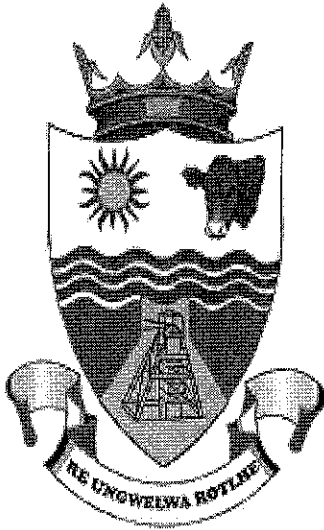


# **ANNUAL BUDGET OF JOE MOROLONG LOCAL MUNICIPALITY**



**JOE MOROLONG**  
**LOCAL MUNICIPALITY**

**(NC 451)**

## **2013/14 TO 2015/16 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.

**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.

**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** – One of the main segments into which a budget is divided. In Knysna Municipality this means at directorate level.

## **PART 1**

### **Section 1**

#### **MAYORAL BUDGET SPEECH**

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

Speaker, the Joe Morolong Local Municipality is again for 2013/2014 budget year set the task to provide sustainable and economically viable local governance to our communities.

We still find ourselves in a phase of economic recovery 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 global economy.

The average inflation rate for the past year was 5.6% and the headline inflation forecast for the coming financial year is estimated to be 5.6%, 5.4% and 5.4% respectively for 2014/15 and 2015/16.

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 2013/14 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 2013/14 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 8%, consumer inflation, the multi-year wage agreement that have been concluded between organized labour as well as other cost factors influencing service delivery.

## **FOCUS OF THE 2013/2014 BUDGET**

With the 2013/14 budget, emphasis is placed on the core service delivery obligations assigned to the municipality in the constitution.

- ✓ Maintenance 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 2013/2014 financial year amounts to R81.8 Million with the main focus on the following:

- |                          |                |
|--------------------------|----------------|
| ➤ Provision of water     | R 27.0 Million |
| ➤ Roads                  | R 9.7 Million  |
| ➤ Sanitation             | R 15.0 Million |
| ➤ Traffic Testing Centre | R 2.1 Million  |
| ➤ Sports & Recreations   | R 8.3 Million  |

➤ Community Halls	R 4.8 Million
➤ Cemeteries	R 0.7 Million
➤ Vehicle and Specialised vehicle	R 2.3 Million
➤ Water Delivery & Sewerage Truck	R 2.2 Million
➤ Refuse Truck	R 1.0 million
➤ Motor Grader and Caravan	R 3.0 Million
➤ Computers, Offices Equipment & Other	R 0.8 Million
➤ Kiang kop	R 4.3 million
➤ Office Partitioning	R 0.5 Million

Capital projects for the 2013/14 financial year are funded from grants receivable from the National Government amounting to R 60.2 Million and own funding to the amount of R 21.6 Million.

## **IN CONCLUSION**

The budget submitted 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.

## **I THANK YOU**

**B.M Mbolekwa**

**Acting MAYOR**

## **Section 2**

### **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 2013/14 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 2013.
  - ✓ 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 2013.
  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.
  3. **POLICIES APPROVED BY THE COUNCIL ALONG-SIDE WITH THE BUDGET:**
    - a) Property Rates Policy
    - b) Banking and Investment Policy
    - c) Budget Policy
    - d) Credit Control and Debt Collection Policy
    - e) Fixed Assets Policy
    - f) Indigent Policy
    - g) Risk Management Policy
    - h) Supply Chain Management Policy
    - i) Tariffs Policy
    - j) Fruitless and Wasteful Expenditure Policy
    - k) Cash Shortage Policy

**RESOLUTION: 279/2012/13**

### **Section 3**

#### **Executive Summary**

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

❖ **National Treasury's MFMA Circular No. 66 and 67 was used to guide the compilation of the 2013/14 MTREF.**

➤ **The main challenges experienced during the compilation of the 2013/2014 MTREF can be summarised 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 2011/12 MTREF:**

- ✓ The 2011/12 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 2013/14 annual budget
- ✓ The budget was prepared on a zero base principle and some of the operational expenses such as advertising, some contracted services and fuel expenses were prepared based on the 2013/2014 financial year performance.
- ✓ The 2012/13 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 2013/14draft budget;
- ✓ 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

- ✓ 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 Bill;
- ✓ 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 proposed 2011/12 Medium-term Revenue and Expenditure Framework:

**Table 1 Overview of the 2013/14 MTREF**

	<b>Adjustment Budget 2012/13 R '000</b>	<b>Budget Year 2013/14 R '000</b>	<b>Budget Year +1 2014/15 R 000</b>	<b>Budget Year +2 2015/16 R 000</b>
Total Operating Revenue	R 110,112	R 121,334	R 132,268	R 151,745
Total Operating Expenditure	R 100,729	R 99,699	R 107,028	R 118,961
(Surplus)/Deficit for the year	R 9,382	R 21,635	R 25,240	R 32,784
Total Capital Expenditure	R 102,885	R 81,859	R 94,961	R 95,995

Total operating revenue has grown by R 11, 2 million for the 2013/14 financial year when compared to the 2012/13 Adjustments Budget. For the two outer years, operational revenue will increase by R 10.9 million and R 19.5 million respectively, equating to a total revenue growth of R 41.6 million over the MTREF when compared to the 2012/13 financial year.

Total operating expenditure for the 2013/14 financial year has been appropriated at R 99.7 million and translates into a budgeted surplus of R21.6 million. When compared to the 2012/13 Adjustments Budget, operational expenditure has declined by R1 million in the 2013/14 budget as result of operational grants that the municipality did receive in 2012/13 financial year and won't receive any longer and will increase by R7.3 million and R11.9 million for each of the respective outer years of the MTREF. The operating surplus for the two outer years steadily increases to R25.2 million and then stabilise at R32.7 million. These surpluses will be used to fund capital expenditure and to further ensure cash backing of reserves and funds.

The capital budget of R81.9 million for 2013/14 is 20.4 per cent less when compared to the 2012/13 Adjustment Budget. The reduction is due to non receipts of Regional Bulk Infrastructure Grant that we did include in the 2012/13 adjustment budget. The capital programme increases to R94.9 million in the 2014/15 financial year and R 96 million in 2015/16. The capital budget will be funded from government grants and internally generated funds (surplus) over MTREF.

### **3.1 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 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 80 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 2011/12 MTREF (classified by main revenue source):

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

Description  R thousand	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Revenue By Source</b>										
Property rates	–	–	3 116	10 411	10 999	10 999	–	11 684	12 412	13 185
Property rates - penalties & collection charges										
Service charges - electricity revenue	–	–	7 467	5 901	5 901	5 901	–	6 751	7 723	8 835
Service charges - water revenue	–	–	6 295	5 133	5 133	5 133	–	5 783	6 515	7 340
Service charges - sanitation revenue	–	–	(1 844)	789	789	789	–	839	891	946
Service charges - refuse revenue	–	–	729	537	537	537	–	571	606	644
Service charges - other										
Rental of facilities and equipment		–	37	34	44	44		66	73	82
Interest earned - external investments	1 095	893	1 303	173	13	13				
Interest earned - outstanding debtors										
Dividends received										
Fines										
Licences and permits										
Agency services										
Transfers recognised - operational	61 319	37 911	87 205	78 749	84 832	84 832		94 721	103 464	120 119
Other revenue	226	377	23 451	1 234	1 864	1 864	–	920	583	594
Gains on disposal of PPE										
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>62 639</b>	<b>39 180</b>	<b>127 761</b>	<b>102 962</b>	<b>110 112</b>	<b>110 112</b>	<b>–</b>	<b>121 334</b>	<b>132 268</b>	<b>151 745</b>

**Table 3 Percentage growth in revenue by main revenue source**

Description	Current Year 2012/13		2013/14 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2013/14	%	Budget Year +1 2014/15	%	Budget Year +2 2015/16	%
<b>Revenue By Source</b>								
Property rates	10 999	9.99%	11 684	9.63%	12 412	9.38%	13 185	8.69%
Property rates - penalties & collection charges		0.00%		0.00%		0.00%		0.00%
Service charges - electricity revenue	5 901	5.36%	6 751	5.56%	7 723	5.84%	8 835	5.82%
Service charges - water revenue	5 133	4.66%	5 783	4.77%	6 515	4.93%	7 340	4.84%

Service charges - sanitation revenue	789	0.72%	839	0.69%	891	0.67%	946	0.62%
Service charges - refuse revenue	537	0.49%	571	0.47%	606	0.46%	644	0.42%
Service charges - other		0.00%		0.00%		0.00%		0.00%
Rental of facilities and equipment	44	0.04%	66	0.05%	73	0.06%	82	0.05%
Interest earned - external investments	13	0.01%		0.00%		0.00%		0.00%
Interest earned - outstanding debtors		0.00%		0.00%		0.00%		0.00%
Dividends received		0.00%		0.00%		0.00%		0.00%
Fines		0.00%		0.00%		0.00%		0.00%
Licences and permits		0.00%		0.00%		0.00%		0.00%
Agency services		0.00%		0.00%		0.00%		0.00%
Transfers recognised - operational	84 832	77.04%	94 721	78.07%	103 464	78.22%	120 119	79.16%
Other revenue	1 864	1.69%	920	0.76%	583	0.44%	597	0.39%
Gains on disposal of PPE		0.00%		0.00%		0.00%		0.00%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>110 112</b>	<b>100.00%</b>	<b>121 334</b>	<b>100.00%</b>	<b>132 268</b>	<b>100.00%</b>	<b>151 748</b>	<b>100.00%</b>

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

The municipality's revenue from operating grants and transfers totals R94.7 million in 2013/14 and steadily increases to R120.1 million by 2015/16 which translates to 78% in 2013/14 and increases to 79% by 2015/16 of total revenue of municipality generated from grants. Rates, service charge and other revenues comprise 22 percent in 2013/14 and 22 and 21 percent of the total revenue mix respectively in 2014/15 and 2015/16.

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	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>RECEIPTS:</b>									
<b><u>Operating Transfers and Grants</u></b>									
<b>National Government:</b>	<b>40 610</b>	<b>55 183</b>	<b>58 812</b>	<b>77 302</b>	<b>77 302</b>	<b>77 302</b>	<b>92 220</b>	<b>100 654</b>	<b>117 155</b>
Local Government Equitable Share	38 468	47 483	54 260	72 127	72 127	72 127	80 780	93 120	114 538
Water Services Operating Subsidy		5 460	1 308	1 875	1 875	1 875	8 000	5 000	
Finance Management	1 000	1 200	1 887	1 500	1 500	1 500	1 550	1 600	1 650
Municipal Systems Improvement	850	750	965	800	800	800	890	934	967
EPWP Incentive			393	1 000	1 000	1 000	1 000		
Other transfers/grants [insert description]	292	290							

Provincial Government:	–	–	684	445	5 792	5 792	436	436	436
Sport and Recreation		–	684	445	445	445	436	436	436
Housing					4 747	4 747			
EPWP Incentive					600	600			
Other grant providers:	–	–	–	–	–	–	–	–	–
[insert description]									
<b>Total Operating Transfers and Grants</b>	<b>40 610</b>	<b>55 183</b>	<b>59 496</b>	<b>77 747</b>	<b>83 094</b>	<b>83 094</b>	<b>92 656</b>	<b>101 090</b>	<b>117 591</b>

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

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

**The tariffs for 2013/14 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 which was sold at zero (0)-tariff previously and that indigent person will be fully subsidized for the same. This will be re-invested in water services – maintenance of infrastructure
- That the average tariff increases will be as affordable as possible.

