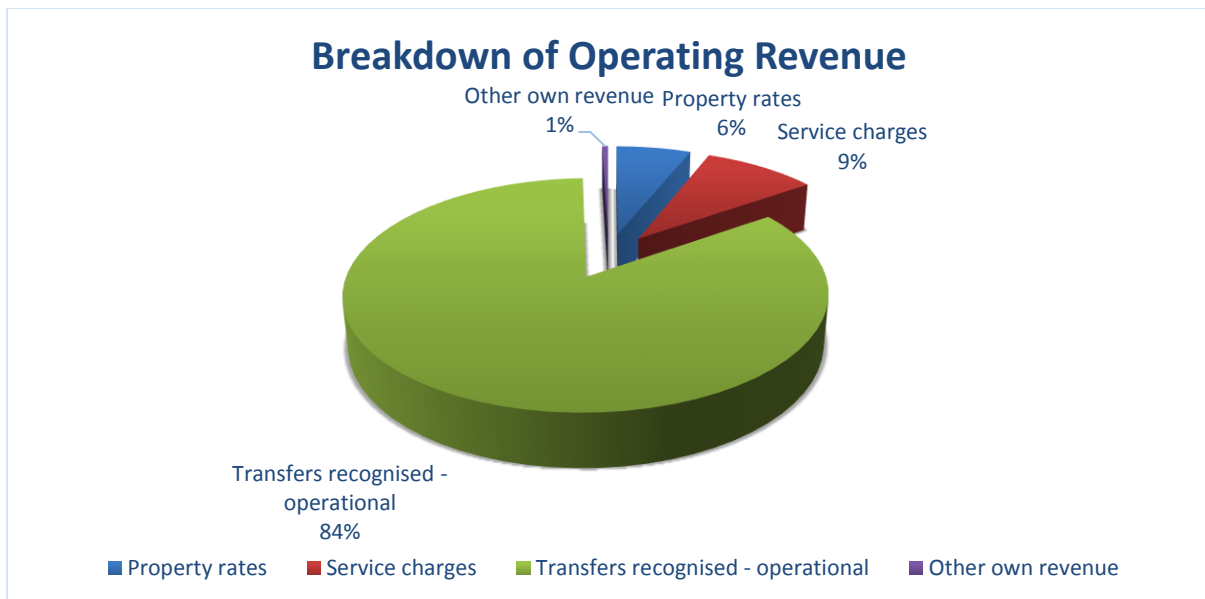
a) Operating Revenue

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

Table 29 – Breakdown of the operating revenue over medium term

Description R thousands	2015/16 Medium Term Revenue & Expenditure Framework					
	Budget Year 2015/16	%	Budget Year 2016/17	%	Budget Year 2017/18	%
Financial Performance						
Property rates	10 489	6.07%	11 223	6.70%	12 009	7.02%
Service charges	15 941	9.22%	17 280	10.31%	18 751	10.96%
Transfers recognised - operational	145 624	84.23%	138 486	82.62%	139 604	81.63%
Other own revenue	839	0.49%	629	0.38%	662	0.39%
Total Operating Revenue(excluding capital transfers and contributions)	172 893	100%	167 617	100%	171 025	100%
Total Operating Expenditure	162 795		160 702		170 198	
Surplus/(Deficit)	10 098		6 915		827	

The following graph is a breakdown of the operational revenue per main category for the 2015/16 financial year;



Tariff setting plays a major role in ensuring the desired level of revenue, even though the municipality is still dependent on grants. Getting the tariff setting right assist in the compilation of credible and funded budget. The municipality derives its operational revenue from provision of services namely: water, electricity, sanitation and solid waste removal including property rates. The operational grants plays a major role in the municipal budget funding.

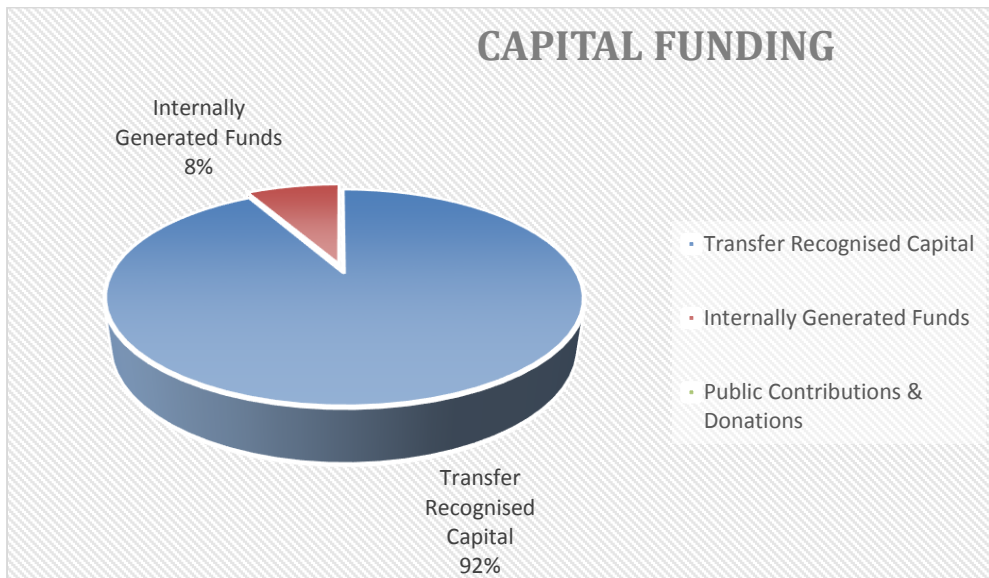
b) Capital Revenue

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

Table 30 – Breakdown of the capital funding over medium term

Description R thousands	2014/15 Medium Term Revenue and Expenditure Framework					
	Budget Year 2015/16	%	Budget Year 2016/17	%	Budget Year 2017/18	%
Funded by						
National Government	115 669		131 046		138 365	
Transfer Recognised Capital	115 669	91.97%	131 046	94.99%	138 365	99.41%
Internally Generated Funds	10 098	8.03%	6 915	5.01%	827	0.59%
Public Contributions & Donations	–		–	0.00%	–	
Total Capital Funding	125 767	100%	137 961	100%	139 192	100%

The following graph represent the breakdown of the capital funding for the 2015/16 financial year;



Capital grants and receipts equates to 92% of the total funding source which represents R115.7 Million for the 2015/16 financial year and steadily increase to R138.4 million or 99% per cent by 2017/18.

Table 31 – Table SA18: Breakdown of the capital funding over medium term

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital Transfers and Grants									
National Government:	38 350	122 457	116 221	107 058	111 089	111 089	118 599	134 092	141 584
Municipal Infrastructure Grant (MIG)	33 114	56 479	55 253	57 058	57 058	57 058	58 599	60 912	64 379
Regional Bulk Infrastructure	5 235	58 398	43 436		4 031	4 031			
Municipal Water Infrastructure Grant		5 705	7 036	50 000	50 000	50 000	60 000	73 180	77 205
EPWP			2 496						
Water Operation and Subsidy Grant		1 875	8 000						
Provincial Government:	-	8 188	-	-	-	-	-	-	-
Housing		8 188							
District Municipality:	-	-	-	-	-	-	-	-	-
Other grant providers:	27 164	6 098	11 252	-	8 160	8 160	-	-	-
ACIP Sanitation	27 164	6 098	2 796						
Sishen Mine (Roads)			8 455		8 160	8 160			
Total Capital Transfers and Grants	65 513	136 743	127 472	107 058	119 249	119 249	118 599	134 092	141 584
TOTAL RECEIPTS OF TRANSFERS & GRANTS	128 102	206 772	201 729	215 785	230 030	230 030	261 293	269 532	277 969

c) 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 provides understanding for Councillors and management. Some specific feature includes:

- Clear separation of receipts and payment by category
- Clear separation of government capital and operating receipts, which enables cash from ratepayers and other; to be provided for as cash inflow based on their actual performance and assist in determining collection rate for the municipality.
- Separation of borrowing and loan repayments.

The table below shows that cash and cash equivalent of the municipality were largely exhausted by 2012/13 moving from positive cash balance of R 13.3 in 2011/12 to a deficit of R 2.6 million in 2012/13 and moved to the positive cash balance of R 14.7 million by 2013/14. The 2015/16 MTREF show a steadily increase in cash and cash equivalent at the end of financial years. The budgeted cash flow for 2015/16 provide for a net increase in cash of R 13.1 million resulting in an overall projected positive cash position of R 16.2 million.

Table 32 – Table A7: Budgeted cash flow management

NC451 Joe Morolong - Table A7 Budgeted Cash Flows

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	3 144	2 453	3 371	9 168	4 727	4 727	9 965	10 662	11 408
Service charges	(64 916)	28 098	45 458	15 288	13 823	13 823	15 144	16 416	17 814
Other revenue	23 489	3 426	3 355	646	13 100	13 100	783	573	605
Government - operating	61 664	70 029	74 257	111 580	110 781	110 781	145 624	138 486	139 604
Government - capital	67 916	327 252	127 487	104 205	119 249	119 249	115 669	131 046	138 365
Interest	1 303	123	260	40	269	269	48	48	48
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(106 039)	(200 742)	(104 313)	(103 935)	(108 935)	(108 935)	(144 635)	(141 432)	(149 738)
Finance charges	(2 402)	(96)	(232)	(100)	(115)	(115)	(149)	(157)	(166)
Transfers and Grants	-	-	-	-	(2 021)	(2 021)	(2 748)	(3 070)	(3 477)
NET CASH FROM/(USED) OPERATING ACTIVITIES	(15 842)	230 544	149 643	136 892	150 879	150 879	139 700	152 570	154 463
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	(18)	362	-	-	-	-	-	-	-
Payments									
Capital assets	(2 656)	(246 156)	(131 146)	(133 073)	(138 845)	(138 845)	(125 767)	(137 961)	(139 192)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(2 674)	(245 794)	(131 146)	(133 073)	(138 845)	(138 845)	(125 767)	(137 961)	(139 192)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-
Payments									
Repayment of borrowing	2 394	(611)	(1 225)	(784)	(784)	(784)	(784)	(784)	(784)
NET CASH FROM/(USED) FINANCING ACTIVITIES	2 394	(611)	(1 225)	(784)	(784)	(784)	(784)	(784)	(784)
NET INCREASE/ (DECREASE) IN CASH HELD	(16 122)	(15 861)	17 272	3 035	11 250	11 250	13 149	13 825	14 486
Cash/cash equivalents at the year begin:	29 414	13 293	(2 568)	3 013	3 099	3 099	3 099	16 248	30 073
Cash/cash equivalents at the year end:	13 292	(2 568)	14 703	6 048	14 349	14 349	16 248	30 073	44 559