### 3.3 Operating Expenditure Framework

The Municipality's expenditure framework for the 2013/14 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 adherence to the principle of no project plan *no budget*. If there is no business plan no funding allocation can be made.

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

**Table 5 Summary of operating expenditure by standard classification item**

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 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 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Expenditure By Type</b>										
Employee related costs	17 822	22 897	36 563	27 989	27 844	27 844	–	35 713	37 941	39 917
Remuneration of councillors	5 217	4 834	9 284	7 554	6 954	6 954		7 438	7 921	8 309
Debt impairment			56 089	159	159	159		170	181	193
Depreciation & asset impairment	–	67 924	67 954	1 152	1 152	1 152	–	5 615	5 902	6 191
Finance charges	593	467	1 421	785	785	785		900	957	1 004
Bulk purchases	–	–	6 320	7 295	9 868	9 868	–	11 006	11 997	13 076
Other materials	–	–	–	2 000	2 200	2 200		–	–	–
Contracted services	–	–	–	–	–	–	–	6 106	6 472	7 794
Transfers and grants	21 817	31 235	75 524	10	–	–	–	–	–	–
Other expenditure	18 270	24 517	44 727	42 052	51 767	51 767	–	32 750	35 657	42 476
Loss on disposal of PPE										
<b>Total Expenditure</b>	<b>63 720</b>	<b>151 874</b>	<b>297 882</b>	<b>88 996</b>	<b>100 729</b>	<b>100 729</b>	<b>–</b>	<b>99 699</b>	<b>107 028</b>	<b>118 961</b>

The budgeted allocation for employee related costs for the 2013/14 financial year totals R35.7 million, which equals 35.82 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 6.85 per cent for the 2013/14 financial year. An annual increase of 6.4 and 4.9 per cent has been included in the two outer years of the MTREF.

As part of the Municipality's cost reprioritization and improved maintenance vacancies have been rationalized downwards. Expenditure on overtime remains challenge, with provisions against this budget item only being provided for critical functions.

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

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 0.90 per cent (R0.90 million) of operating expenditure and increases to R0.96 million by 2014/15.



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. 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 drafting the budget, growth has been limited to average increase of 6 per cent for 2013/14.

### 3.4 Capital expenditure

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

**Table 6 2013/14 Medium-term capital budget per vote**

Vote Description	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Capital expenditure - Vote</b>						
<b>Capital Expenditure - Standard</b>						
Executive and council	1 415	1 217	1 217	1 900	—	—
Budget and treasury office	197	127	127	177	319	—
Corporate services	750	546	546	80	—	300
Community and social services	5 002	4 321	4 321	9 815	8 300	12 616
Sport and recreation	8 302	703	703	8 288	8 564	9 111
Planning and development	462	629	629	7 470	12 927	14 315
Road transport	10 135	587	587	9 723	14 656	16 100
Water	18 193	63 794	63 794	29 406	36 695	32 557
Waste water management	24 985	30 960	30 960	15 000	13 500	11 000
<b>Total Capital Expenditure - Standard</b>	<b>69 442</b>	<b>102 885</b>	<b>102 885</b>	<b>81 859</b>	<b>94 961</b>	<b>95 998</b>

For 2013/14 an amount of R51.8 million has been appropriated for the development of Infrastructure, R13.8 million for community assets, R4.3 million heritage assets and R11.4 million for other assets (which are R7.4 million for vehicles, R1 million for refuse truck, R 0.8 million for computers, furniture and software and R2.7 million for buildings).

The capital budget for the 2013/2014 financial year amounts to R81.8 Million with the main focus on the following:

- Provision of water R 27.0 Million
- Roads R 9.7 Million
- Sanitation R 15.0 Million
- Traffic Testing Centre R 2.1 Million
- Sports & Recreations R 8.3 Million

➤ Community Halls	R 4.8 Million
➤ Cemeteries	R 0.7 Million
➤ Vehicle and Specialised vehicle	R 2.3 Million
➤ Water Delivery & Sewerage Truck	R 2.2 Million
➤ Refuse Truck	R 1.0 million
➤ Motor Grader and Caravan	R 3.0 Million
➤ Computers, Offices Equipment & Other	R 0.8 Million
➤ Kiang kop	R 4.3 million
➤ Office Partitioning	R 0.5 Million

### 3.5 Overview of budget-related policies

Indicated in the table below is a list of all policies applicable to Joe Morolong Local Municipality and policies that were reviewed for 2013/14 MTREF period. The review was necessitated in order to update policies to be more realistic and aligned to the challenges facing Joe Morolong Local Municipality.

<b>List of Budget related policies Approved</b>	<b>Reviewed</b>
Property Rates Policy	31-May-13
Banking & Investment Policy	31-May-13
Budget Policy	31-May-13
Credit Control & Debt Collection Policy	31-May-13
Fixed Assets Policy	31-May-13
Indigent Policy	31-May-13
Risk Management Policy	31-May-13
Policy Supply Chain Management	31-May-13
Tariffs Policy	31-May-13
Fruitless and Wasteful Expenditure Policy	31 May-13
Cash Shortage Policy	31 May-13

## Section 4

### 4.1. 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 2013/14 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	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Financial Performance</b>										
Property rates	–	–	3 116	10 411	10 999	10 999	–	11 684	12 412	13 185
Service charges	–	–	12 648	12 361	12 361	12 361	–	13 943	15 735	17 765
Investment revenue	1 095	893	1 303	173	13	13	–	–	–	–
Transfers recognised - operational	61 319	37 911	87 205	78 749	84 832	84 832	–	94 721	103 464	120 119
Other own revenue	226	377	23 488	1 268	1 908	1 908	–	986	657	676
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>62 639</b>	<b>39 180</b>	<b>127 761</b>	<b>102 962</b>	<b>110 112</b>	<b>110 112</b>	<b>–</b>	<b>121 334</b>	<b>132 268</b>	<b>151 745</b>
Employee costs	17 822	22 897	36 563	27 989	27 844	27 844	–	35 713	37 941	39 917
Remuneration of councillors	5 217	4 834	9 284	7 554	6 954	6 954	–	7 438	7 921	8 309
Depreciation & asset impairment	–	67 924	67 954	1 152	1 152	1 152	–	5 615	5 902	6 191
Finance charges	593	467	1 421	785	785	785	–	900	957	1 004
Materials and bulk purchases	–	–	6 320	9 295	12 068	12 068	–	11 006	11 997	13 076
Transfers and grants	21 817	31 235	75 524	10	–	–	–	–	–	–
Other expenditure	18 270	24 517	100 816	42 211	51 926	51 926	–	39 026	42 310	50 463
<b>Total Expenditure</b>	<b>63 720</b>	<b>151 874</b>	<b>297 882</b>	<b>88 996</b>	<b>100 729</b>	<b>100 729</b>	<b>–</b>	<b>99 699</b>	<b>107 028</b>	<b>118 961</b>
<b>Surplus/(Deficit)</b>	<b>(1 081)</b>	<b>(112 694)</b>	<b>(170 121)</b>	<b>13 966</b>	<b>9 382</b>	<b>9 382</b>	<b>–</b>	<b>21 635</b>	<b>25 240</b>	<b>32 784</b>
Transfers recognised - capital	21 146	60 318	37 845	55 477	93 503	93 503	–	60 224	69 721	63 211
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>20 065</b>	<b>(52 375)</b>	<b>(132 276)</b>	<b>69 442</b>	<b>102 885</b>	<b>102 885</b>	<b>–</b>	<b>81 859</b>	<b>94 961</b>	<b>95 995</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	<b>20 065</b>	<b>(52 375)</b>	<b>(132 276)</b>	<b>69 442</b>	<b>102 885</b>	<b>102 885</b>	<b>–</b>	<b>81 859</b>	<b>94 961</b>	<b>95 995</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>27 158</b>	<b>20 336</b>	<b>456</b>	<b>69 442</b>	<b>102 885</b>	<b>102 885</b>	<b>–</b>	<b>81 859</b>	<b>94 961</b>	<b>95 998</b>
Transfers recognised - capital	22 177	11 943	–	55 476	93 375	93 375	–	60 224	69 721	63 211
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	4 981	8 392	456	13 966	9 510	9 510	–	21 335	25 240	32 787
<b>Total sources of capital funds</b>	<b>27 158</b>	<b>20 336</b>	<b>456</b>	<b>69 442</b>	<b>102 885</b>	<b>102 885</b>	<b>–</b>	<b>81 559</b>	<b>94 961</b>	<b>95 998</b>
<b>Financial position</b>										
Total current assets	36 656	37 281	55 052	27 570	27 767	27 767	–	25 552	29 312	33 468
Total non current assets	44 741	677 941	610 339	115 223	599 794	599 794	–	80 281	87 350	94 497
Total current liabilities	36 297	45 351	128 339	35 865	33 365	33 365	–	12 641	15 098	15 864
Total non current liabilities	2 999	3 147	2 603	18 042	18 042	18 042	–	9 659	8 896	8 096

Community wealth/Equity	42 102	666 724	534 449	88 886	576 153	576 153	–	83 533	92 669	104 004
<b>Cash flows</b>										
Net cash from (used) operating	21 722	13 441	(8 109)	70 105	103 700	103 700	–	82 854	89 977	96 195
Net cash from (used) investing	(27 179)	(20 352)	(474)	(69 315)	(102 885)	(102 885)	–	(80 191)	(87 350)	(94 042)
Net cash from (used) financing	(252)	(1 330)	8 546	(785)	(785)	(785)	–	(784)	(835)	(876)
<b>Cash/cash equivalents at the year end</b>	<b>22 615</b>	<b>14 373</b>	<b>14 337</b>	<b>14 342</b>	<b>14 367</b>	<b>14 367</b>	<b>14 337</b>	<b>1 709</b>	<b>3 500</b>	<b>4 777</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and Investments available	29 413	14 717	14 699	3 515	6 940	6 940	–	30	1 273	2 628
Application of cash and investments	27 073	16 738	83 811	13 021	14 365	14 365	–	(12 003)	(11 811)	(13 642)
<b>Balance - surplus (shortfall)</b>	<b>2 340</b>	<b>(2 021)</b>	<b>(69 112)</b>	<b>(9 506)</b>	<b>(7 425)</b>	<b>(7 425)</b>	<b>–</b>	<b>12 033</b>	<b>13 084</b>	<b>16 270</b>
<b>Asset management</b>										
Asset register summary (WDV)	22	18	28	257	214	214	90	90	–	454
Depreciation & asset impairment	–	67 924	67 954	1 152	1 152	1 152	5 615	5 615	5 902	6 191
Renewal of Existing Assets	–	–	–	500	–	–	–	500	–	–
Repairs and Maintenance	–	–	–	8 199	8 198	8 198	9 233	9 233	11 537	14 770
<b>Free services</b>										
Cost of Free Basic Services provided	–	–	–	1 823	1 823	1 823	1 923	1 923	2 021	3 178
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–	–
<b>Households below minimum service level</b>										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	3	3	3	3	3	3	3	3	3
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	22	22	22	22	22	22	22	22	22

### 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 emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard: a. The operating surplus/deficit (after Total Expenditure) is positive over the next three years (MTREF)
- ✓ Capital expenditure is balanced by capital funding sources, of which
  - i. Transfers recognised is reflected on the Financial Performance Budget;

- ii. Internally generated funds are financed from a combination of the current operating surplus.