Table 33 – Table SA10: Funding Compliance Measurement

NC451 Joe Morolong Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	13 292	(2 568)	14 703	6 048	14 349	14 349	14 349	16 248	30 073	44 559
Cash + investments at the yr end less applications - R'000	18(1)b	2	(139 610)	(54 216)	33 089	1 195	17 524	17 524	17 524	7 902	21 436	35 624
Cash year end/monthly employee/supplier payments	18(1)b	3	1.2	(0.3)	2.2	0.9	2.0	2.0	2.0	1.8	3.2	4.4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(119 791)	(32 207)	65 046	133 095	138 845	138 845	138 845	125 767	137 961	139 192
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	47.2%	(40.3%)	56.2%	(23.2%)	(6.0%)	(6.0%)	17.9%	1.8%	1.9%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	(97.5%)	109.6%	251.8%	94.4%	138.9%	138.9%	138.9%	95.0%	94.9%	94.9%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	355.8%	134.9%	14.7%	4.7%	5.7%	5.7%	5.7%	5.0%	4.9%	4.8%
Capital payments % of capital expenditure	18(1)c;19	8	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(9.5%)	(29.5%)	(81.3%)	0.0%	0.0%	0.0%	4.0%	4.9%	4.9%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.6%	1.1%	1.6%	0.8%	0.6%	0.6%	2.5%	2.3%	1.6%	1.6%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	7.9%	7.4%	7.4%	0.0%	0.4%	0.0%	0.0%

Cash and Cash equivalents

The municipality’s cash position was discussed as part of the budgeted cash flow statement. 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 2015/16 MTREF shows R 16.2 million, R 30.1 million and R 44.6 million for each respective financial year.

Cash and Investments less applications

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 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. 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.

Cash at year end/monthly employee and supplier payments

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. Remarkably, the ratio has been fluctuating for the period 2011/12 to 2013/14 moving from 1.2 to (2.2) with the adopted 2013/14 outcome. In 2014/15 adopted budget the ratio was at positive and after revised budget increased to 2.0, as part of the 2015/16 MTREF the municipality continues to strive in improve cash position though the ratio to move downwards to 1.8 and then continue to increase over the MTREF. As indicated above the municipality will be able to cover the municipality's employee and supplier payments.

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. For the 2015/16 MTREF the suggestive outcome is a surplus of R125.8 million, R138 million and R139.2 million.

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

Service charge revenue as a percentage increase less macro inflation target

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

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3-6 per cent). The result is intended to be an approximation

of the real increase in revenue. From the table above it can be seen that the percentage increase to 17.9 then decreases slightly to 1.8 then increase to 1.9 per cent for the respective two outer financial years. The increase in revenue is as results of property rate which was informed by the updated valuation roll whereby the rates revenue increased by 66.4 per cent in 2014/15 financial year. Considering the lowest percentage tariff increase in relation to revenue generated from rates and services charges is 7 per cent, with the increase in water at 11 per cent. This trend will have to be carefully monitored and managed with the implementation of the budget.

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 95 per cent for each of the respective financial years. It must be noted that service charges, property rate and rent is calculated at the collection rate of 95 per cent.

In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be precisely managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

Debt Impairment expense as % 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 5.0, 4.9 and 4.8 per cent over the MTREF.

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 keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

Borrowing Receipts % of Capital Expenditure

The purpose of this measurement is to determine the proportion of a municipality's own-funded capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. The municipality will not be utilizing external borrowing for any of its capital projects and therefore the ratio is 0%.

Transfers / Grants Revenue as a % of Government 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 contained in the Division of Revenue Act (DoRA) have been budgeted for. The municipality has budgeted for all transfers.

Current Consumer Debtors % change

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 municipality is currently data cleansing which will reduce the debtor's arrears. The consumer will increase by 4.0 percent for 2015/16 then 4.9 percent for the outer years.

Repairs and Maintenance expenditure levels

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.

The total repairs and maintenance amounts to 2.3% of the total value Property, Plant and Equipment in the 2015/16 budget and decreases to at least 1.6% in the following year. We acknowledge that the municipality should provide at least 8% of the total value of assets for repair and maintenance as stated on MFMA Circular No 70. The value of our municipal assets amount to R 1.0 billion and the total budgeted repairs and maintenance amount to R 29.3 million and decreases to R 22.2 million and then R 23.5 million respectively for the outer years.

Asset renewal as % of capital budget

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. The municipality has made provision of 0.4, 2015/16 budget year

2.11 Expenditure on grants and reconciliations of unspent funds

Table 34 – Table SA19 - Expenditure on transfers and grants programmes

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:									
Operating Transfers and Grants									
National Government:	61 379	69 806	73 667	107 758	107 758	107 758	142 694	135 440	136 385
Local Government Equitable Share	54 260	67 506	71 227	93 255	93 255	93 255	115 253	117 673	117 381
Water Services Operating Subsidy	3 875			10 000	10 000	10 000	22 500	15 000	15 826
Finance Management	1 887	1 500	1 550	1 600	1 600	1 600	1 675	1 810	2 145
Municipal Systems Improvement	965	800	890	934	934	934	930	957	1 033
EPWP Incentive	393			1 969	1 969	1 969	2 336		
Provincial Government:	684	223	590	969	3 023	3 023	-	-	-
Sport and Recreation	684	223	590	969	969	969			
Housing					2 054	2 054			
District Municipality:	525	-	-	-	-	-	-	-	-
<i>John Taolo Gaetsewe District Municipality</i>	525								
Other grant providers:	-	-	-	-	-	-	-	-	-
<i>[insert description]</i>									
Total Operating Transfers and Grants	62 589	70 029	74 257	108 727	110 781	110 781	142 694	135 440	136 385
Capital Transfers and Grants									
National Government:	38 350	122 457	116 221	107 058	111 089	111 089	118 599	134 092	141 584
Municipal Infrastructure Grant (MIG)	33 114	56 479	55 253	57 058	57 058	57 058	58 599	60 912	64 379
Regional Bulk Infrastructure	5 235	58 398	43 436		4 031	4 031			
Municipal Water Infrastructure Grant		5 705	7 036	50 000	50 000	50 000	60 000	73 180	77 205
EPWP			2 496						
Water Operation and Subsidy Grant		1 875	8 000						
Provincial Government:	-	8 188	-	-	-	-	-	-	-
Housing		8 188							
District Municipality:	-	-	-	-	-	-	-	-	-
<i>John Taolo Gaetsewe District Municipality</i>									
Other grant providers:	27 164	6 098	11 252	-	8 160	8 160	-	-	-
<i>ACIP Sanitation</i>	27 164	6 098	2 796						
<i>Sishen Mine (Roads)</i>			8 455		8 160	8 160			
Total Capital Transfers and Grants	65 513	136 743	127 472	107 058	119 249	119 249	118 599	134 092	141 584
TOTAL RECEIPTS OF TRANSFERS & GRANTS	128 102	206 772	201 729	215 785	230 030	230 030	261 293	269 532	277 969

Table 35 – Table SA20 – Reconciliation of transfers, grants receipts and unspent funds

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	60 987	69 806	73 667	107 758	107 758	107 758	142 694	135 440	136 385
Local Government Equitable Share	54 260	67 506	71 227	93 255	93 255	93 255	115 253	117 673	117 381
Water Services Operating Subsidy	3 875			10 000	10 000	10 000	22 500	15 000	15 826
Finance Management	1 887	1 500	1 550	1 600	1 600	1 600	1 675	1 810	2 145
Municipal Systems Improvement	965	800	890	934	934	934	930	957	1 033
EPWP Incentive	–			1 969	1 969	1 969	2 336		
Provincial Government:	1 077	223	590	969	3 023	3 023	–	–	–
Sport and Recreation	684	223	590	969	969	969			
Housing					2 054	2 054			
EPWP Incentive	393								
District Municipality:	525	–	–	–	–	–	–	–	–
John Taolo Gaetsewe District Municipality	525								
Other grant providers:	–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:	62 589	70 029	74 257	108 727	110 781	110 781	142 694	135 440	136 385
Capital expenditure of Transfers and Grants									
National Government:	38 350	122 457	116 221	107 058	111 089	111 089	118 599	134 092	141 584
Municipal Infrastructure Grant (MIG)	33 114	56 479	55 253	57 058	57 058	57 058	58 599	60 912	64 379
Regional Bulk Infrastructure	5 235	58 398	43 436		4 031	4 031			
Municipal Water Infrastructure Grant		5 705	7 036	50 000	50 000	50 000	60 000	73 180	77 205
EPWP			2 496						
Water Operation and Subsidy Grant		1 875	8 000						
Provincial Government:	–	8 188	–	–	–	–	–	–	–
Housing		8 188							
District Municipality:	–	–	–	–	–	–	–	–	–
Other grant providers:	27 164	6 098	11 252	–	8 160	8 160	–	–	–
ACIP Sanitation	27 164	6 098	2 796						
Sishen Mine (Roads)			8 455		8 160	8 160			
Total capital expenditure of Transfers and Grants	65 513	136 743	127 472	107 058	119 249	119 249	118 599	134 092	141 584
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	128 102	206 772	201 729	215 785	230 030	230 030	261 293	269 532	277 969

2.12 Councillors and employee benefits

Table 36 – Table SA 22 – Summary of councillors and staff benefits

Summary of Employee and Councillor remuneration R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	5 787	3 842	5 223	4 648	5 432	5 432	4 904	5 188	5 463
Pension and UIF Contributions	1 150	–	–	820	135	135	707	748	787
Medical Aid Contributions	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	1 875	2 876	1 928	2 056	2 056	2 056	2 174	2 300	2 422
Cellphone Allowance	471	–	353	701	623	623	754	797	840
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	–	–	–	–	–	–	–	–	–
Sub Total - Councillors	9 284	6 718	7 504	8 226	8 247	8 247	8 538	9 033	9 512
% increase		(27.6%)	11.7%	9.6%	0.3%	–	3.5%	5.8%	5.3%
Senior Managers of the Municipality									
Basic Salaries and Wages	1 426	2 035	2 900	2 904	2 904	2 904	2 778	2 939	3 095
Pension and UIF Contributions	17	1	–	564	564	564	495	523	551
Medical Aid Contributions	–	–	–	43	43	43	141	150	158
Overtime	–	–	–	–	–	–	–	–	–
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	861	1 202	1 522	1 552	1 552	1 552	1 561	1 652	1 740
Cellphone Allowance	11	14	61	91	91	91	92	97	102
Housing Allowances	–	44	–	436	436	436	488	517	544
Other benefits and allowances	100	188	404	0	0	0	0	0	0
Payments in lieu of leave	–	–	–	–	–	–	–	–	–
Long service awards	–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality	2 415	3 484	4 887	5 590	5 590	5 590	5 556	5 878	6 190
% increase		44.3%	40.2%	14.4%	–	–	(0.6%)	5.8%	5.3%
Other Municipal Staff									
Basic Salaries and Wages	18 550	15 829	17 812	25 429	23 465	23 465	27 363	28 951	30 485
Pension and UIF Contributions	2 968	2 653	3 705	5 184	3 940	3 940	5 450	5 766	6 072
Medical Aid Contributions	2 043	1 762	2 170	2 323	2 596	2 596	2 521	2 667	2 808
Overtime	1 756	1 056	1 513	1 102	1 310	1 310	1 075	1 138	1 198
Performance Bonus	225	950	1 679	2 526	1 795	1 795	2 411	2 551	2 686
Motor Vehicle Allowance	4 959	2 232	3 587	1 692	3 713	3 713	2 443	2 585	2 722
Cellphone Allowance	833	593	437	410	374	374	549	581	611
Housing Allowances	–	297	519	585	1 464	1 464	2 181	2 307	2 430
Other benefits and allowances	979	208	716	316	429	429	410	434	457
Payments in lieu of leave	1 668	(1 184)	–	70	40	40	75	79	83
Long service awards	166	92	–	–	–	–	–	–	–
Post-retirement benefit obligations	–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff	34 148	24 490	32 138	39 637	39 126	39 126	44 479	47 058	49 553
% increase		(28.3%)	31.2%	23.3%	(1.3%)	–	13.7%	5.8%	5.3%
Total Parent Municipality	45 847	34 692	44 529	53 453	52 962	52 962	58 573	61 970	65 254
		(24.3%)	28.4%	20.0%	(0.9%)	–	10.6%	5.8%	5.3%
Board Members of Entities									
Senior Managers of Entities									
Other Staff of Entities									
Total Municipal Entities	–	–	–	–	–	–	–	–	–
TOTAL SALARY, ALLOWANCES & BENEFITS	45 847	34 692	44 529	53 453	52 962	52 962	58 573	61 970	65 254
% increase		(24.3%)	28.4%	20.0%	(0.9%)	–	10.6%	5.8%	5.3%
TOTAL MANAGERS AND STAFF	36 563	27 974	37 025	45 227	44 715	44 715	50 034	52 936	55 742

Table 37 – Table SA 23 – Salaries, allowance and benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum		1.				2.
Councillors						
Speaker	421 798	63 269	177 325			662 392
Chief Whip						–
Executive Mayor	528 970	79 345	213 048			821 363
Deputy Executive Mayor						–
Executive Committee	1 580 024	237 003	673 576			2 490 603
Total for all other councillors	2 405 694	491 526	1 666 660			4 563 880
Total Councillors	4 936 486	871 143	2 730 609			8 538 238
Senior Managers of the Municipality						
Municipal Manager (MM)	654 770	1 902	572 206			1 228 878
Chief Finance Officer	308 039	182 383	374 951			865 373
DIRECTOR: CORPORATE SERVICES	307 933	101 654	455 786			865 373
DIRECTOR: COMMUNITY SERVICES	412 215	139 306	313 852			865 373
DIRECTOR: TECHNICAL SERVICES	372 789	116 215	376 369			865 373
DIRECTOR: PLANNING & DEVELOPMENT	439 694	94 780	330 899			865 373
<i>List of each official with packages >= senior manager</i>						
Total Senior Managers of the Municipality	2 495 440	636 240	2 424 063	–		5 555 743
A Heading for Each Entity						
List each member of board by designation						
Total for municipal entities	–	–	–	–		–
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	7 431 926	1 507 383	5 154 672	–		14 093 981

Table 38 – Table SA 24 – Summary of personnel numbers

Summary of Personnel Numbers Number	2013/14			Current Year 2014/15			Budget Year 2015/16		
	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)	29		29	29		29	29		29
Board Members of municipal entities									
Municipal employees									
Municipal Manager and Senior Managers	6		6	6		6	6		6
Other Managers		10		16	10	1	14	14	
Professionals	22	21	1	11	8	–	15	15	–
Finance	16	15	1	3	2		5	5	
Spatial/town planning	1	1							
Information Technology	1	1					1	1	
Roads									
Electricity							1	1	
Water	2	2		3	2				
Sanitation	2	2							
Refuse									
Other				5	4		8	8	
Technicians	17	17	–	6	3	–	9	9	–
Finance									
Spatial/town planning									
Information Technology				1					
Roads				1	1		1	1	
Electricity				3	1		2	2	
Water				1	1		3	3	
Sanitation									
Refuse									
Other	17	17					3	3	
Clerks (Clerical and administrative)				55	42		55	55	
Service and sales workers									
Skilled agricultural and fishery workers									
Craft and related trades									
Plant and Machine Operators	1	1		40	30		26	26	
Elementary Occupations	29	29		80	41		80	80	
TOTAL PERSONNEL NUMBERS	104	78	36	243	134	36	234	199	35
% increase				133.7%	71.8%	–	(3.7%)	48.5%	(2.8%)
Total municipal employees headcount									
Finance personnel headcount				36	24		37	32	5
Human Resources personnel headcount				17	15		18	18	

2.12 Monthly targets for revenue, expenditure and cash flow

Table 39 – Table SA 25 – Budgeted monthly revenue and expenditure

NC451 Joe Morolong - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
Revenue By Source																	
Property rates			10 489											10 489	11 223	12 009	
Property rates - penalties & collection charges														-	-	-	
Service charges - electricity revenue		550	550	550	550	550	550	550	550	550	550	550	549	6 598	7 435	8 378	
Service charges - water revenue		567	567	567	567	567	567	567	567	567	567	567	316	6 798	7 172	7 566	
Service charges - sanitation revenue		132	132	132	132	132	132	132	132	132	132	132	132	1 585	1 664	1 748	
Service charges - refuse revenue		80	80	80	80	80	80	80	80	80	80	80	80	960	1 008	1 059	
Service charges - other														-	-	-	
Rental of facilities and equipment		8	8	8	8	8	8	8	8	8	8	8	8	97	103	108	
Interest earned - external investments														-	-	-	
Interest earned - outstanding debtors		5	5	5	5	5	5	5	3	3	3	3	50	50	50		
Dividends received														-	-	-	
Fines														-	-	-	
Licences and permits														-	-	-	
Agency services		9	9	9	9	9	9	9	9	9	9	9	10	109	116	123	
Transfers recognised - operational		55 850	1 865		11 250	39 118		5 625	701	31 215				145 624	138 486	139 604	
Other revenue		49	49	49	49	49	49	49	49	49	49	49	48	582	360	381	
Gains on disposal of PPE														-	-	-	
Total Revenue (excluding capital transfers and cont		57 249	13 753	1 399	12 649	40 517	1 399	7 274	2 100	32 611	1 397	1 397	1 147	172 893	167 617	171 025	
Expenditure By Type																	
Employee related costs		3 969	3 969	3 969	3 969	6 380	3 969	3 969	3 969	3 969	3 969	3 969	3 969	50 034	52 936	55 742	
Remuneration of councillors		712	712	712	712	712	712	712	712	712	712	712	712	8 538	9 033	9 512	
Debt impairment														1 322	1 394	1 471	
Depreciation & asset impairment				2 500			2 500			2 500			2 500	10 000	10 550	11 130	
Finance charges		13	13	13	13	13	405	13	13	13	13	13	405	934	943	951	
Bulk purchases		904	904	904	904	904	904	904	904	904	904	904	904	10 852	12 091	13 473	
Other materials														-	-	-	
Contracted services		1 337	1 337	1 337	1 337	1 337	1 337	1 337	1 337	1 337	1 337	1 337	1 336	16 040	18 347	19 316	
Transfers and grants		458	458	458	458	458	458	458	458	458	458	458	457	5 491	5 937	6 427	
Other expenditure		4 888	4 888	4 888	4 888	4 888	4 888	4 888	4 888	4 888	4 888	4 888	5 818	59 584	49 471	52 175	
Loss on disposal of PPE														-	-	-	
Total Expenditure		12 279	12 279	14 779	12 279	14 690	15 171	12 279	12 279	14 779	12 279	12 279	17 423	162 795	160 702	170 198	
Surplus/(Deficit)		44 970	1 474	(13 380)	370	25 827	(13 772)	(5 005)	(10 179)	17 832	(10 882)	(10 882)	(16 276)	10 098	6 915	827	
Transfers recognised - capital		32 219			30 000	22 614			15 000	15 836				115 669	131 046	138 365	
Contributions recognised - capital														-	-	-	
Contributed assets														-	-	-	
Surplus/(Deficit) after capital transfers & contributions		77 189	1 474	(13 380)	30 370	48 440	(13 772)	(5 005)	4 821	33 669	(10 882)	(10 882)	(16 276)	125 767	137 961	139 192	
Taxation														-	-	-	
Attributable to minorities														-	-	-	
Share of surplus/ (deficit) of associate														-	-	-	
Surplus/(Deficit)	1	77 189	1 474	(13 380)	30 370	48 440	(13 772)	(5 005)	4 821	33 669	(10 882)	(10 882)	(16 276)	125 767	137 961	139 192	