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

Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Revenue - Standard</b>										
<b>Governance and administration</b>		41 439	51 240	84 912	85 825	86 852	86 852	95 309	108 476	130 756
Executive and council		1 372	–	–	3 642	3 842	3 842	4 581	5 322	5 525
Budget and treasury office		40 013	51 115	83 994	81 869	82 639	82 639	90 423	102 844	124 915
Corporate services		54	126	918	315	371	371	305	310	316
<b>Community and public safety</b>		1 390	5 649	5 919	450	5 197	5 197	462	468	476
Community and social services		1 388	722	684	450	450	450	452	458	465
Sport and recreation		–	–	–	–	–	–	10	11	11
Public safety		–	–	–	–	–	–	–	–	–
Housing		2	4 927	5 235	–	4 747	4 747	–	–	–
Health		–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		30 909	37 595	60 735	57 538	58 178	58 178	63 454	72 269	65 920
Planning and development		30 909	37 595	60 735	56 538	57 178	57 178	62 454	72 269	65 920
Road transport		–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	1 000	1 000	1 000	1 000	–	–
<b>Trading services</b>		10 047	5 014	14 040	14 626	53 387	53 387	22 333	20 775	17 805
Electricity		–	–	7 467	5 901	5 901	5 901	6 751	7 723	8 835
Water		10 047	5 014	7 687	7 398	46 159	46 159	14 173	11 555	7 380
Waste water management		–	–	(1 844)	789	789	789	839	891	946
Waste management		–	–	729	537	537	537	571	606	644
<b>Other</b>	4	–	–	–	–	–	–	–	–	–
<b>Total Revenue - Standard</b>	2	83 785	99 498	165 606	158 438	203 614	203 614	181 557	201 988	214 956
<b>Expenditure - Standard</b>										
<b>Governance and administration</b>		22 469	86 157	126 552	40 596	44 621	44 621	48 084	50 193	53 071
Executive and council		9 474	9 487	15 985	14 578	13 009	13 009	18 523	18 781	19 744
Budget and treasury office		5 882	70 575	68 126	10 142	16 803	16 803	16 785	17 888	18 726
Corporate services		7 113	6 095	42 441	15 877	14 809	14 809	12 776	13 524	14 601
<b>Community and public safety</b>		4 049	9 333	18 729	6 115	10 768	10 768	7 358	7 744	9 447
Community and social services		4 047	4 406	18 729	6 115	6 020	6 020	7 358	7 744	9 447
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		2	4 927	–	–	4 747	4 747	–	–	–
Health		–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		19 782	29 890	58 838	13 359	12 810	12 810	18 729	19 442	21 559
Planning and development		19 782	29 890	58 838	12 359	11 810	11 810	17 729	19 442	21 559
Road transport		–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	1 000	1 000	1 000	1 000	–	–
<b>Trading services</b>		17 420	26 494	93 762	28 926	32 530	32 530	25 528	29 649	34 884
Electricity		–	–	3 540	4 568	5 509	5 509	–	–	–
Water		17 420	26 494	83 018	24 358	27 022	27 022	25 528	29 649	34 884
Waste water management		–	–	7 204	–	–	–	–	–	–
Waste management		–	–	–	–	–	–	–	–	–
<b>Other</b>	4	–	–	–	–	–	–	–	–	–
<b>Total Expenditure - Standard</b>	3	63 720	151 874	297 882	88 996	100 729	100 729	99 699	107 028	118 961
<b>Surplus/(Deficit) for the year</b>		20 065	(52 375)	(132 276)	69 442	102 885	102 885	81 859	94 961	95 995

➤ **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.

The total expenditure of R 100 million includes an amount of R 82 million for Capital expenditure for 2013/2014 financial year and the same principle applies for the two outer years.

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

Vote Description  R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Revenue by Vote</b>	<b>1</b>									
VOTE1 - MUNICIPAL MANAGER		–	–	–	–	166	166	–	–	–
VOTE2 - COUNCIL		1 372	–	–	3 642	3 677	3 677	4 581	5 322	5 525
VOTE3 - FINANCE		40 013	51 115	83 994	80 353	80 535	80 535	90 423	102 844	124 912
VOTE4 - CORPORATE SERVICE		54	126	918	175	231	231	305	310	316
VOTE5 - COMMUNITY SERVICE		1 388	722	684	445	445	445	10 159	10 530	11 177
VOTE6 - TECHNICAL SERVICE		30 909	37 595	66 695	39	80	80	33 861	38 407	38 627
VOTE7 - WATER UNIT		10 047	5 014	7 687	2 315	41 076	41 076	41 209	44 555	34 380
VOTE8 - PLANNING AND DEVELOPMENT		–	–	393	1 019	1 619	1 619	1 019	19	19
VOTE9 - DMA		–	–	–	13 971	14 559	14 559	–	–	–
VOTE10 - MIG		–	–	–	56 479	56 479	56 479	–	–	–
VOTE11 - HOUSING	2	–	4 927	5 235	–	4 747	4 747	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
<b>Total Revenue by Vote</b>	<b>2</b>	<b>83 785</b>	<b>99 498</b>	<b>165 606</b>	<b>158 438</b>	<b>203 614</b>	<b>203 614</b>	<b>181 557</b>	<b>201 988</b>	<b>214 956</b>
<b>Expenditure by Vote to be appropriated</b>	<b>1</b>									
VOTE1 - MUNICIPAL MANAGER		2 818	2 760	2 913	3 787	2 525	2 525	3 653	3 866	4 097
VOTE2 - COUNCIL		6 656	6 727	13 072	10 790	10 484	10 484	14 071	14 915	15 647
VOTE3 - FINANCE		5 882	70 575	68 126	10 142	16 803	16 803	16 785	17 888	18 726
VOTE4 - CORPORATE SERVICE		7 113	6 095	42 441	10 162	10 554	10 554	12 776	13 524	14 601
VOTE5 - COMMUNITY SERVICE		4 047	4 406	18 729	6 115	6 020	6 020	7 358	7 744	9 843
VOTE6 - TECHNICAL SERVICE		16 639	25 931	66 163	5 327	3 334	3 334	12 769	13 843	15 506

VOTE7 - WATER UNIT		17 420	26 494	83 018	21 631	22 662	22 662	26 317	29 658	34 477
VOTE8 - PLANNING AND DEVELOPMENT		3 143	3 960	3 419	6 902	7 265	7 265	5 972	5 590	6 063
VOTE9 - DMA		—	—	—	13 010	14 123	14 123	—	—	—
VOTE10 - MIG		—	—	—	1 130	2 212	2 212	—	—	—
VOTE11 - HOUSING		2	4 927	—	—	4 747	4 747	—	—	—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>63 720</b>	<b>151 874</b>	<b>297 882</b>	<b>88 996</b>	<b>100 729</b>	<b>100 729</b>	<b>99 699</b>	<b>107 028</b>	<b>118 961</b>
<b>Surplus/(Deficit) for the year</b>	<b>2</b>	<b>20 065</b>	<b>(52 375)</b>	<b>(132 276)</b>	<b>69 442</b>	<b>102 885</b>	<b>102 885</b>	<b>81 859</b>	<b>94 961</b>	<b>95 995</b>

➤ **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 present 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

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

Description	Re f	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Revenue By Source</b>											
Property rates	2	—	—	3 116	10 411	10 999	10 999	—	11 684	12 412	13 185
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	—	—	7 467	5 901	5 901	5 901	—	6 751	7 723	8 835
Service charges - water revenue	2	—	—	6 295	5 133	5 133	5 133	—	5 783	6 515	7 340
Service charges - sanitation revenue	2	—	—	(1 844)	789	789	789	—	839	891	946
Service charges - refuse revenue	2	—	—	729	537	537	537	—	571	606	644
Service charges - other											
Rental of facilities and equipment			—	37	34	44	44		66	73	82
Interest earned - external investments		1 095	893	1 303	173	13	13				
Interest earned - outstanding debtors											
Dividends received											
Fines											
Licences and permits											
Agency services											
Transfers recognised - operational		61 319	37 911	87 205	78 749	84 832	84 832		94 721	103 464	120 119
Other revenue	2	226	377	23 451	1 234	1 864	1 864	—	920	583	594
Gains on disposal of PPE											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>62 639</b>	<b>39 180</b>	<b>127 761</b>	<b>102 962</b>	<b>110 112</b>	<b>110 112</b>	<b>—</b>	<b>121 334</b>	<b>132 268</b>	<b>151 745</b>

<b>Expenditure By Type</b>											
Employee related costs	2	17 822	22 897	36 563	27 989	27 844	27 844	-	35 713	37 941	39 917
Remuneration of councillors		5 217	4 834	9 284	7 654	6 954	6 954	-	7 438	7 921	8 309
Debt impairment	3	-	-	56 089	159	159	159	-	170	181	193
Depreciation & asset impairment	2	-	67 924	67 954	1 152	1 152	1 152	-	5 615	5 902	6 191
Finance charges		593	467	1 421	785	785	785	-	900	957	1 004
Bulk purchases	2	-	-	6 320	7 295	9 868	9 868	-	11 006	11 997	13 076
Other materials	8	-	-	-	2 000	2 200	2 200	-	-	-	-
Contracted services		-	-	-	-	-	-	-	6 106	6 472	7 794
Transfers and grants		21 817	31 235	75 524	10	-	-	-	-	-	-
Other expenditure	4, 5	18 270	24 517	44 727	42 052	51 767	51 767	-	32 750	35 657	42 476
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>63 720</b>	<b>151 874</b>	<b>297 882</b>	<b>88 996</b>	<b>100 729</b>	<b>100 729</b>	<b>-</b>	<b>99 699</b>	<b>107 028</b>	<b>118 961</b>
<b>Surplus/(Deficit)</b>		<b>(1 081)</b>	<b>(112 694)</b>	<b>(170 121)</b>	<b>13 966</b>	<b>9 382</b>	<b>9 382</b>	<b>-</b>	<b>21 635</b>	<b>25 240</b>	<b>32 784</b>
Transfers recognised - capital		21 146	60 318	37 845	55 477	93 503	93 503	-	60 224	66 721	63 211
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>20 065</b>	<b>(52 375)</b>	<b>(132 276)</b>	<b>69 442</b>	<b>102 885</b>	<b>102 885</b>	<b>-</b>	<b>81 859</b>	<b>94 961</b>	<b>95 995</b>
Taxation		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>20 065</b>	<b>(52 375)</b>	<b>(132 276)</b>	<b>69 442</b>	<b>102 885</b>	<b>102 885</b>	<b>-</b>	<b>81 859</b>	<b>94 961</b>	<b>95 995</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>20 065</b>	<b>(52 375)</b>	<b>(132 276)</b>	<b>69 442</b>	<b>102 885</b>	<b>102 885</b>	<b>-</b>	<b>81 859</b>	<b>94 961</b>	<b>95 995</b>
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>20 065</b>	<b>(52 375)</b>	<b>(132 276)</b>	<b>69 442</b>	<b>102 885</b>	<b>102 885</b>	<b>-</b>	<b>81 859</b>	<b>94 961</b>	<b>95 995</b>

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

Total operating revenue is R 121 Million for 2013/14 and increase to R132 Million by 2014/15.

Revenue to be generated from property rates is R10 Million in the 2013/14 and increase to 12 million by 2014/15 financial year

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 100 million for 2013/14 and escalate to R107 million by 2015/16.

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

Vote Description	Re f	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1										
<b>Capital expenditure - Vote</b>											



<b>Multi-year expenditure to be appropriated</b>		2										
VOTE1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	
VOTE2 - COUNCIL		-	-	-	-	-	-	-	-	-	-	
VOTE3 - FINANCE		-	-	-	-	-	-	-	-	-	-	
VOTE4 - CORPORATE SERVICE		-	-	-	-	-	-	-	-	-	-	
VOTE5 - COMMUNITY SERVICE		-	-	-	-	-	-	8 288	8 564	9 111	-	
VOTE6 - TECHNICAL SERVICE		-	-	-	-	-	-	24 723	28 157	27 100	-	
VOTE7 - WATER UNIT		-	-	-	-	-	-	27 036	33 000	27 000	-	
VOTE8 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	4 385	9 726	7 730	-	
VOTE9 - DMA		-	-	-	-	-	-	-	-	-	-	
VOTE10 - MIG		-	-	-	47 047	54 047	54 047	-	-	-	-	
VOTE11 - HOUSING		-	-	-	-	-	-	-	-	-	-	
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	
<b>Capital multi-year expenditure sub-total</b>		7	-	-	-	47 047	54 047	54 047	-	64 432	79 447	70 941
<b>Single-year expenditure to be appropriated</b>		2										
VOTE1 - MUNICIPAL MANAGER		-	-	-	1 015	828	828	-	800	-	-	
VOTE2 - COUNCIL		-	-	-	400	389	389	-	1 100	-	-	
VOTE3 - FINANCE		1 420	770	-	197	127	127	-	177	319	-	
VOTE4 - CORPORATE SERVICE		434	277	211	750	546	546	-	80	-	300	
VOTE5 - COMMUNITY SERVICE		1 388	1 155	-	5 002	4 321	4 321	-	9 815	8 300	12 616	
VOTE6 - TECHNICAL SERVICE		3 613	6 376	245	2 500	705	705	-	3 085	3 200	6 584	
VOTE7 - WATER UNIT		20 140	11 440	-	3 066	41 295	41 295	-	2 370	3 695	5 557	
VOTE8 - PLANNING AND DEVELOPMENT		163	317	-	462	407	407	-	-	-	-	
VOTE9 - DMA		-	-	-	700	-	-	-	-	-	-	
VOTE10 - MIG		-	-	-	8 302	220	220	-	-	-	-	
VOTE11 - HOUSING		-	-	-	-	-	-	-	-	-	-	
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	
<b>Capital single-year expenditure sub-total</b>			27 158	20 336	456	22 395	48 838	48 838	-	17 427	15 514	25 057
<b>Total Capital Expenditure - Vote</b>			27 158	20 336	456	69 442	102 885	102 885	-	81 859	94 961	95 998
<b>Capital Expenditure - Standard</b>												
<b>Governance and administration</b>			1 854	1 047	211	2 362	1 891	1 891	-	2 157	319	300
Executive and council		-	-	-	-	1 415	1 217	1 217	-	1 900	-	-
Budget and treasury office		1 420	770	-	197	127	127	-	177	319	-	-
Corporate services		434	277	211	750	546	546	-	80	-	300	-
<b>Community and public safety</b>			1 388	1 155	-	13 305	5 024	5 024	-	18 103	16 864	21 727
Community and social services		1 388	1 155	-	5 002	4 321	4 321	-	9 815	8 300	12 616	-
Sport and recreation		-	-	-	8 302	703	703	-	8 288	8 564	9 111	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>			3 776	6 693	245	10 597	1 216	1 216	-	17 193	27 583	30 414
Planning and development		3 776	6 693	245	462	629	629	-	7 470	12 927	14 315	-
Road transport		-	-	-	10 136	587	587	-	9 723	14 656	16 100	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>			20 140	11 440	-	43 178	94 754	94 754	-	44 406	50 195	43 557
Electricity		-	-	-	-	-	-	-	-	-	-	-
Water		20 140	11 440	-	18 193	63 794	63 794	-	29 406	36 695	32 557	-
Waste water management		-	-	-	24 985	30 960	30 960	-	15 000	13 500	11 000	-
Waste management		-	-	-	-	-	-	-	-	-	-	-
<b>Other</b>			-	-	-	-	-	-	-	-	-	-

<b>Total Capital Expenditure - Standard</b>	3	27 158	20 336	456	69 442	102 885	102 885	-	81 859	94 961	95 998
<b>Funded by:</b>											
National Government		22 177	11 943		55 476	93 375	93 375		60 224	69 721	63 211
Provincial Government											
District Municipality											
Other transfers and grants											
<b>Transfers recognised - capital</b>	4	22 177	11 943	-	55 476	93 375	93 375	-	60 224	69 721	63 211
<b>Public contributions &amp; donations</b>	5										
<b>Borrowing</b>	6										
<b>Internally generated funds</b>		4 981	8 392	456	13 968	9 510	9 510		21 635	25 240	32 787
<b>Total Capital Funding</b>	7	27 158	20 336	456	69 442	102 885	102 885	-	81 859	94 961	95 998

➤ **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 86 million for the 2013/14 financial year and remains relatively constant over the MTREF at levels of R 95 million and R 96 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 2013/2014. Included in our single-year appropriations is an expenditure that will be incurred in the 2013/2014 budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

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

NC451 Joe Morolong - Table A6 Budgeted Financial Position

Description  R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		8 448	1 044	12 337	–	3 448	3 448		30	1 273	2 628
Call Investment deposits	1	20 638	18 883	2 001	3 131	3 131	3 131	–	–	–	–
Consumer debtors	1	171	3 899	15 368	22 652	19 611	19 611	–	25 457	27 966	30 757
Other debtors		6 881	12 226	24 182	412	412	412		66	73	82
Current portion of long-term receivables											
Inventory	2	518	1 229	1 165	1 376	1 165	1 165				
<b>Total current assets</b>		<b>36 656</b>	<b>37 281</b>	<b>55 052</b>	<b>27 570</b>	<b>27 767</b>	<b>27 767</b>	<b>–</b>	<b>25 552</b>	<b>29 312</b>	<b>33 468</b>
<b>Non current assets</b>											
Long-term receivables											
Investments		327	344	362	385	362	362				
Investment property											
Investment in Associate											
Property, plant and equipment	3	44 392	677 579	609 949	114 582	599 218	599 218	–	80 191	87 350	94 042
Agricultural											
Biological											
Intangible		22	18	28	257	214	214		90	–	454
Other non-current assets											
<b>Total non current assets</b>		<b>44 741</b>	<b>677 941</b>	<b>610 339</b>	<b>115 223</b>	<b>599 794</b>	<b>599 794</b>	<b>–</b>	<b>80 281</b>	<b>87 350</b>	<b>94 497</b>
<b>TOTAL ASSETS</b>		<b>81 397</b>	<b>715 222</b>	<b>665 391</b>	<b>142 794</b>	<b>627 560</b>	<b>627 560</b>	<b>–</b>	<b>105 833</b>	<b>116 662</b>	<b>127 964</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1	–	5 553	–	–	–	–				
Borrowing	4	1 618	277	559	759	759	759	–	784	835	876
Consumer deposits		–	–	0	–	–	–				
Trade and other payables	4	33 214	36 079	123 361	35 106	32 606	32 606	–	7 150	9 250	9 650
Provisions		1 465	3 441	4 419	–	–	–		4 706	5 012	5 338
<b>Total current liabilities</b>		<b>36 297</b>	<b>45 351</b>	<b>128 339</b>	<b>35 865</b>	<b>33 365</b>	<b>33 365</b>	<b>–</b>	<b>12 641</b>	<b>15 098</b>	<b>15 864</b>
<b>Non current liabilities</b>											
Borrowing		2 999	3 147	2 603	6 236	6 236	6 236	–	5 744	4 909	4 032
Provisions		–	–	–	11 806	11 806	11 806	–	3 915	3 987	4 063
<b>Total non current liabilities</b>		<b>2 999</b>	<b>3 147</b>	<b>2 603</b>	<b>18 042</b>	<b>18 042</b>	<b>18 042</b>	<b>–</b>	<b>9 659</b>	<b>8 896</b>	<b>8 096</b>
<b>TOTAL LIABILITIES</b>		<b>39 296</b>	<b>48 498</b>	<b>130 942</b>	<b>53 908</b>	<b>51 408</b>	<b>51 408</b>	<b>–</b>	<b>22 300</b>	<b>23 994</b>	<b>23 960</b>
<b>NET ASSETS</b>	5	<b>42 102</b>	<b>666 724</b>	<b>534 449</b>	<b>88 886</b>	<b>576 153</b>	<b>576 153</b>	<b>–</b>	<b>83 533</b>	<b>92 669</b>	<b>104 004</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		42 102	666 724	534 449	88 886	576 153	576 153		83 533	92 669	104 004
Reserves	4	–	–	–	–	–	–	–	–	–	–
Minorities' interests											
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>42 102</b>	<b>666 724</b>	<b>534 449</b>	<b>88 886</b>	<b>576 153</b>	<b>576 153</b>	<b>–</b>	<b>83 533</b>	<b>92 669</b>	<b>104 004</b>

➤ 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.