Table 40 – Table SA 26 – Budgeted monthly revenue and expenditure (municipal vote)

NC451 Joe Morolong - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote																
Vote 1 - Executive & Council		5 998												5 998	6 279	6 564
Vote 2 - Budget & Treasury Office		41 312	11 433	14	14	38 432	14	14	14	31 229	14	14	14	122 522	125 561	126 186
Vote 3 - Corporate Support Services		23	23	23	23	23	23	23	23	23	23	23	22	271	264	281
Vote 4 - Community Services		226	1 160	226	226	926	226	226	927	226	226	226	226	5 043	2 844	2 988
Vote 5 - Technical Services		20 150	1	1	1	22 615	1	1	1	15 838	1	1	1	58 615	60 929	64 397
Vote 6 - Electricity Services		550	550	550	550	550	550	550	550	550	550	550	549	6 598	7 435	8 378
Vote 7 - Water Services		21 210	585	585	41 835	585	585	6 460	15 585	583	583	583	334	89 515	95 352	100 597
Vote 8 - Development & Town Planning Services																
Vote 9 - [NAME OF VOTE 9]																
Vote 10 - [NAME OF VOTE 10]																
Vote 11 - [NAME OF VOTE 11]																
Vote 12 - [NAME OF VOTE 12]																
Vote 13 - [NAME OF VOTE 13]																
Vote 14 - [NAME OF VOTE 14]																
Vote 15 - [NAME OF VOTE 15]																
Total Revenue by Vote		89 468	13 753	1 399	42 649	63 130	1 399	7 274	17 100	48 448	1 397	1 397	1 147	288 562	298 663	309 391
Expenditure by Vote to be appropriated																
Vote 1 - Executive & Council		1 383	1 383	1 383	1 383	1 530	1 383	1 383	1 383	1 383	1 383	1 383	1 383	16 740	17 682	18 620
Vote 2 - Budget & Treasury Office		1 976	1 976	4 476	1 976	2 496	4 868	1 976	1 976	4 476	1 976	1 976	4 228	34 372	33 316	35 080
Vote 3 - Corporate Support Services		954	954	954	954	1 301	954	954	954	954	954	954	954	11 793	14 418	15 335
Vote 4 - Community Services		742	742	742	742	1 148	742	742	742	742	742	742	742	9 305	9 843	10 200
Vote 5 - Technical Services		462	462	462	462	637	462	462	462	462	462	462	462	5 715	5 604	5 914
Vote 6 - Electricity Services		694	694	694	694	749	694	694	694	694	694	694	693	8 380	9 421	10 591
Vote 7 - Water Services		5 696	5 696	5 696	5 696	6 338	5 696	5 696	5 696	5 696	5 696	5 696	8 588	71 891	67 775	71 676
Vote 8 - Development & Town Planning Services		374	374	374	374	490	374	374	374	374	374	374	374	4 599	2 644	2 784
Vote 9 - [NAME OF VOTE 9]																
Vote 10 - [NAME OF VOTE 10]																
Vote 11 - [NAME OF VOTE 11]																
Vote 12 - [NAME OF VOTE 12]																
Vote 13 - [NAME OF VOTE 13]																
Vote 14 - [NAME OF VOTE 14]																
Vote 15 - [NAME OF VOTE 15]																
Total Expenditure by Vote		12 279	12 279	14 779	12 279	14 690	15 171	12 279	12 279	14 779	12 279	12 279	17 423	162 795	160 702	170 198
Surplus/(Deficit) before assoc.		77 189	1 474	(13 380)	30 370	48 440	(13 772)	(5 005)	4 821	33 669	(10 882)	(10 882)	(16 276)	125 767	137 961	139 192
Taxation																
Attributable to minorities																
Share of surplus/ (deficit) of associate																
Surplus/(Deficit)	1	77 189	1 474	(13 380)	30 370	48 440	(13 772)	(5 005)	4 821	33 669	(10 882)	(10 882)	(16 276)	125 767	137 961	139 192

Table 41 – Table SA 27 – Budgeted monthly revenue and expenditure (standard classification)

NC451 Joe Morolong - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard																
<i>Governance and administration</i>		47 332	11 456	37	37	38 455	37	37	37	31 252	37	37	37	128 791	132 104	133 031
Executive and council		5 998												5 998	6 279	6 564
Budget and treasury office		41 312	11 433	14	14	38 432	14	14	14	31 229	14	14	14	122 522	125 561	126 186
Corporate services		23	23	23	23	23	23	23	23	23	23	23	22	271	264	281
<i>Community and public safety</i>		13	948	13	13	713	13	13	715	13	13	13	14	2 498	171	181
Community and social services		4	939	4	4	704	4	4	705	4	4	4	5	2 388	55	58
Sport and recreation																
Public safety		9	9	9	9	9	9	9	9	9	9	9	10	109	116	123
Housing																
Health																
<i>Economic and environmental services</i>		20 150	1	1	1	22 615	1	1	1	15 838	1	1	1	58 615	60 929	64 397
Planning and development		20 150	1	1	1	22 615	1	1	1	15 838	1	1	1	58 615	60 929	64 397
Road transport																
Environmental protection																
<i>Trading services</i>		21 972	1 347	1 347	42 597	1 347	1 347	7 222	16 347	1 345	1 345	1 345	1 095	98 658	105 460	111 782
Electricity		550	550	550	550	550	550	550	550	550	550	550	549	6 598	7 435	8 378
Water		21 210	585	585	41 835	585	585	6 460	15 585	583	583	583	333	89 515	95 352	100 597
Waste water management		132	132	132	132	132	132	132	132	132	132	132	132	1 585	1 664	1 748
Waste management		80	80	80	80	80	80	80	80	80	80	80	80	960	1 008	1 059
<i>Other</i>																
Total Revenue - Standard		89 468	13 753	1 399	42 649	63 130	1 399	7 274	17 100	48 448	1 397	1 397	1 147	288 562	298 663	309 391
Expenditure - Standard																
<i>Governance and administration</i>		4 312	4 312	6 812	4 312	5 327	7 204	4 312	4 312	6 812	4 312	4 312	6 565	62 906	65 416	69 034
Executive and council		1 383	1 383	1 383	1 383	1 530	1 383	1 383	1 383	1 383	1 383	1 383	1 383	16 740	17 682	18 620
Budget and treasury office		1 976	1 976	4 476	1 976	2 496	4 868	1 976	1 976	4 476	1 976	1 976	4 228	34 372	33 316	35 080
Corporate services		954	954	954	954	1 301	954	954	954	954	954	954	954	11 793	14 418	15 335
<i>Community and public safety</i>		534	534	534	534	778	534	534	534	534	534	534	535	6 654	7 040	7 247
Community and social services		460	460	460	460	676	460	460	460	460	460	460	460	5 732	6 064	6 218
Sport and recreation																
Public safety		75	75	75	75	102	75	75	75	75	75	75	75	922	976	1 029
Housing																
Health																
<i>Economic and environmental services</i>		835	835	835	835	1 128	835	835	835	835	835	835	835	10 314	8 248	8 697
Planning and development		835	835	835	835	1 128	835	835	835	835	835	835	835	10 314	8 248	8 697
Road transport																
Environmental protection																
<i>Trading services</i>		6 598	6 598	6 598	6 598	7 457	6 598	6 598	6 598	6 598	6 598	6 598	9 488	82 921	79 999	85 219
Electricity		694	694	694	694	749	694	694	694	694	694	694	693	8 380	9 421	10 591
Water		5 696	5 696	5 696	5 696	6 338	5 696	5 696	5 696	5 696	5 696	5 696	8 588	71 891	67 775	71 676
Waste water management		114	114	114	114	203	114	114	114	114	114	114	113	1 451	1 535	1 617
Waste management		94	94	94	94	167	94	94	94	94	94	94	94	1 199	1 269	1 336
<i>Other</i>																
Total Expenditure - Standard		12 279	12 279	14 779	12 279	14 690	15 171	12 279	12 279	14 779	12 279	12 279	17 423	162 795	160 702	170 198
Surplus/(Deficit) before assoc.		77 189	1 474	(13 380)	30 370	48 440	(13 772)	(5 005)	4 821	33 669	(10 882)	(10 882)	(16 276)	125 767	137 961	139 192
Share of surplus/ (deficit) of associate																
Surplus/(Deficit)	1	77 189	1 474	(13 380)	30 370	48 440	(13 772)	(5 005)	4 821	33 669	(10 882)	(10 882)	(16 276)	125 767	137 961	139 192

Table 42 – Table SA 28 – Budgeted monthly capital expenditure (municipal votes)

NC451 Joe Morolong - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive & Council													-	-	-	-
Vote 2 - Budget & Treasury Office													-	-	-	-
Vote 3 - Corporate Support Services													-	-	-	-
Vote 4 - Community Services		2 435	2 435	2 435	2 435	2 435	2 435	2 435	2 435	2 435	2 435	2 435	2 435	29 225	20 331	26 037
Vote 5 - Technical Services		1 463	1 463	1 463	1 463	1 463	1 463	1 463	1 463	1 463	1 463	1 463	1 463	17 555	20 474	4 215
Vote 6 - Electricity Services													-	-	-	-
Vote 7 - Water Services		5 741	5 741	5 741	5 741	5 741	5 741	5 741	5 741	5 741	5 741	5 741	5 741	68 890	90 241	108 113
Vote 8 - Development & Town Planning Services													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital multi-year expenditure sub-total	2	9 639	9 639	9 639	9 639	9 639	9 639	9 639	9 639	9 639	9 639	9 639	9 639	115 669	131 047	138 365
Single-year expenditure to be appropriated																
Vote 1 - Executive & Council		30											-	30	-	-
Vote 2 - Budget & Treasury Office		195											-	195	98	349
Vote 3 - Corporate Support Services				550									-	550	250	200
Vote 4 - Community Services					984	984	1 184	984	984	984	984	984	984	9 059	6 303	-
Vote 5 - Technical Services													-	-	-	-
Vote 6 - Electricity Services													-	-	-	-
Vote 7 - Water Services			250										-	250	264	278
Vote 8 - Development & Town Planning Services			13										-	13	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital single-year expenditure sub-total	2	225	263	550	984	984	1 184	984	984	984	984	984	984	10 098	6 914	827
Total Capital Expenditure	2	9 864	9 902	10 189	10 623	10 623	10 823	10 623	10 623	10 623	10 623	10 623	10 623	125 767	137 961	139 192

Table 43 – Table SA 29 – Budgeted monthly capital expenditure (standard classification)

NC451 Joe Morolong - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital Expenditure - Standard	1															
<i>Governance and administration</i>		225	-	550	-	-	-	-	-	-	-	-	-	775	348	549
Executive and council		30												30	-	-
Budget and treasury office		195												195	98	349
Corporate services				550										550	250	200
<i>Community and public safety</i>		696	696	696	1 680	1 680	1 680	1 680	1 680	1 680	1 680	1 680	1 680	17 210	14 772	8 680
Community and social services		-	-	-	714	714	714	714	714	714	714	714	714	6 426	4 500	-
Sport and recreation		696	696	696	696	696	696	696	696	696	696	696	696	8 350	8 680	8 680
Public safety					270	270	270	270	270	270	270	270	270	2 433	1 592	-
Housing														-	-	-
Health														-	-	-
<i>Economic and environmental services</i>		1 463	1 476	1 463	1 463	1 463	1 463	1 463	1 463	1 463	1 463	1 463	1 463	17 568	20 474	4 215
Planning and development			13											13	-	-
Road transport		1 463	1 463	1 463	1 463	1 463	1 463	1 463	1 463	1 463	1 463	1 463	1 463	17 555	20 474	4 215
Environmental protection														-	-	-
<i>Trading services</i>		7 480	7 730	7 480	7 480	7 480	7 680	7 480	7 480	7 480	7 480	7 480	7 480	90 214	102 367	125 748
Electricity														-	-	-
Water		5 741	5 991	5 741	5 741	5 741	5 741	5 741	5 741	5 741	5 741	5 741	5 741	69 140	90 505	108 391
Waste water management		1 740	1 740	1 740	1 740	1 740	1 940	1 740	1 740	1 740	1 740	1 740	1 740	21 074	11 863	17 357
Waste management							-							-	-	-
<i>Other</i>														-	-	-
Total Capital Expenditure - Standard	2	9 864	9 902	10 189	10 623	10 623	10 823	10 623	10 623	10 623	10 623	10 623	10 623	125 767	137 961	139 192
Funded by:																
National Government		9 639	9 639	9 639	9 639	9 639	9 639	9 639	9 639	9 639	9 639	9 639	9 639	115 669	131 046	138 365
Provincial Government														-	-	-
District Municipality														-	-	-
Other transfers and grants														-	-	-
Transfers recognised - capital		9 639	9 639	9 639	9 639	9 639	9 639	9 639	9 639	9 639	9 639	9 639	9 639	115 669	131 046	138 365
Public contributions & donations														-	-	-
Borrowing														-	-	-
Internally generated funds		225	263	550	984	984	1 184	984	984	984	984	984	984	10 098	6 915	827
Total Capital Funding		9 864	9 902	10 189	10 623	10 623	10 823	10 623	10 623	10 623	10 623	10 623	10 623	125 767	137 961	139 192

Table 44 – Table SA 30 – Budgeted monthly cash flow

NC451 Joe Morolong - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Receipts By Source													1			
Property rates			906	906	906	906	906	906	906	906	906	906	906	9 965	10 662	11 408
Property rates - penalties & collection charges														—	—	—
Service charges - electricity revenue	682	622	497	522	422	322	372	472	497	547	622	687	6 268	7 063	7 959	
Service charges - water revenue	338	438	538	588	668	738	748	603	588	438	388	383	6 458	6 813	7 188	
Service charges - sanitation revenue	125	125	125	125	125	125	125	125	125	125	125	125	1 506	1 581	1 660	
Service charges - refuse revenue	76	76	76	76	76	76	76	76	76	76	76	76	912	958	1 006	
Service charges - other													—	—	—	
Rental of facilities and equipment	8	8	8	8	8	8	8	8	8	8	8	8	97	103	108	
Interest earned - external investments													—	—	—	
Interest earned - outstanding debtors	4	4	4	4	4	4	4	4	4	4	4	4	48	48	48	
Dividends received													—	—	—	
Fines													—	—	—	
Licences and permits													—	—	—	
Agency services	9	9	9	9	9	9	9	9	9	9	9	9	104	110	117	
Transfer receipts - operational	55 850	1 865		11 250	39 118		5 625	701	31 215				145 624	138 486	139 604	
Other revenue	48	48	48	48	48	48	48	48	48	48	48	48	582	360	381	
Cash Receipts by Source	57 142	4 102	2 212	13 537	41 385	2 237	7 922	2 953	33 477	2 162	2 187	2 247	171 563	166 183	169 479	
Other Cash Flows by Source																
Transfer receipts - capital	32 219			30 000	22 614			15 000	15 836				—	115 669	131 046	138 365
Contributions recognised - capital & Contributed assets													—	—	—	
Proceeds on disposal of PPE													—	—	—	
Short term loans													—	—	—	
Borrowing long term/refinancing													—	—	—	
Increase (decrease) in consumer deposits													—	—	—	
Decrease (Increase) in non-current debtors													—	—	—	
Decrease (increase) other non-current receivables													—	—	—	
Decrease (increase) in non-current investments													—	—	—	
Total Cash Receipts by Source	89 361	4 102	2 212	43 537	63 998	2 237	7 922	17 953	49 313	2 162	2 187	2 247	287 232	297 230	307 844	
Cash Payments by Type																
Employee related costs	3 769	3 769	3 769	4 012	6 380	4 012	4 012	4 012	4 012	4 012	4 012	4 012	49 784	52 672	55 463	
Remuneration of councillors	712	712	712	712	712	712	712	712	712	712	712	712	8 538	9 033	9 512	
Finance charges	12	12	12	12	12	12	12	12	12	12	12	12	149	157	166	
Bulk purchases - Electricity	585	585	485	385	365	365	365	385	485	485	555	575	5 618	6 331	7 135	
Bulk purchases - Water & Sewer	298	373	373	473	523	523	523	473	473	423	323	298	5 071	5 578	6 136	
Other materials													—	—	—	
Contracted services	1 337	1 337	1 337	1 337	1 337	1 337	1 337	1 337	1 337	1 337	1 337	1 337	16 040	18 347	19 316	
Transfers and grants - other municipalities													—	—	—	
Transfers and grants - other	229	229	229	229	229	229	229	229	229	229	229	229	2 748	3 070	3 477	
Other expenditure	4 965	4 965	4 965	4 965	4 965	4 965	4 965	4 965	4 965	4 965	4 965	4 965	59 584	49 471	52 175	
Cash Payments by Type	11 906	11 981	11 881	12 125	14 522	12 155	12 155	12 125	12 225	12 175	12 145	12 140	147 532	144 660	153 381	
Other Cash Flows/Payments by Type																
Capital assets	9 864	9 902	10 189	10 623	10 623	10 823	10 623	10 623	10 623	10 623	10 623	10 623	125 767	137 961	139 192	
Repayment of borrowing						392							784	784	784	
Other Cash Flows/Payments													—	—	—	
Total Cash Payments by Type	21 770	21 883	22 070	22 748	25 145	23 370	22 778	22 748	22 848	22 798	22 768	23 155	274 083	283 405	293 358	
NET INCREASE/(DECREASE) IN CASH HELD	67 591	(17 781)	(19 858)	20 789	38 853	(21 133)	(14 856)	(4 795)	26 465	(20 636)	(20 581)	(20 908)	13 149	13 825	14 486	
Cash/cash equivalents at the month/year begin:	3 099	70 690	52 908	33 051	53 839	92 692	71 559	56 703	51 908	78 374	57 737	37 156	3 099	16 248	30 073	
Cash/cash equivalents at the month/year end:	70 690	52 908	33 051	53 839	92 692	71 559	56 703	51 908	78 374	57 737	37 156	16 248	16 248	30 073	44 559	

2.13 Contracts having future budgetary implication

In terms of the municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years).

2.14 Capital expenditure details

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

Table 44: Table SA 34a - Capital expenditure on new assets by asset class

NC451 Joe Morolong - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on new assets by Asset Class/Sub-class	1									
Infrastructure		-	227 008	129 362	95 646	116 396	116 396	107 569	122 630	129 963
Infrastructure - Road transport		-	74 917	29 361	16 788	28 259	28 259	17 555	20 474	4 215
Roads, Pavements & Bridges			74 917	29 361	16 788	28 259	28 259	17 555	20 474	4 215
Storm water										
Infrastructure - Electricity		-	6 016	-	-	-	-	-	-	-
Generation										
Transmission & Reticulation			6 016							
Street Lighting										
Infrastructure - Water		-	135 118	80 616	63 859	68 890	68 890	69 140	90 505	108 391
Dams & Reservoirs										
Water purification										
Reticulation			135 118	80 616	63 859	68 890	68 890	69 140	90 505	108 391
Infrastructure - Sanitation		-	10 957	19 386	15 000	19 247	19 247	20 874	11 652	17 357
Reticulation			10 957	19 386	15 000	19 247	19 247	20 874	11 652	17 357
Sewerage purification										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation										
Gas										
Other										
Community		-	14 805	-	18 354	8 969	8 969	14 721	13 180	8 680
Parks & gardens								35		
Sportsfields & stadia					8 559	-	-	8 350	8 680	8 680
Swimming pools										
Community halls			14 805		7 000	7 000	7 000	4 000	4 500	-
Libraries										
Recreational facilities										
Fire, safety & emergency					100					
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries					2 696	1 969	1 969	2 336	-	-
Social rental housing										
Other										
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other										
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		2 643	4 342	1 416	8 384	3 142	3 142	2 937	2 151	320
General vehicles			3 566	621	6 250	2 100	2 100	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment				141				200	211	
Computers - hardware/equipment		198	776	654	220	191	191	198	98	120
Furniture and other office equipment					77	72	72	50	250	200
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings					1 837	779	779	2 433	1 592	
Other Land		2 200	-							
Surplus Assets - (Investment or Inventory)										
Other		245	-					55		
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		12	-	367	211	87	87	40	-	229
Computers - software & programming		12		367	211	87	87	40		229
Other (list sub-class)										
Total Capital Expenditure on new assets	1	2 656	246 156	131 146	122 595	128 595	128 595	125 267	137 961	139 192
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										