NC451 Joe Morolong - Table A7 Budgeted Cash Flows

Description  R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Ratepayers and other		197	452	39 253	23 019	23 019	23 019		19 971	21 635	23 886
Government - operating	1	64 411	89 765	64 732	78 877	85 598	85 598		94 721	103 464	120 119
Government - capital	1	21 146	11 982	60 318	55 349	92 967	92 967		60 224	69 721	63 211
Interest		1 095	893	1 303	173	13	13				
Dividends											
<b>Payments</b>											
Suppliers and employees		(64 534)	(89 183)	(172 294)	(87 193)	(97 112)	(111 112)		(91 912)	(103 886)	(110 017)
Finance charges		(593)	(467)	(1 421)	(110)	(785)	(785)		(900)	(957)	(1 004)
Transfers and Grants	1	-			(10)	-	-				
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>21 722</b>	<b>13 441</b>	<b>(8 109)</b>	<b>70 105</b>	<b>103 700</b>	<b>89 700</b>	<b>-</b>	<b>82 104</b>	<b>89 977</b>	<b>96 195</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE											
Decrease (Increase) in non-											

current debtors										
Decrease (increase) other non-current receivables										
Decrease (increase) in non-current investments		(21)	(17)	(18)						
<b>Payments</b>										
Capital assets		(27 158)	(20 336)	(456)	(69 315)	(102 885)	(102 885)		(80 241)	(87 350)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(27 179)</b>	<b>(20 352)</b>	<b>(474)</b>	<b>(69 315)</b>	<b>(102 885)</b>	<b>(102 885)</b>	<b>-</b>	<b>(80 241)</b>	<b>(87 350)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans										
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits				8 808						
<b>Payments</b>										
Repayment of borrowing		(252)	(1 330)	(262)	(785)	(785)	(785)		(784)	(835)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(252)</b>	<b>(1 330)</b>	<b>8 546</b>	<b>(785)</b>	<b>(785)</b>	<b>(785)</b>	<b>-</b>	<b>(784)</b>	<b>(835)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(5 710)</b>	<b>(8 242)</b>	<b>(37)</b>	<b>5</b>	<b>30</b>	<b>(13 970)</b>	<b>-</b>	<b>1 079</b>	<b>1 792</b>
Cash/cash equivalents at the year begin:	2	28 325	22 615	14 373	14 337	14 337	14 337	14	367	1 446
Cash/cash equivalents at the year end:	2	22 615	14 373	14 337	14 342	14 367	367	14	337	3 237
										4 514

➤ **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.

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

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	22 615	14 373	14 337	14 342	14 367	367	14 337	1 446	3 237	4 514
Other current investments > 90 days		6 471	0	0	(11 211)	(7 789)	6 211	(14 337)	(1 416)	(1 964)	(1 886)
Non current assets - Investments	1	327	344	362	385	362	362	-	-	-	-
<b>Cash and investments available:</b>		<b>29 413</b>	<b>14 717</b>	<b>14 699</b>	<b>3 515</b>	<b>6 940</b>	<b>6 940</b>	<b>-</b>	<b>30</b>	<b>1 273</b>	<b>2 628</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		28 164	23 527	28 395	18 082	15 582	15 582	-	1 350	1 400	1 550
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	(1 092)	(6 789)	55 416	(5 061)	(1 217)	(1 217)	-	(13 353)	(13 211)	(15 192)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>27 073</b>	<b>16 738</b>	<b>83 811</b>	<b>13 021</b>	<b>14 365</b>	<b>14 365</b>	<b>-</b>	<b>(12 003)</b>	<b>(11 811)</b>	<b>(13 642)</b>
<b>Surplus(shortfall)</b>		<b>2 340</b>	<b>(2 021)</b>	<b>(69 112)</b>	<b>(9 506)</b>	<b>(7 425)</b>	<b>(7 425)</b>	<b>-</b>	<b>12 033</b>	<b>13 084</b>	<b>16 270</b>

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

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

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

**NC451 Joe Morolong - Table A9 Asset Management**

Description  R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>CAPITAL EXPENDITURE</b>										
<b><u>Total New Assets</u></b>	1	27 158	20 336	456	68 942	102 885	102 885	81 359	94 961	95 998
Infrastructure - Road transport		–	–	–	10 135	587	587	9 723	14 656	16 100
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Infrastructure - Water		22 052	14 124	–	15 127	61 294	61 294	27 036	33 000	27 000
Infrastructure - Sanitation		–	–	–	25 035	31 460	31 460	15 000	13 500	11 000
Infrastructure - Other		48	111	–	320	–	–	–	–	–
Infrastructure		22 100	14 235	–	50 617	93 341	93 341	51 759	61 156	54 100
Community		1 388	1 981	–	12 115	5 007	5 007	13 768	14 464	18 911
Heritage assets		–	–	–	–	–	–	4 285	9 357	7 343
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	3 654	4 096	443	5 953	4 323	4 323	11 457	9 614	15 189
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		16	25	12	257	214	214	90	369	454
<b><u>Total Renewal of Existing Assets</u></b>	2	–	–	–	500	–	–	500	–	–
Infrastructure - Road transport		–	–	–	–	–	–	–	–	–
Infrastructure - Electricity		–	–	–	–	–	–	–	–	–
Infrastructure - Water		–	–	–	–	–	–	–	–	–
Infrastructure - Sanitation		–	–	–	–	–	–	–	–	–
Infrastructure - Other		–	–	–	–	–	–	–	–	–
Infrastructure		–	–	–	–	–	–	–	–	–
Community		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6	–	–	–	500	–	–	500	–	–
Agricultural Assets		–	–	–	–	–	–	–	–	–
Biological assets		–	–	–	–	–	–	–	–	–
Intangibles		–	–	–	–	–	–	–	–	–

<b>Total Capital Expenditure</b>	4									
Infrastructure - Road transport		—	—	—	10 135	587	587	9 723	14 656	16 100
Infrastructure - Electricity		—	—	—	—	—	—	—	—	—
Infrastructure - Water		22 052	14 124	—	15 127	61 294	61 294	27 036	33 000	27 000
Infrastructure - Sanitation		—	—	—	25 035	31 460	31 460	15 000	13 500	11 000
Infrastructure - Other		48	111	—	320	—	—	—	—	—
Infrastructure		22 100	14 235	—	50 617	93 341	93 341	51 759	61 156	54 100
Community		1 388	1 981	—	12 115	5 007	5 007	13 768	14 464	18 911
Heritage assets		—	—	—	—	—	—	4 285	9 357	7 343
Investment properties		—	—	—	—	—	—	—	—	—
Other assets		3 654	4 096	443	6 453	4 323	4 323	11 957	9 614	15 189
Agricultural Assets		—	—	—	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
Intangibles		16	25	12	257	214	214	90	369	454
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	27 158	20 336	456	69 442	102 885	102 885	81 859	94 961	95 998
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5									
Infrastructure - Road transport										
Infrastructure - Electricity										
Infrastructure - Water										
Infrastructure - Sanitation										
Infrastructure - Other										
Infrastructure		—	—	—	—	—	—	—	—	—
Community										
Heritage assets										
Investment properties		—	—	—	—	—	—	—	—	—
Other assets										
Agricultural Assets		—	—	—	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
Intangibles		22	18	28	257	214	214	90	—	454
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	22	18	28	257	214	214	90	—	454
<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation &amp; asset impairment</b>										
<b>Repairs and Maintenance by Asset Class</b>										
Infrastructure - Road transport	3	—	67 924	67 954	1 152	1 152	1 152	5 615	5 902	6 191
Infrastructure - Electricity		—	—	—	8 199	8 198	8 198	9 233	11 537	14 770
Infrastructure - Water		—	—	—	621	208	208	220	234	849
Infrastructure - Sanitation		—	—	—	—	—	—	—	—	—
Infrastructure - Other		—	—	—	2 784	4 243	4 243	6 169	8 108	10 435
Infrastructure		—	—	—	456	261	261	76	81	86
Community		—	—	—	11	5	5	54	55	59
Heritage assets		—	—	—	3 872	4 718	4 718	6 518	8 478	11 429
Investment properties		—	—	—	450	110	110	56	59	140
Other assets	6, 7	—	—	—	—	—	—	—	—	—
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		—	67 924	67 954	9 351	9 350	9 350	14 849	17 439	20 961
<b>Renewal of Existing Assets as % of total capex</b>		0.0%	0.0%	0.0%	0.7%	0.0%	0.0%	0.6%	0.0%	0.0%
<b>Renewal of Existing Assets as % of deprecn"</b>		0.0%	0.0%	0.0%	43.4%	0.0%	0.0%	8.9%	0.0%	0.0%
<b>R&amp;M as a % of PPE</b>		0.0%	0.0%	0.0%	7.2%	1.4%	1.4%	11.5%	13.2%	15.7%
<b>Renewal and R&amp;M as a % of PPE</b>		0.0%	0.0%	0.0%	3383.0 %	3829.0 %	3829.0 %	10815.0%	0.0%	3252.0%

➤ **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

**NC451 Joe Morolong - Table A10 Basic service delivery measurement**

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Household service targets</b>	1									
<b><u>Water:</u></b>										
Piped water inside dwelling			3 718	3 718	3 718	3 718	3 718	3 718	3 718	3 718
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	18 048	18 048
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	21 766	21 766
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
<b>Total number of households</b>	5	–	21 766	21 766	21 766	21 766	21 766	21 766	21 766	21 766
<b><u>Sanitation/sewerage:</u></b>										
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
Chemical toilet										
Pit toilet (ventilated)			18 254	18 254	18 254	18 254	18 254	18 254	18 254	18 254
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	20 385	20 385
Bucket toilet			469	469	469	469	469	469	469	469
Other toilet provisions (< min.service level)										
No toilet provisions			2 432	2 432	2 432	2 432	2 432	2 432	2 432	2 432
<i>Below Minimum Service Level sub-total</i>		–	2 901	2 901	2 901	2 901	2 901	2 901	2 901	2 901
<b>Total number of households</b>	5	–	23 286	23 286	23 286	23 286	23 286	23 286	23 286	23 286
<b><u>Energy:</u></b>										
Electricity (at least min.service level)										
Electricity - prepaid (min.service level)			19 384	19 384	19 384	19 384	19 384	19 384	19 384	19 384
<i>Minimum Service Level and Above sub-total</i>		–	19 384	19 384	19 384	19 384	19 384	19 384	19 384	19 384
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–
<b>Total number of households</b>	5	–	19 384	19 384	19 384	19 384	19 384	19 384	19 384	19 384
<b><u>Refuse:</u></b>										

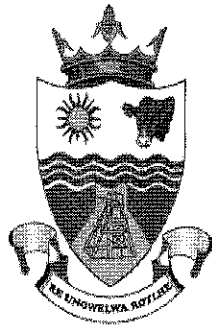


Removed at least once a week		1 581	1 581	1 581	1 581	1 581	1 581	1 581	1 581
<b>Minimum Service Level and Above sub-total</b>		1 581	1 581	1 581	1 581	1 581	1 581	1 581	1 581
Removed less frequently than once a week									
Using communal refuse dump									
Using own refuse dump		19 146	19 146	19 146	19 146	19 146	19 146	19 146	19 146
Other rubbish disposal									
No rubbish disposal		2 707	2 707	2 707	2 707	2 707	2 707	2 707	2 707
<b>Below Minimum Service Level sub-total</b>		21 853	21 853	21 853	21 853	21 853	21 853	21 853	21 853
<b>Total number of households</b>	5	23 434	23 434	23 434	23 434	23 434	23 434	23 434	23 434
<b>Households receiving Free Basic Service</b>	7								
Water (6 kilolitres per household per month)							8	8	8
Sanitation (free minimum level service)									
Electricity/other energy (50kwh per household per month)							8	8	8
Refuse (removed at least once a week)									
<b>Cost of Free Basic Services provided (R'000)</b>	8			150	150	150	158	166	874
Water (6 kilolitres per household per month)									
Sanitation (free sanitation service)									
Electricity/other energy (50kwh per household per month)				1 673	1 673	1 673	1 765	1 855	2 303
Refuse (removed once a week)									
<b>Total cost of FBS provided (minimum social package)</b>		-	-	1 823	1 823	1 823	1 923	2 021	3 178
<b>Highest level of free service provided</b>									
Property rates (R value threshold)									
Water (kilolitres per household per month)									
Sanitation (kilolitres per household per month)									
Sanitation (Rand per household per month)									
Electricity (kwh per household per month)									
Refuse (average litres per week)									
<b>Revenue cost of free services provided (R'000)</b>	9								
Property rates (R15 000 threshold rebate)									
Property rates (other exemptions, reductions and rebates)									
Water									
Sanitation									
Electricity/other energy									
Refuse									
Municipal Housing - rental rebates									
Housing - top structure subsidies									
Other									
<b>Total revenue cost of free services provided (total social package)</b>	6	-	-	-	-	-	-	-	-