Table 45: Table SA 34b - Capital expenditure on renewal existing assets by asset class

NC451 Joe Morolong - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	10 000	10 000	10 000	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges										
Storm water										
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		-	-	-	10 000	10 000	10 000	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation					10 000	10 000	10 000			
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation										
Gas										
Other										
Community		-	-	-	-	-	-	-	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing										
Other										
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other										
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		-	-	-	500	250	250	500	-	-
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					500	250	250	500		
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	1	-	-	-	10 500	10 250	10 250	500	-	-

Table 46: Table SA 34c – Repairs and maintenance expenditure by asset class

NC451 Joe Morolong - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and maintenance expenditure by Asset Class/Sub-class	1	1 790	6 129	15 228	6 925	5 838	5 838	29 043	21 738	22 951
Infrastructure		1 790	6 129	15 228	6 925	5 838	5 838	29 043	21 738	22 951
Infrastructure - Road transport		724	152	78	205	218	218	243	262	277
Roads, Pavements & Bridges		724	152	78	205	218	218	243	262	277
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	200	280	280	200	225	254
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	200	280	280	200	225	254
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		1 066	3 763	14 289	6 075	4 955	4 955	28 575	21 225	22 393
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		309	-	-	600	400	400	650	686	723
Reticulation		756	3 763	14 289	5 475	4 555	4 555	27 925	20 539	21 669
Infrastructure - Sanitation		-	-	13	135	80	80	10	11	11
Reticulation		-	-	13	35	55	55	10	11	11
Sewerage purification		-	-	-	100	25	25	-	-	-
Infrastructure - Other		-	2 215	848	310	305	305	15	16	17
Waste Management		-	-	303	10	5	5	15	16	17
Transportation	2	-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	-	2 215	545	300	300	300	-	-	-
Community		942	16	187	80	40	40	80	84	89
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		791	16	36	50	20	20	20	21	22
Swimming pools		-	-	152	-	-	-	-	-	-
Community halls		151	-	-	30	20	20	25	26	28
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	20	21	22
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other	8	-	-	-	-	-	-	15	16	17
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		2 398	5 538	2 800	725	637	637	210	424	458
General vehicles		-	1 059	506	545	482	482	70	74	78
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	3	40	-	-	-	-	-	-
Computers - hardware/equipment		(162)	121	92	50	10	10	10	70	80
Furniture and other office equipment		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		568	292	262	100	130	130	130	280	300
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		1 991	4 063	1 900	30	15	15	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		227	-	-	-	-	-	-	-	-
Computers - software & programming		227	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	5 357	11 683	18 215	7 730	6 515	6 515	29 333	22 247	23 498
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-
R&M as a % of PPE		0.6%	1.1%	1.6%	0.8%	0.6%	0.6%	2.3%	1.6%	1.6%
R&M as % Operating Expenditure		1.9%	4.3%	11.6%	7.1%	5.7%	5.7%	18.0%	13.8%	13.8%

Table 47: Table SA 36 – Detailed capital budget per municipal vote

NC451 Joe Morolong - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project R thousand	Program/Project description	Asset Class 3	Asset Sub-Class 3	Total Project Estimate	Prior year outcomes		2015/16 Medium Term Revenue & Expenditure Framework			Project information	
					Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>											
Water Unit	Wateraar Water Reticulation	<i>Infrastructure - Water</i>	<i>Reticulation</i>				2 096	1 111	–	13	New
Water Unit	Adderly Water Reticulation	<i>Infrastructure - Water</i>	<i>Reticulation</i>				4 063	–	–	4	New
Water Unit	Makgaladi Water Reticulation	<i>Infrastructure - Water</i>	<i>Reticulation</i>				2 731	–	–	14	New
Water Unit	Maseohatse Water Reticulation	<i>Infrastructure - Water</i>	<i>Reticulation</i>					6 750	–	10	New
Water Unit	Segwaneng Water Reticulation	<i>Infrastructure - Water</i>	<i>Reticulation</i>				–	4 950	–	11	New
Water Unit	Setshwatshwaneng Water Reticulation	<i>Infrastructure - Water</i>	<i>Reticulation</i>				–	4 250	–	8	New
Water Unit	Kome Water Reticulation	<i>Infrastructure - Water</i>	<i>Reticulation</i>				–	–	5 183	1	New
Water Unit	Makhubung Water Reticulation	<i>Infrastructure - Water</i>	<i>Reticulation</i>				–	–	14 107	1	New
Water Unit	Perth Water Reticulation	<i>Infrastructure - Water</i>	<i>Reticulation</i>				–	–	11 618	1	New
Technical Service	Makhubung Road	<i>Infrastructure - Road transport</i>	<i>Roads, Pavements & Bridges</i>				4 000	5 000	–	1	New
Technical Service	Dithakong Road	<i>Infrastructure - Road transport</i>	<i>Roads, Pavements & Bridges</i>				4 000	4 474	–	12	New
Technical Service	Molapotlase Road	<i>Infrastructure - Road transport</i>	<i>Roads, Pavements & Bridges</i>				3 000	–	–	14	New
Technical Service	Segwaneng Road	<i>Infrastructure - Road transport</i>	<i>Roads, Pavements & Bridges</i>				3 555	–	–	11	New
Technical Service	Ga- Sehunelo Wyk 4 Road	<i>Infrastructure - Road transport</i>	<i>Roads, Pavements & Bridges</i>				–	–	–	7	New
Technical Service	Churchill & Esperanza Roads	<i>Infrastructure - Road transport</i>	<i>Roads, Pavements & Bridges</i>				3 000	5 000	–	7	New
Technical Service	Gamagatle Road	<i>Infrastructure - Road transport</i>	<i>Roads, Pavements & Bridges</i>				–	6 000	–	9	New
Technical Service	Padstow Road	<i>Infrastructure - Road transport</i>	<i>Roads, Pavements & Bridges</i>				–	–	4 215	2	New
Community Service	Magobing West Sanitation	<i>Infrastructure - Sanitation</i>	<i>Reticulation</i>				600	–	–	4	New
Community Service	Tsineng Sanitation	<i>Infrastructure - Sanitation</i>	<i>Reticulation</i>				7 191	–	–	5	New
Community Service	Matoro Sanitation	<i>Infrastructure - Sanitation</i>	<i>Reticulation</i>				420	–	–	5	New
Community Service	Maipeing Sanitation	<i>Infrastructure - Sanitation</i>	<i>Reticulation</i>				330	–	–	5	New
Community Service	Wyk 9 Sanitation	<i>Infrastructure - Sanitation</i>	<i>Reticulation</i>				465	–	–	6	New
Community Service	Radiatsongwa Sanitation	<i>Infrastructure - Sanitation</i>	<i>Reticulation</i>				345	–	–	7	New
Community Service	Wyk 4 Sanitation	<i>Infrastructure - Sanitation</i>	<i>Reticulation</i>				615	–	–	7	New
Community Service	Pompong Sanitation	<i>Infrastructure - Sanitation</i>	<i>Reticulation</i>				420	–	–	7	New
Community Service	Wyk 7 Sanitation	<i>Infrastructure - Sanitation</i>	<i>Reticulation</i>				843	–	–	6	New
Community Service	Bendel Sanitation	<i>Infrastructure - Sanitation</i>	<i>Reticulation</i>				9 645	–	–	8	New
Community Service	Wesselsvlei Sanitation	<i>Infrastructure - Sanitation</i>	<i>Reticulation</i>				–	1 280	–	14	New
Community Service	Damros Sanitation	<i>Infrastructure - Sanitation</i>	<i>Reticulation</i>				–	1 860	–	13	New
Community Service	Vanzylsrus Sanitation	<i>Infrastructure - Sanitation</i>	<i>Reticulation</i>				–	2 250	–	4	New
Community Service	Mosekeng Sanitation	<i>Infrastructure - Sanitation</i>	<i>Reticulation</i>				–	693	–	6	New
Community Service	Kokfontein Sanitation	<i>Infrastructure - Sanitation</i>	<i>Reticulation</i>				–	860	–	7	New
Community Service	Dithakong Sanitation	<i>Infrastructure - Sanitation</i>	<i>Reticulation</i>				–	4 708	17 357	11	New
Community Service	Loopeng Sport Field	<i>Community</i>	<i>Sportsfields & stadia</i>				6 936	–	–	2	New
Community Service	Penryn Sport Field	<i>Community</i>	<i>Sportsfields & stadia</i>				1 414	5 285	–	3	New
Community Service	Bendel Sport Field	<i>Community</i>	<i>Sportsfields & stadia</i>				–	3 395	3 173	8	New
Community Service	Metsetsaneng Sport Field	<i>Community</i>	<i>Sportsfields & stadia</i>				–	–	5 507	14	New

Water Unit	Kiangkop Water Supply	Infrastructure - Water	Reticulation				3 753	–	–	9	New
Water Unit	Tsineng Water Supply	Infrastructure - Water	Reticulation				11 039	–	–	5	New
Water Unit	Deurham Water Supply	Infrastructure - Water	Reticulation				6 854	–	–	8	New
Water Unit	Diwatsbane Water Supply	Infrastructure - Water	Reticulation				5 450	–	–	9	New
Water Unit	Dithakong Water Supply	Infrastructure - Water	Reticulation				19 778	4 827	–	11	New
Water Unit	Cassel Water Supply	Infrastructure - Water	Reticulation				13 126	7 237	–	11	New
Water Unit	Gakoe/Garamotsokwana Water Supply	Infrastructure - Water	Reticulation				–	14 883	–	13	New
Water Unit	Laxey Water Supply	Infrastructure - Water	Reticulation				–	12 450	–	3	New
Water Unit	Ga- Sehunelo Wyk 4 Water Supply	Infrastructure - Water	Reticulation				–	4 532	–	7	New
Water Unit	Bush Buck Water Supply	Infrastructure - Water	Reticulation				–	5 420	–	13	New
Water Unit	Camden Water Supply	Infrastructure - Water	Reticulation				–	5 387	–	13	New
Water Unit	Bojelapotsane Water Supply	Infrastructure - Water	Reticulation				–	4 520	–	14	New
Water Unit	Churchill Water Supply	Infrastructure - Water	Reticulation				–	6 754	–	7	New
Water Unit	Deunward Water Supply	Infrastructure - Water	Reticulation				–	6 754	–	7	New
Water Unit	Metsimantsi Wyk 1 Water Supply	Infrastructure - Water	Reticulation				–	930	2 937	6	New
Water Unit	Makhubung Water Supply	Infrastructure - Water	Reticulation				–	–	4 075	15	New
Water Unit	Metsimantsi Wyk 3 Water Supply	Infrastructure - Water	Reticulation				–	–	5 600	6	New
Water Unit	Metsimantsi Wyk 4 Water Supply	Infrastructure - Water	Reticulation				–	–	4 367	6	New
Water Unit	Metsimantsi Wyk 5 Water Supply	Infrastructure - Water	Reticulation				–	–	5 120	6	New
Water Unit	Metsimantsi Wyk 6 Water Supply	Infrastructure - Water	Reticulation				–	–	4 350	6	New
Water Unit	Metsimantsi Wyk 7 Water Supply	Infrastructure - Water	Reticulation				–	–	4 061	6	New
Water Unit	Laxey Water Supply	Infrastructure - Water	Reticulation				–	–	12 805	3	New
Water Unit	Logobate Water Supply	Infrastructure - Water	Reticulation				–	–	10 900	5	New
Water Unit	Lothakajaneng Water Supply	Infrastructure - Water	Reticulation				–	–	12 500	11	New
Water Unit	Magwagwe Water Supply	Infrastructure - Water	Reticulation				–	–	8 600	15	New
Water Unit	Sesipi Water Supply	Infrastructure - Water	Reticulation						2 368	1	New
Water Unit	Purchase of PVC Tanks	Infrastructure - Water	Other				250				New
Community Service	Construction of Hall	Community	Community halls				4 000	4 500			New
Community Service	Construction of Cemeteries	Community	Cemeteries				2 336				New
Community Service	Construction of Traffic testing station	Other Assets	Buildings				2 433	1 592			New
Community Service	Purchase of equipment	Other Assets	Other				90				New
Community Service	Purchase of equipment	Other Assets	Plant & equipment				200	211			New
Executive & Council	Purchase of Office Furniture	Other Assets	Furniture and other office equipment				20				New
Executive & Council	Purchase of Computer	Other Assets	Computers - hardware/equipment				10				New
Budget & Treasury Office	Purchase of Computer	Other Assets	Computers - hardware/equipment				155	98	120		New
Budget & Treasury Office	Purchase of Software	Other Assets	Computers - software & programming				40	–	229		New
Corporate Service	Fencing of municipal yard	Other Assets	Other Buildings				500				Renewal
Corporate Service	Purchase of Office Furniture	Other Assets	Furniture and other office equipment				30				New
Corporate Service	Purchase of Computer	Other Assets	Computers - hardware/equipment				20				New
Planning & Development	Purchase of Computer	Other Assets	Computers - hardware/equipment				13				New
							–	–			
Parent Capital expenditure							125 767	137 961	139 192		

2.14 Legislation Compliance Status

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

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.

2. Internship programme

The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Budget & Treasury Office. Since the introduction of the Internship programme the municipality has successfully employed 5 of the trained 12 interns through whereby 4 interns resigned during the programme and a majority of those who completed the programme were appointed in the municipality.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2015/16 MTREF in May 2015 directly aligned and informed by the 2015/16 MTREF.

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

2.14 Other supporting documents

Table 48: Table SA 1 – Supporting details to Budgeted Financial Performance

NC451 Joe Morolong - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'										
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17
R thousand										
REVENUE ITEMS:										
Property rates	6									
Total Property Rates		29 801	30 137	32 142	30 370	30 370	30 370	30 370	30 370	32 192
less Revenue Foregone		26 684	23 212	28 771	20 719	24 067	24 067	24 067	19 881	20 969
Net Property Rates		3 116	6 925	3 371	9 651	6 303	6 303	6 303	10 489	11 223
Service charges - electricity revenue	6									
Total Service charges - electricity revenue		7 467	5 177	4 914	7 249	5 855	5 855	5 855	6 598	7 435
less Revenue Foregone										
Net Service charges - electricity revenue		7 467	5 177	4 914	7 249	5 855	5 855	5 855	6 598	7 435
Service charges - water revenue	6									
Total Service charges - water revenue		6 295	10 262	5 315	6 419	6 746	6 746	6 746	6 798	7 172
less Revenue Foregone										
Net Service charges - water revenue		6 295	10 262	5 315	6 419	6 746	6 746	6 746	6 798	7 172
Service charges - sanitation revenue	6									
Total Service charges - sanitation revenue		(1 844)	1 141	1 439	1 510	1 510	1 510	1 510	1 585	1 664
less Revenue Foregone										
Net Service charges - sanitation revenue		(1 844)	1 141	1 439	1 510	1 510	1 510	1 510	1 585	1 664
Service charges - refuse revenue	6									
Total refuse removal revenue		729	652	838	915	915	915	915	960	1 008
Total landfill revenue										
less Revenue Foregone										
Net Service charges - refuse revenue		729	652	838	915	915	915	915	960	1 008
Other Revenue by source	3									
Tender Deposit		21	67	69	110	160	160	160	120	125
Grading Fees		3	23		15	15	15	15	16	17
Cemetery Fees		0	0	0	1	1	1	1	0	0
Photocopies		4			5	5	5	5	5	1
Telephone Account Private		16	(27)	29	67	67	67	67	68	69
Cellphone deductions					100	150	150	150	110	120
Library Fines						2	2	2	1	1
Connection Fees		84	38	20	355	365	365	365	217	—
OTHER		23 320	2 584	905	41	231	231	231	33	14
Renting Property		—	—	—	—	—	—	—	12	14
Parking Fees		3	609	—	—	17	17	17	—	—
Insurance Claim Received		—	—	—	—	—	—	—	—	—
Total 'Other' Revenue	1	23 451	3 296	1 022	694	1 012	1 012	1 012	582	360
EXPENDITURE ITEMS:										
Employee related costs	2									
Basic Salaries and Wages		19 993	17 864	20 713	28 177	26 213	26 213	26 213	30 141	31 890
Pension and UIF Contributions		2 985	2 654	3 705	5 748	4 504	4 504	4 504	5 945	6 289
Medical Aid Contributions		2 043	1 762	2 170	2 366	2 638	2 638	2 662	2 816	2 966
Overtime		1 756	1 056	1 513	1 102	1 310	1 310	1 310	1 075	1 198
Performance Bonus		225	950	1 679	2 682	1 950	1 950	1 950	2 411	2 551
Motor Vehicle Allowance		5 820	3 434	5 108	3 244	5 265	5 265	5 265	4 005	4 237
Cellphone Allowance		844	698	498	501	465	465	465	641	678
Housing Allowances		—	341	519	1 021	1 900	1 900	1 900	2 669	2 824
Other benefits and allowances		1 063	306	1 121	317	430	430	430	410	434
Payments in lieu of leave		1 668	(1 184)	—	70	40	40	40	75	79
Long service awards		166	92	—	—	—	—	—	—	—
Post-retirement benefit obligations		—	—	—	—	—	—	—	—	—
sub-total	4	36 563	27 974	37 025	45 227	44 715	44 715	44 715	50 034	52 936
Leas: Employee costs capitalised to PPE	5									
Total Employee related costs	1	36 563	27 974	37 025	45 227	44 715	44 715	44 715	50 034	52 936
Contributions recognised - capital	1									
List contributions by contract										
Total Contributions recognised - capital		—	—	—	—	—	—	—	—	—
Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment		67 954	20 507	24 326	9 826	7 717	7 717	7 717	10 000	10 550
Lease amortisation										
Capital asset impairment										
Depreciation resulting from revaluation of PPE										
Total Depreciation & asset impairment	10	67 954	20 507	24 326	9 826	7 717	7 717	7 717	10 000	10 550
Bulk purchases	1									
Electricity Bulk Purchases		3 540	2 194	7 002	6 488	4 988	4 988	4 988	5 704	6 428
Water Bulk Purchases		2 766	6 733	4 016	4 680	4 480	4 480	4 480	5 148	5 663
Total bulk purchases	1	6 306	8 926	11 018	11 169	9 469	9 469	9 469	10 852	12 091
Transfers and grants										
Cash transfers and grants		—	—	—	—	—	—	—	—	—
Non-cash transfers and grants		66 067	115 727	13 705	2 021	2 471	2 471	2 471	5 491	5 937
Total transfers and grants	1	66 067	115 727	13 705	2 021	2 471	2 471	2 471	5 491	5 937
Contracted services										
Nashua Mobile					145	145	145	145		
Vysiem Trading cc					288	288	288	288		
Steiner					66	66	66	66		
Software License					110	85	85	85		
Internet - Telkom					33	33	33	33		
Toshiba					40	40	40	40		
Santam					800	500	500	500	400	422
Security Service					1 000	953	953	953	1 250	2 200
Other			82	168	2 155	6 580	6 580	6 580	1 248	1 269
Fleet Lease									13 142	14 456
sub-total	1	—	82	168	4 636	8 700	8 700	8 700	16 040	18 347
Allocations to organs of state:										
Electricity										
Water										
Sanitation										
Other										
Total allocated to organs of state		—	82	168	4 636	8 700	8 700	8 700	16 040	18 347
Other Expenditure By Type										
Collection costs										
Contributions to 'other' provisions										
Consultant fees		5 592	13 124	8 362	1 785	3 412	3 412	3 412	7 964	3 173
Audit fees		1 644	1 187	4 791	2 960	2 960	2 960	2 960	3 987	4 207
General expenses		16 806	1 281	2 009	3 822	5 876	5 876	5 876	2 050	2 070
Free Basic Services		1 696	3 270	2 724						
Repair & Maintenance		5 357	11 683	18 215	7 730	6 515	6 515	6 515	29 433	22 352
Community Participation		1 316	606	579	580	580	580	580	370	390
Fuel & Oil		4 602	3 193	5 170	1 160	1 718	1 718	1 718	4 250	4 678
Pump Operating Cost		1 672	1 163	1 360	1 000	2 200	2 200	2 200	2 112	2 228
Telephone & Fax		2 824	2 664	3 281	850	850	850	850	610	910
Travelling & Subsistence		2 273	2 984	2 962	2 679	2 679	2 679	2 679	2 542	2 807
Ward Committees			(11)	1 309	1 300	1 300	1 300	1 300	600	657
Advertising, Printing & Stationery			703	506					666	800
Training Costs			200	54					830	910
Electricity Office & Borehole			—	363	1 500	1 850	1 850	1 850	2 440	2 598
Branding & Publications			289	375					520	548
Uniform			2	30					250	264
Cleaning Material			95	73					40	70
Security			797	969						
Community Development & Training			4 327	2 692						
Departmental Expenses			6 317	3 279						
Insurance			—	428						
Motor Vehicle Expense			3 630	694						
Valuation Roll Expense			—	1 131						
SALGA LEVIES					500	500	500	500	100	106
Target Groups					215	196	196	196	270	285
Total 'Other' Expenditure	1	43 784	57 503	61 354	26 071	30 635	30 635	30 635	59 584	49 471
Repairs and Maintenance	8									
Employee related costs										
Other materials										
Contracted Services										
Other Expenditure		5 357	11 683	18 215	7 730	6 515	6 515	6 515	24 333	16 972
Total Repairs and Maintenance Expenditure	9	5 357	11 683	18 215	7 730	6 515	6 515	6 515	24 333	16 972