- ✓ 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:

## Section 5

### 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 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: Tshepo M. Bloom

Municipal Manager of JOE MOROLONG LOCAL MUNICIPALITY (NC 451)

Signature: [Signature]

Date : 31/05/2013

## Annexure A: Tariffs

### TARIFFS FOR 2013/14

All tariffs are **VAT excluded**

### ALL MUNICIPAL AREAS(HOTAZEL EXCLUDED)

#### Major Tariffs

##### 1. Property Rates: (Category A)

	<b>2013/2014</b>	<b>2012/2013</b>	<b><u>2011/2012</u></b>
Property Rates Vanzylsrus	0.00721	0.00679	0.00612
Property Rates Farms	0.00721	0.00679	0.00612
Implementation Discount		0	25%
Infrastructure Discount	92.50%	92.50%	90%
Property Rates Black Rock	0.01461	0.01375	0.0124
Implementation Discount		0	25%
Building Clause	0.00721	0.00679	0.00612

##### 1. Property Rates: (Category B)

	<b>2013/2014</b>	<b>2012/2013</b>	<b><u>2011/2012</u></b>
Property Rates Residential	0.0132	0.0132	0.0132
Implementation Discount	25%	50%	75%
Property Rates Farms	0.0132	0.0132	0.01320
Implementation Discount	25%	50%	75%
Property Rates Business	0.0132	0.0132	0.0132
Implementation Discount	25%	50%	75%

## **2. Sewerage**

	<b><u>2013/2014</u></b>	<b><u>2012/2013</u></b>	<b><u>2011/2012</u></b>
Sewer	53.12	50.00	45.00

## **3. Refuse Removal**

	<b><u>2013/2014</u></b>	<b><u>2012/2013</u></b>	<b><u>2011/2012</u></b>
Residential	21.5	20.24	18.25
Business (per container)	44.62	42.00	38.00

## **4. Water per k/l**

	<b><u>2013/2014</u></b>	<b><u>2012/2013</u></b>	<b><u>2011/2012</u></b>
0 – 10 k/l	4.06	3.60	3.25
10 – 20 k/l	5.07	4.50	4.00
> 20 k/l	9.69	8.60	7.75

## **5. Consumers Deposits**

	<b><u>2013/2014</u></b>	<b><u>2012/2013</u></b>	<b><u>2011/2012</u></b>
Residential – per House	50.00 or one and a half months account. Can be increase to two months account after reconnection because of not paying the account	50.00 or one and a half months account. Can be increase to two months account after reconnection because of not paying the account	50.00 or one and a half months account. Can be increase to two months account after reconnection because of not paying the account

Business per business	200.00 or one and a half months account. Can be increase to two months account after reconnection because of not paying the account	200.00 or one and a half months account. Can be increase to two months account after reconnection because of not paying the account	200.00 or one and a half months account. Can be increase to two months account after reconnection because of not paying the account
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#### **6. Interest**

	<b><u>2013/2014</u></b>	<b><u>2012/2013</u></b>	<b><u>2011/2012</u></b>
All unpaid account after day of payment date payable per month	Prima + 1%	Prima + 1%	Prima + 1%

#### **7. Building Plans**

	<b><u>2013/2014</u></b>	<b><u>2012/2013</u></b>	<b><u>2010/2011</u></b>
Approval of Plans	R2.50 per m/2 Minimum R100.00 Maximum R1500.00	R2.50 per m/2 Minimum R100.00 Maximum R1500.00	R2.50 per m/2 Minimum R100.00 Maximum R1500.00
(Building Inspections	R7.50 per m/2 Minimum R 300.00 Maximum R4500.00	R7.50 per m/2 Minimum R 300.00 Maximum R4500.00	R7.50 per m/2 Minimum R 300.00 Maximum R4500.00
Building Deposit (will be paid back when everything is cleaned )	- 80 m/2 R600.00	- 80 m/2 R600.00	- 80 m/2 R600.00

	+80 m/2 R800.00	+80 m/2 R800.00	+80 m/2 R800.00
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### **8. Minor Tariffs**

	<b><u>2013/2014</u></b>	<b><u>2012/2013</u></b>	<b><u>2011/2012</u></b>
<b><u>Faxes</u></b>		-	
- send fax	3.00	3.00	3.00
- receive fax	2.00	2.00	2.00
<b><u>Library Fines (per day)</u></b>			
- videos	2.00	2.00	2.00
- books	2.00	2.00	2.00
<b><u>Laminate</u></b>			
- A3	7.00	7.00	7.00
- A4	4.00	4.00	4.00
- A5	2.50	2.50	2.50
<b><u>Photostats</u></b>			
- A3 = single sided	1.00	1.00	1.00
= double sided	2.00	2.00	2.00
- A4 = single sided	0.50	0.50	0.50
= double sided	1.00	1.00	1.00
- A5 = single sided	0.25	0.25	0.25
= double sided	0.25	0.25	0.25
Printing per page	2.50	2.00	2.00

### **9. Application for Rezoning**

	<b><u>2013/2014</u></b>	<b><u>2012/2013</u></b>	<b><u>2011/2012</u></b>
Residential and Agricultural Properties-Administration Fee (excluding advertisements) per application	1-3 properties R 4,000.00	1-3 properties R 4,000.00	1-3 properties R 4,000.00
	4-10 properties R 10,000.00	4-10 properties R 10,000.00	4-10 properties R 10,000.00
	11+ properties	11+ properties	11+ properties

	R 20,000.00	R 20,000.00	R 20,000.00
Combined Properties (residential, agricultural and other properties) (excluding advertisements) per property	R 6,000.00 with a maximum of	R 6,000.00 with a maximum of	R 6,000.00 with a maximum of
	R 30,000.00	R 30,000.00	R 30,000.00
Other properties ((excluding advertisements) per property)	R 6,000.00	R 6,000.00	R 6,000.00

#### **10. Issue of Clearance Certificates**

-	<b><u>2013/2014</u></b>	<b><u>2012/13</u></b>	<b><u>2011/2012</u></b>
Per property	100.00	100.00	100.00
Maximum amount per Certificate	1 000.00	1 000.00	1 000.00

#### **11. COMMUNITY HALL & BUILDINGS 2013/2014** **TARIFFS**

##### **FUNCTIONS DURING DAYTIME (8H00-17H00)**

	<b><u>2013/2014</u></b>
Whole day	R 350.00
Plus kitchen facilities when use:	
Whole day	R 110.00
<b>Indemnity Fees</b>	<b>R 1 500.00</b>

##### **FUNCTIONS DURING NIGHT TIME (17H01-24H00)**

	<b><u>2013/2014</u></b>
Whole day and evening	R 500.00
Evening	R 450.00
Plus kitchen facilities when use:	
Whole day an evening	R 220.00
Evening	<b>R 250.00</b>
<b>Indemnity Fees</b>	<b>R 1 500.00</b>

##### **TRAINING ROOM**

	<b><u>2013/14</u></b>
Morning until 12:00	R 55.00

12:00 until 18:00	R 55.00
18:00 until 24:00	R 150.00
Whole day and evening until 24:00	R 250.00
Plus kitchen facilities when use:	<b>2013/14</b>
Morning until 12:00	R 60.00
12:00 until 18:00	R 60.00
18:00 until 24:00	R 60.00
Whole day and evening until 24:00	R 110.00
<b>Indemnity Fees</b>	<b>R 1 500.00</b>

#### **TRAINING ROOM**

	<b>2013/14</b>
Morning until 12:00	R 45.00
12:00 until 18:00	R 45.00
18:00 until 24:00	R 100.00
Whole day and evening until 24:00	R 200.00
Plus kitchen facilities when use:	<b>2013/14</b>
Morning until 12:00	R 60.00
12:00 until 18:00	R 60.00
18:00 until 24:00	R 60.00
Whole day and evening until 24:00	R 110.00
<b>Indemnity Fees</b>	<b>R 1 500.00</b>

#### **12. Connection Fees**

	<b><u>2013/2014</u></b>	<b><u>2012/2013</u></b>	<b><u>2011/2012</u></b>
Connections for Water	Cost plus 20%	Cost plus 20%	Cost plus 20%

#### **13. Other Charges**

	<b><u>2013/2014</u></b>	<b><u>2012/2013</u></b>	<b><u>2011/2012</u></b>
Grader Rent per hour	R 450.00	411.00	
Sportsfield hire per day/event	R 350.00	300.00	
Farm rental per month per farmer	R 450.00	R 400.00	



Water Delivery Truck	R 4.06 p/k plus travelling cost as per tariffs from Dept of Transport		
Sewerage Truck	R 21.50 p/k plus travelling cost as per tariffs from Dept of Transport		
Parking	R 50.00 per month		

#### **14. TENDER DOCUMENTS(ALL MUNICIPAL AREAS)**

<b>VALUE OF A BIDS</b>	<b><u>2013/2014</u></b>	<b><u>2012/2013</u></b>	<b><u>2011/2012</u></b>
R 200 000 - R 1 000 000.00	R 400.00	R 300.00	
R 1 000 000.01 - R 5 000 000.00	R 650.00	R 500.00	
>R 5 000 000.01	R 1 000.00	R 700.00	

#### **HOTAZEL**

##### **Major Tariffs**

##### **1. Property Rates**

	<b><u>2013/2014</u></b>	<b><u>2012/13</u></b>	<b><u>2011/2012</u></b>
Property Rates	0.01461	0.01375	0.0124
Implementation Discount		0	25%
Admin charge in lieu of property rates:			
- Residential	0.001	0.001	0.001
- Business	0.005	0.005	0.005

## **2. Sanitation**

	<b><u>2013/2014</u></b>	<b><u>2012/13</u></b>	<b><u>2011/2012</u></b>
Residential			
- Availability charge	53.50	48.80	44.00
- Basic charge	53.50	48.80	44.00
- Charge per toilet	74.00	68.20	61.50
Business			
- Availability charge	61.50	56.50	51.00
- Basic charge	61.50	56.50	51.00
- Charge per toilet	132.00	122.00	110.00

## **3. Refuse Removal**

	<b><u>2013/2014</u></b>	<b><u>2012/2013</u></b>	<b><u>2011/2012</u></b>
Availability charge	36.70	33.36	31.50
Basic charge	36.70	33.36	31.50
Basic removal charge	108.30	98.49	93.00

## **4. Water per k/l**

	<b><u>2013/2014</u></b>	<b><u>2012/2013</u></b>	<b><u>2011/2012</u></b>
Residential and Business			
0 – 10 k/l	10.14	9.00	8.50
10 – 20 k/l	13.12	11.65	11.00
> 20 k/l	17.9	15.89	15.00
Industrial			
0 – 10 k/l	14.33	12.72	12.00
10 – 20 k/l	17.3	15.36	14.50
> 20 k/l	20.88	18.53	17.50

## **5. Electricity**

	<b><u>2013/2014</u></b>	<b><u>2012/2013</u></b>	<b><u>2011/2012</u></b>
Availability charge	71.95	66.62	60.00
Single phase pre-paid			
- basic charge	61.75	57.18	51.50

- per kwh	1.14	1.05	0.95
Three phase pre-paid			
- basic charge	89.93	83.27	75.00
- per kwh	1.38	1.28	1.15
Normal metered			
- basic charge	89.93	83.27	75.00
- per kwh	1.14	1.05	0.95

#### **6. Consumers Deposits**

	<b><u>2013/2014</u></b>	<b><u>2012/2013</u></b>	<b><u>2011/2012</u></b>
Residential per resident	250.00 or one and a half months account. Can be increase to two months account after reconnection because of not paying the account	250.00 or one and a half months account. Can be increase to two months account after reconnection because of not paying the account	250.00 or one and a half months account. Can be increase to two months account after reconnection because of not paying the account
Business per business	500.00 or one and a half months account Can be increase to two months account after reconnection because of not paying the account	500.00 or one and a half months account Can be increase to two months account after reconnection because of not paying the account	500.00 or one and a half months account Can be increase to two months account after reconnection because of not paying the account

### **7. Interest**

	<b><u>2013/2014</u></b>	<b><u>2012/2013</u></b>	<b><u>2011/2012</u></b>
All unpaid account after day of payment date payable per month	Prima +1%	Prima +1%	Prima +1%

### **8. Connection Fees**

	<b><u>2013/2014</u></b>	<b><u>2012/2013</u></b>	<b><u>2011/2012</u></b>
Connections for a Water and Electricity	Cost plus 20%	Cost plus 20%	Cost plus 20%

## **Annexure B: Public Participation**

### **Comments Summary (per ward)**

<b>Date</b>	<b>Ward</b>	<b>Place</b>	<b>Time</b>	<b>Attendance</b>
15 April 2013	1 3	Heuningvlei Madibeng	10:00 14:00	138
16 April 2013	2 6	Loopeng Wyk 10	10:00 14:00	146 97
17 April 2013	4 5	Magobing Maipeing	10:00 14:00	96 91
18 April 2013	7 14	Ellendale Kganung	10:00 14:00	100
19 April 2013	9 8	Ditshipeng Gamorona	10:00 14:00	121
22 April 2013	12	Dithakong	14:00	97
23 April 2013	13 15	Dikhing Manyeding	10:00 14:00	85 127
25 April 2013	10 11	Glenred Cassel	10:00 14:00	67 36

### **WARD 1: CLLR N. MOKWENE**

#### **TECHNICAL SERVICES DEPARTMENT**

- Water problem in Perth the quality of water is of low standard
- Grader to work in Perth
- RDP houses in Perth
- Internal roads (Shalaneng and Coe)
- RDP houses (Shalaneng)
- Electricity (extensions and infills) {Makhubung}
- Water for a school (Makhubung)
- Tarred roads from Heuningvlei to Laxey (Coe)
- High mast lights (Coe)
- Solar panels (Coe)
- RDP houses (Coe and Makhubung)

#### **COMMUNITY SERVICES DEPARTMENT**

- Community hall to be maintained (Sisipi)
- Community hall to be built (Shalaneng, Makhubung))
- Municipal events to be held in Kome

#### **PLANNING AND DEVELOPMENT DEPARTMENT**

- Bopaganang food plot to be revived (Perth)
- Kopano Bakery issues to be resolved for it to be operational (Perth)
- Dipodi cooperative to be registered in the Municipality database (Perth)
- Bontle bo a itirelwa home based care to be registered in the Municipality database (Perth)
- Iketletso food plot to be registered with the Municipality (Kome)

#### **PROVINCIAL GOVERNMENT DEPARTMENTS**

## **DEPARTMENT OF HEALTH**

- Clinic to be resourced with medication and more staff

## **DEPARTMENT OF EDUCATION**

- Learner transport to be provided (Sisipi)
- Water for a school (Makhubung)

## **WARD 2: CLLR O. KAOTSANE**

### **TECHNICAL SERVICES DEPARTMENT**

- Grader to clean the streets (Ganap 1)
- Provision of water (Ganap 1 and Lobung)
- Access roads to be provided from Ganap 1 to Ganap 2 (Ganap 2)
- Fencing and sanitation at cemetery (Cahar and Lobung)
- Shortage of water (Pepsi and Loopeng)
- Grading internal roads (Loopeng, Slough and Garapoana)

### **COMMUNITY SERVICES DEPARTMENT**

- Be declared as a Unit (Lobung)
- Services come very slowly (Gamokatedi)

### **TRADITIONAL AUTHORITY**

- Request for a meeting by the Headman (Ganap 1)

### **PLANNING AND DEVELOPMENT DEPARTMENT**

- Removal of invader plants (Gamokatedi, Lobung, Slough, Mampestad, Mathanthanyaneng, Garapoana, Cahar, Klipom and Ganap 2)
- Tirisano Vegetable project to be registered (Gamokatedi)

## **PROVINCIAL GOVERNMENT DEPARTMENTS**

### **DEPARTMENT OF HEALTH**

- Clinic to operate 24 hrs and also operates during the weekend (Loopeng)
- Shortage of nurses (Loopeng)

### **DEPARTMENT OF EDUCATION**

- Learner transport (Ganap 1, Cahar, Garapoana and Klipom)

### **DEPARTMENT OF SOCIAL DEVELOPMENT**

- Early learning centre (Klipom, Agrico Section: Tlhabologang Pre School)

## **DEPARTMENT OF ROADS, TRANSPORT AND PUBLIC WORKS**

- Vryburg road to be tarred from Bromley to Vryburg (Cahar)
- Sign boards (Garapoana, Klipom)
- 60 road sign for speed limit (Garapoana)
- Bridge within the internal road along the valley (Lobung and Garapoana)

## **WARD 3: CLLR S.I ORTEL**

### **TECHNICAL SERVICES DEPARTMENT**

- Internal roads (Tsineng)
- Fencing of cemetery (Eiffel)
- Shortage of water (Penryn, Lobung and Eiffel )
- High mast lights (Laxey)

### **COMMUNITY SERVICES DEPARTMENT**

- Construction of community hall (Laxey)
- Sports field does not meet the requirements (Laxey)
- Emergency houses (Penryn)

### **PLANNING AND DEVELOPMENT DEPARTMENT**

- Removal of invader plants (Gamokatedi, Lobung, Slough, Mampestad, Mathanthanyaneng, Garapoana, Cahar, Klipom and Ganap 2)
- Tirisano Vegetable project to be registered (Gamokatedi)

### **SPEAKER'S OFFICE**

- Request ward committee meetings (Eiffel)
- Request for ward community meeting led by the councillor (Penryn, Bosra, Eiffel and Khuis)

## **PROVINCIAL GOVERNMENT DEPARTMENTS**

### **DEPARTMENT OF HEALTH**

- Clinic to operate 24 hrs and also during the weekend (Tsineng)
- Shortage of nurses (Tsineng)
- Mobile clinic (Eiffel)

### **DEPARTMENT OF EDUCATION**

- Learner transport (Eiffel)

### **ESKOM**

- Infills and extensions (in all villages)

## **DEPARTMENT OF ROADS, TRANSPORT AND PUBLIC WORKS**

- Tarred road from Tsineng to Khuis
- 60 road sign for speed limit (Eiffel)

### **WARD 4: CLLR K. SHUPING**

#### **TECHNICAL SERVICES DEPARTMENT**

- Water drainage (Vanzylsrus)
- RDP houses (Vanzylsrus)

#### **COMMUNITY SERVICES DEPARTMENT**

- Sportsfield (Vanzylsrus)
- Indigent register (beneficiaries basic services are cut) {Vanzylsrus}

#### **PLANNING AND DEVELOPMENT DEPARTMENT**

- Tourism office must be opened (Vanzylsrus)
- Sewing and memory stick projects to be revived (Magobing)

## **PROVINCIAL GOVERNMENT DEPARTMENTS**

### **DEPARTMENT OF HEALTH**

- Asbestos problem (Magobing)

### **DEPARTMENT OF EDUCATION**

- School to be built (Magobing)

### **ESKOM**

- Electricity (Vanzylsrus)

## **DEPARTMENT OF ROADS, TRANSPORT AND PUBLIC WORKS**

- Grading of access roads (Vanzylsrus)

## **DEPARTMENT OF ECONOMIC DEVELOPMENT**

- Game reserve funding (Middleputshuis)

### **WARD 5: CLLR S. MATSHIDISO**

#### **TECHNICAL SERVICES DEPARTMENT**

- Water extensions (Gasese, Mmatoro, Gatshekedi, Dinokaneng, Tsineng and Magojaneng )
- Water for livestock (Tsineng)



- RDP Houses (Kanana)

#### **COMMUNITY SERVICES DEPARTMENT**

- Fencing and construction of toilets in the cemetery (Gasese)
- Disaster service (Maipeng and Kanana)
- Community hall (Maipeng)
- Cemetery fencing (Gatshekedi)

#### **PLANNING AND DEVELOPMENT DEPARTMENT**

- Projects to be initiated (Mmatoro)
- Eradication of invader species (EPWP project) (Dinokaneng)

#### **PROVINCIAL GOVERNMENT DEPARTMENTS**

##### **DEPARTMENT OF HEALTH**

- Asbestos problem (Magojaneng)

##### **DEPARTMENT OF EDUCATION**

- Learner transport (Kanana)
- Construction of school (Kanana)

##### **DEPARTMENT OF ROADS, TRANSPORT AND PUBLIC WORKS**

- Road to be tarred (Gasese and Masankong)

#### **WARD 6: CLLR G. SEPHEKOLO**

##### **TECHNICAL SERVICES DEPARTMENT**

- Provision of water (Wyk 11, Goodhope and Galotlhare )
- Fencing of engine house (Goodhope)
- RDP houses (Suurtig)
- Grading of roads (Wyk 3)
- Water for livestock (Wyk 3)
- Disaster houses (Kortnight)
- Toilets (Hertzog)

##### **COMMUNITY SERVICES DEPARTMENT**

- Cemetery (Fencing and toilets) (Wyk 10 and Suurtig)
- Community hall (Wyk 10 and Suurtig)