Table 49: Table SA 2 – Matrix Financial Performance Budget (revenue source/expenditure type and department)

Description R thousand	Vote 1 - Executive & Council	Vote 2 - Budget & Treasury Office	Vote 3 - Corporate Support Services	Vote 4 - Community Services	Vote 5 - Technical Services	Vote 6 - Electricity Services	Vote 7 - Water Services	Vote 8 - Development & Town Planning Services	Vote 9 - [NAME OF VOTE 9]	Total
Revenue By Source										
Property rates		10 489								10 489
Property rates - penalties & collection charges										-
Service charges - electricity revenue						6 598				6 598
Service charges - water revenue							6 798			6 798
Service charges - sanitation revenue				1 585						1 585
Service charges - refuse revenue				960						960
Service charges - other										-
Rental of facilities and equipment			46	52						97
Interest earned - external investments										-
Interest earned - outstanding debtors		50								50
Dividends received										-
Fines										-
Licences and permits										-
Agency services				109						109
Other revenue		123	225	1	16		217			582
Transfers recognised - operational	5 998	111 860		2 336	2 930		22 500			145 624
Gains on disposal of PPE										-
Total Revenue (excluding capital transfers and contributions)	5 998	122 522	271	5 043	2 946	6 598	29 515	-	-	172 893
Expenditure By Type										
Employee related costs	4 267	9 821	7 197	8 451	4 437	329	13 093	2 439		50 034
Remuneration of councillors	8 538	-	-	-	-	-	-	-		8 538
Debt impairment	-	1 322	-	-	-	-	-	-		1 322
Depreciation & asset impairment	-	10 000	-	-	-	-	-	-		10 000
Finance charges	-	934	-	-	-	-	-	-		934
Bulk purchases	-	-	-	-	-	5 704	5 148	-		10 852
Other materials	-	-	-	-	-	-	-	-		-
Contracted services	-	780	1 950	-	168	-	13 142	-		16 040
Transfers and grants	-	-	-	-	-	2 148	3 343	-		5 491
Other expenditure	3 935	11 515	2 646	855	1 109	200	37 164	2 160		59 584
Loss on disposal of PPE										-
Total Expenditure	16 740	34 372	11 793	9 305	5 715	8 380	71 891	4 599	-	162 795
Surplus/(Deficit)	(10 742)	88 150	(11 523)	(4 262)	(2 769)	(1 782)	(42 376)	(4 599)	-	10 098
Transfers recognised - capital					55 669		60 000			115 669
Contributions recognised - capital										-
Contributed assets										-
Surplus/(Deficit) after capital transfers & contributions	(10 742)	88 150	(11 523)	(4 262)	52 900	(1 782)	17 624	(4 599)	-	125 767

Table 50: Table SA 3 – Supporting details to Budgeted Financial Position

NC451 Joe Morolong - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand											
ASSETS											
Call investment deposits											
Call deposits < 90 days			1 980	17 475	218	5 000	5 000	5 000	200	210	220
Other current investments > 90 days											
Total Call investment deposits	2	-	1 980	17 475	218	5 000	5 000	5 000	200	210	220
Consumer debtors											
Consumer debtors		71 457	128 416	135 603	5 941	5 941	5 941	5 941	6 238	6 549	6 877
Less: Provision for debt impairment		(56 089)	(109 290)	(111 626)	(1 213)	(1 213)	(1 213)	(1 213)	(1 322)	(1 394)	(1 471)
Total Consumer debtors	2	15 368	19 126	23 976	4 727	4 727	4 727	4 727	4 916	5 155	5 406
Debt impairment provision											
Balance at the beginning of the year											
Contributions to the provision					1 213	1 213	1 213	1 213	1 322	1 394	1 471
Bad debts written off											
Balance at end of year		-	-	-	1 213	1 213	1 213	1 213	1 322	1 394	1 471
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		948 031	1 116 041	1 246 819	1 108 824	1 257 280	1 257 280	1 257 280	1 356 115	1 476 580	1 591 998
Leases recognised as PPE						-	-	-			
Less: Accumulated depreciation		60 791	63 508	87 765	94 641	89 641	89 641	89 641	94 123	98 829	103 771
Total Property, plant and equipment (PPE)	2	887 240	1 052 533	1 159 054	1 014 183	1 167 639	1 167 639	1 167 639	1 261 992	1 377 751	1 488 228
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		611	627	627	784	784	784	784	784	784	784
Total Current liabilities - Borrowing		611	627	627	784	784	784	784	784	784	784
Trade and other payables											
Trade and other creditors		97 629	90 855	44 594	6 500	8 391	8 391	8 391	12 664	13 170	13 697
Unspent conditional transfers		17 063							-	-	-
VAT				526	3 260	3 786	3 786	3 786	550	570	590
Total Trade and other payables	2	114 691	90 855	45 120	9 760	12 177	12 177	12 177	13 214	13 740	14 287
Non current liabilities - Borrowing											
Borrowing		4 163	3 536	2 310	2 836	2 300	2 300	2 300	2 516	2 124	1 724
Finance leases (including PPP asset element)											
Total Non current liabilities - Borrowing	4	4 163	3 536	2 310	2 836	2 300	2 300	2 300	2 516	2 124	1 724
Provisions - non-current											
Retirement benefits											
List other major provision items											
Refuse landfill site rehabilitation		1 244	1 551	1 884	1 551	1 551	1 551	1 551	1 629	1 710	1 796
Other											
Total Provisions - non-current		1 244	1 551	1 884	1 551	1 551	1 551	1 551	1 629	1 710	1 796
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		944 241	1 022 051	1 085 574	878 434	1 037 293	1 037 293	1 037 293	1 140 764	1 258 232	1 382 268
GRAP adjustments			-	-	-	-	-	-			
Restated balance		944 241	1 022 051	1 085 574	878 434	1 037 293	1 037 293	1 037 293	1 140 764	1 258 232	1 382 268
Surplus/(Deficit)		(119 791)	(32 207)	65 046	133 095	138 845	138 845	138 845	125 767	137 961	139 192
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	824 450	989 844	1 150 620	1 011 529	1 176 138	1 176 138	1 176 138	1 266 531	1 396 193	1 521 460
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	824 450	989 844	1 150 620	1 011 529	1 176 138	1 176 138	1 176 138	1 266 531	1 396 193	1 521 460

Table 51: Table SA 32 – List of external mechanism

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand
Sebata Municipal Solution	Yrs		Licencing of Sebata Financial System	31 July 2013	280
Eskom	Yrs	1	Electricity supply agreement with in other municipal areas(FBS)	Yearly	2 148
Maximum Profit Recovery	Yrs	2	Review of transaction on a contingency basis (VAT)	03 November 2015	25% of the Claim
Nashua Mobile	Yrs	7	Installation of Nashua sim routers	N/A but has Termination option	160
Vysyem Trading	Mths	36	Copiers and Fax machine hire	30 September 2015	317
Telkom SA Limited	Yrs	5	TI-DIS Silver Access agreement	08 May 2017	
Telkom SA Limited	Yrs	5	Office Telephone PBX	On-going	385
Telkom SA Limited	Yrs	5	Service rental (dignet term discount agreement)	23 April 2017	36
Telkom SA Limited	Yrs	5	Service rental (dignet term discount agreement)	23 April 2017	36

2.15 Municipal Manager's Quality Certificate

JOE MOROLONG LOCAL MUNICIPALITY



JOE MOROLONG
LOCAL MUNICIPALITY

NC 451

QUALITY CERTIFICATE

I, Tshepo Macdonald Bloom, Municipal Manager of JOE MOROLONG LOCAL MUNICIPALITY, hereby certify that the Draft Annual Budget and Supporting Documentation have been prepared in accordance with the Municipal Finance Management Act; (Act 56 of 2003) and regulations made under the act and that the Annual Budget are consistent with the Integrated Development Plan of the municipality.

PRINT NAME: T. M. Bloom

Municipal Manager of JOE MOROLONG LOCAL MUNICIPALITY (NC 451)

Signature: [Handwritten Signature]

Date: 20/03/2015