##### **DEPARTMENT OF CORPORATE SERVICES**

- Funding for students (Deelpoort)

## **PROVINCIAL GOVERNMENT DEPARTMENTS**

### **DEPARTMENT OF HEALTH**

- Construction of clinic (Wyk 10)

### **DEPARTMENT OF EDUCATION**

- School to be refurbished (Logobate)

### **ESKOM**

- Electricity extensions (Wyk 11)
- Electricity (Hertzog)

### **DEPARTMENT OF ROADS, TRANSPORT AND PUBLIC WORKS**

- Access roads from Saamsukkel to Wyk 11

### **DEPARTMENT OF COOPERATIVE GOVERNMENT, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS**

- CDWs not working (Wyk 3)

## **WARD 7: CLLR J. MODISE**

### **TECHNICAL SERVICES DEPARTMENT**

- RDP houses (Sprinza, Wyk 1 and Ellendale)
- Water (Kgebetlwane, Deurward, Radiatsongwa, Wyk 1, Mentu and Wyk 9 )
- High mast lights (Kgebetlwane)
- Toilets at cemeteries (Kokfontein)
- Fencing at cemeteries (Radiatsongwa)
- Grading of roads (Mentu)

### **COMMUNITY SERVICES DEPARTMENT**

- Construction of community hall (Sprinza, Kokfontein and Ellendale)
- Water at the cemetery (Kgebetlwane)
- Rubbish collection (Radiatsongwa)
- 

### **PLANNING AND DEVELOPMENT DEPARTMENT**

- Projects (Wyk 9)
- Formation of projects e.g. poultry (Cardington)

## **PROVINCIAL GOVERNMENT DEPARTMENTS**

### **DEPARTMENT OF HEALTH**

- Mobile clinic (Deurward)

## **DEPARTMENT OF EDUCATION**

- Request for High School (Churchill)

### **ESKOM**

- Electricity (High mast lights, infills and extensions) {Churchill}

## **DEPARTMENT OF ROADS, TRANSPORT AND PUBLIC WORKS**

Access roads and culverts (Kgebetlwane, Kokfontein, Deurward, Cardington and Churchill)

- Bridge (Kokfontein)
- Signboard that show Kgabetlwane (Wyk 1)

### **OTHER**

Kurara FM frequency (Wyk 10)

## **WARD 8: CLLR M. MOLAWA**

### **TECHNICAL SERVICES DEPARTMENT**

- Water (Battlemount, Bendel, Loswantlhane and Doxon 1, )
- Water extensions (Deorham and Magobing,)

### **COMMUNITY SERVICES DEPARTMENT**

- Sportsfield (Bendel and Gamorona)
- Community hall maintenance (Bendel)
- Community hall construction (Deorham)
- Cemetery fencing and toilets (Magobing)

### **PLANNING AND DEVELOPMENT DEPARTMENT**

- Thusano food plot (Doxon 1)
- Eradication of invader species – EPWP project (Magobing)

## **PROVINCIAL GOVERNMENT DEPARTMENTS**

### **DEPARTMENT OF HEALTH**

- Problem with the CLO of the clinic (Deorham)

### **ESKOM**

- Provision of electricity (Gamorona)

## **DEPARTMENT OF ROADS, TRANSPORT AND PUBLIC WORKS**

- Culverts and access roads (Battlemount and Deorham)
- Road signs (Magobing)

## **WARD 9: CLLR G. MORIRI**

### **TECHNICAL SERVICES DEPARTMENT**

- Water extensions (Ditshipeng, Gammakgatle and Kiangkop)
- Water leakages (Danooon)

### **COMMUNITY SERVICES DEPARTMENT**

- Community hall (Ditshipeng)
- Fencing and toilets in the cemetery (Ditshipeng)

### **PLANNING AND DEVELOPMENT DEPARTMENT**

- Cultural village (Kiangkop)

### **PROVINCIAL GOVERNMENT DEPARTMENTS**

#### **ESKOM**

- Electricity (Bothitong and Gammakgatle)

### **DEPARTMENT OF ROADS, TRANSPORT AND PUBLIC WORKS**

- Culverts for internal roads (Bothitong, Gammakgatle and Kiangkop)

### **DEPARTMENT OF SOCIAL DEVELOPMENT**

- Construction of an early learning centre (Gammakgatle)

## **WARD 10: CLLR D. KUBANG**

### **TECHNICAL SERVICES DEPARTMENT**

- Water extensions (Kampaneng and Glenred)
- Livestock water (Glenred)
- Toilets (Glenred)
- Water is salty (Kganwane)
- Grader (Madularanch)

### **COMMUNITY SERVICES DEPARTMENT**

- Construction of the community hall (Maseohatshe and Kampaneng,
- Fencing and toilets in the cemetery (Glenred)
- Indigent subsidy for water yard connections (Kganwane)

### **PLANNING AND DEVELOPMENT DEPARTMENT**

- EPWP project to reduce unemployment (Glenred)

## **PROVINCIAL GOVERNMENT DEPARTMENTS**

### **DEPARTMENT OF EDUCATION**

- Early learning centre (Maseohatshe)

### **DEPARTMENT OF ROADS, TRANSPORT AND PUBLIC WORKS**

- Internal and access roads (Maseohatshe and Kampaneng)

## **WARD 11: CLLR P. SEGAETSHO**

### **TECHNICAL DEPARTMENT**

- Pump station – water (Cassel)
- Water connections (Cassel)
- Water extensions (Lotlhakajaneng)

### **COMMUNITY SERVICES DEPARTMENT**

- Construction of Sportsfield (Cassel)
- Community hall (Lotlhakajaneng)

### **DEPARTMENT OF CORPORATE SERVICES**

- Bursary must cover all students not maths and science students only

### **PLANNING AND DEVELOPMENT DEPARTMENT**

- Funding for Maemo bakery (Cassel)

## **PROVINCIAL GOVERNMENT DEPARTMENTS**

### **DEPARTMENT OF EDUCATION**

- Early learning centre (Cassel)

### **ESKOM**

- Electricity (Cassel and Lotlhakajaneng)

### **DEPARTMENT OF ROADS, TRANSPORT AND PUBLIC WORKS**

- Internal roads (Cassel and Lotlhakajaneng)

### **DEPARTMENT OF ARTS AND CULTURE**

- Burnt library to be renovated (Cassel)

## **WARD 12: CLLR O. MOAGI**

### **TECHNICAL SERVICES DEPARTMENT**

- Water (Dithakong)

### **COMMUNITY SERVICES DEPARTMENT**

- Sportsfield (Dithakong)
- Indigent register forms to be availed (Dithakong)

### **PLANNING AND DEVELOPMENT DEPARTMENT**

- EPWP (different people have to be employed not the same people)

### **DEPARTMENT OF CORPORATIVE SERVICES**

- Bursary must cover all not only students who are studying maths and science (Dithakong)

## **PROVINCIAL GOVERNMENT DEPARTMENTS**

### **DEPARTMENT OF HEALTH**

- Clinic to operate 24hrs

### **DEPARTMENT OF EDUCATION**

- Early learning centre (Dithakong)

### **ESKOM**

- Electricity (Lights, multi purpose centre and library) {Dithakong}

### **DEPARTMENT OF ROADS, TRANSPORT AND PUBLIC WORKS**

- Taxi rank (Dithakong)
- Access road (Dithakong)

## **WARD 13: CLLR O. KGOPODITHATE**

### **TECHNICAL SERVICES DEPARTMENT**

- Water (Kruisaar, Takeng {tank falling down})
- Water extensions (Heiso)

### **COMMUNITY SERVICES DEPARTMENT**

- Community hall (Pietersham, Dikhing and Heiso)
- Sportsfield (Pietersham)
- Cemetery fencing and toilets (Takeng)

## **PROVINCIAL GOVERNMENT DEPARTMENTS**

### **DEPARTMENT OF EDUCATION**

- Learner transport (Damros)

### **DEPARTMENT OF SOCIAL DEVELOPMENT**

- Early learning centre (Kruisaar)

### **ESKOM**

- Electricity – high mast lights (Pietersham and Damros)
- Electricity – infills (Damros)
- Electricity extensions (Takeng)

### **DEPARTMENT OF ROADS, TRANSPORT AND PUBLIC WORKS**

- Internal and access roads (Kruisaar, Dikhing and Damros {access to Stilrus})
- Public transport network (Pietersham, Dikhing)

## **WARD 14: CLLR D. JOSOP**

### **TECHNICAL SERVICES DEPARTMENT**

- Water (Tzaneen –engine problem, Motlhoeng, Kganung, Logaganeng – water extensions, Mathathanyane and Ganghaai – extensions, )
- Water for livestock (Tzaneen and Ganghaai)
- Cemetery – fencing and toilets (Tzaneen, Kganung, Logaganeng, Ganghaai and Molapotlatse)
- Grading of internal roads (Motlhoeng, Kganung, Mathanthanyane and Mokgaladi)
- Water for community garden (Kganung)

### **COMMUNITY SERVICES DEPARTMENT**

- Construction of community hall (Motlhoeng, Kganung and Bothetheletsa)
- Construction of Sportsfield (Motlhoeng and Maalogane)

### **PLANNING AND DEVELOPMENT DEPARTMENT**

- SMME development (Malogane)
- EPWP -for job creation (Maalogane)

## **PROVINCIAL GOVERNMENT DEPARTMENTS**

### **DEPARTMENT OF EDUCATION**

- Learner transport (Molapotlase and Itireleng)

## **ESKOM**

- Electricity extensions (Tzaneen)

## **DEPARTMENT OF ROADS, TRANSPORT AND PUBLIC WORKS**

- Internal and access roads (Tzaneen, Motlhoeng and Itireleng)
- EPWP project (Tzaneen – to curb unemployment)
- Public transport network (Motlhoeng and Ganghaai, )

## **DEPARTMENT OF AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT**

- Fence for livestock (Molapotlase)

## **DEPARTMENT OF COMMUNICATIONS (NATIONAL DEPARTMENT)**

- Construction of Post Office (Bothetheletsa)

### **WARD 15: CLLR T. TETEME**

## **TECHNICAL SERVICES DEPARTMENT**

- Water (Skema, Tsaengwe – extensions and a wrong connection, Ditlharapaneng, Gamothibi, Manyeding, Gamasepa and Mahukubung)
- Cemetery – fencing and toilets (Skema)

## **COMMUNITY SERVICES DEPARTMENT**

- Construction of community hall (Skema)
- Sportsfield (Tsaengwe)

## **PLANNING AND DEVELOPMENT DEPARTMENT**

- EPWP – to curb unemployment (Skema)
- Registering of community projects (Skema)

## **PROVINCIAL GOVERNMENT DEPARTMENTS**

### **ESKOM**

- Electricity – extensions (Skema)
- Electricity – high mast lights (Skema)

## **DEPARTMENT OF ROADS, TRANSPORT AND PUBLIC WORKS**

- Internal and access roads (Skema –from Vesselsvlei to Manyeding, Tsaengwe -Skema to Gamothibi)