

DRAFT ANNUAL BUDGET OF
POLOKWANE MUNICIPALITY



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

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Abbreviations and Acronyms

ASGISA	Accelerated and Shared Growth Initiative	M	Mayor
BPC	Budget Planning Committee	MBRR	Municipal Budget & Reporting Regulations
CFO	Chief Financial Officer	MEC	Member of the Executive Committee
CM	Municipality Manager	MFMA	Municipal Financial Management Act
CPI	Consumer Price Index	MIG	Municipal Infrastructure Grant
CRRF	Capital Replacement Reserve Fund	MPRA	Municipal Properties Rates Act
DBSA	Development Bank of South Africa	MSA	Municipal Systems Act
DoRA	Division of Revenue Act	MTEF	Medium-term Expenditure Framework
DWA	Department of Water Affairs	MTREF	Medium-term Revenue and Expenditure Framework
EE	Employment Equity	NERSA	National Electricity Regulator South Africa
EEDSM	Energy Efficiency Demand Side Management	NGO	Non-Governmental Organisations
FBS	Free basic services	NKPIs	National Key Performance Indicators
GAMAP	Generally Accepted Municipal Accounting Practice	OHS	Occupational Health and Safety
GDP	Gross Domestic Product	OP	Operational Plan
GDS	Gauteng Growth and Development Strategy	PBO	Public Benefit Organisations
GFS	Government Financial Statistics	PHC	Provincial Health Care
GRAP	General Recognised Accounting Practice	PMS	Performance Management System
HR	Human Resources	PPE	Property Plant and Equipment
HSRC	Human Science Research Council	PPP	Public Private Partnership
IDP	Integrated Development Plan	PTIS	Public Transport Infrastructure System
IT	Information Technology	RG	Restructuring Grant
kℓ	kilolitre	RSC	Regional Services Council
km	kilometre	SALGA	South African Local Government Association
KPA	Key Performance Area	SAPS	South African Police Service
KPI	Key Performance Indicator	SDBIP	Service Delivery Budget Implementation Plan
kWh	kilowatt hour	SMME	Small Micro and Medium Enterprises
ℓ	litre		
LED	Local Economic Development		

Part 1 – Draft Annual Budget

1.1 Mayor’s Report

SPEECH BY THE EXECUTIVE MAYOR OF POLOKWANE MUNICIPALITY

CLLR T NKADIMENG PRESENTED TO THE MUNICIPAL COUNCIL ON THE OCCASION OF THE CONSIDERATION OF THE APPROVAL OF THE 2015/2016, 2016/2017, 2017/2018 BUDGET IN THE COUNCIL CHAMBERS, POLOKWANE,

ON THURSDAY 26 MARCH 2015

1.2 Council Resolutions

On 26 March 2015 the Council of Polokwane Municipality Local Municipality met in the Council Chambers of Polokwane Municipality to consider the draft annual budget of the municipality for the financial year 2015/16. The Council approved and adopted the following resolutions:

1. The annual budget of the municipality for the financial year 2015/16 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. A high-level Budget summation of the Municipality’s operating – and capital budgets, cash flow financial position, asset management as contained in Table A1
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2
 - 1.1.3. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3
 - 1.1.4. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4
 - 1.1.5. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5
2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position as contained in Table A6
 - 1.2.2. Budgeted Cash Flows as contained in Table A7
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in A8
 - 1.2.4. Asset management as contained in A9
 - 1.2.5. Basic service delivery measurement as contained in A10
2. The Council of Polokwane Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2015:
 1. the tariffs for property rates – as set out in Annexure A,
 2. the tariffs for electricity – as set out in Annexure A
 3. the tariffs for the supply of water – as set out in Annexure A
 4. the tariffs for sanitation services – as set out in Annexure A
 5. the tariffs for solid waste services – as set out in Annexure A

6. other tariffs – as set out in Annexure A
3. To give proper effect to the annual budget, the Council of Polokwane Local Municipality approves:

That unspent conditional grants be cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations
4. That Council take cognisance and mandates the Accounting Officer to initiate and implement off-balance sheet projects as a way of alternate funding and revenue models.\
5. **That Council approve budget of PHA for implementation as attached**
6. **That the following reviewed budget related policies be approved for implementation: (Annexure C)**
 - ✓ Indigent Management Policy(amendments were made)
 - ✓ Cash management and Investment Policy(amendments were made)
 - ✓ Supply chain management Policy and delegations (amendments were made)
 - ✓ Credit control and debt collection Policy(amendments were made)
 - ✓ Tariff Policy (amendments were made)
 - ✓ Rates Policy(amendments were made,)
 - ✓ Asset Management Policy(amendments were made)
 - ✓ Inventory Policy(amendments were made)
 - ✓ Virement Policy(No changes on the current policy)
 - ✓ Borrowing Policy(No changes on the current policy)
 - ✓ Budget Policy(No changes on the current policy)
 - ✓ Funding and reserves Policy(No changes on the current policy)
 - ✓ Claims and Loss Control Policy(New)
 - ✓ Leave Policy
 - ✓ Customer Care Policy

The application of sound financial management principles for the compilation of the Polokwane Municipality's Medium Term Revenue Expenditure Framework (MTREF) budget plan is essential and critical to ensure that the City remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Polokwane Municipality business and service delivery priorities were reviewed as part of this year's planning and budget process. Municipality main focus for this MTREF budget was premised around appropriating more resources to capital expenditure programmes which seeks to address the backlog in the municipality while consideration was given for capital renewal programme. Municipality followed MFMA circular 74 in preparation of this budget and critical review was also undertaken of expenditures on non-core and 'nice to have' items.

The Polokwane Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers, debt collectors were appointed to follow on long outstanding debtors while the credit control and debt collection policy was reviewed to include key strategies to deal with efficient collection of revenue. Municipality is at advance stage of appointing additional debt collectors to enforce credit control such as terminations, restrictions and other strategies.

The Municipality through the leadership of the Executive Mayor has undertaken Monday sessions with rate payers as part of customer care, data cleansing, indigent support and correct billing initiatives to ensure that the municipality truly involves all citizens in the process of ensuring a people lead government. This and other strategic initiatives are yielding improved revenue management.

National Treasury's MFMA Circular No. **74 and 75** were amongst other guidelines used in the compilation of the 2015/16 MTREF. The municipality also incorporated most of the Benchmarking Exercise recommendations as received from National Treasury during the 4TH February 2015 engagement including increased pro-poor support and budgeting for basic charges on services

The main challenges experienced during the compilation of the 2015/16 MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy resulting in job losses, increasing debt due to the reduction in the disposable income per household and high cost of other goods and services;
- Budgeting for the maintenance and refurbishment of ailing and insufficiently maintained water, roads and electricity infrastructure;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and current cash position of the municipality;
- The increased cost of bulk water and electricity (due to tariff increases from Lepelle Northern Water and Eskom), which is placing upward pressure on service tariffs to residents. These tariffs increases will affect the levels of affordability for both residential and business consumers, and the consequences of escalating debt will be unavoidable despite credit control measures being instituted.
- Budgeting for growth of the City with regard to capital, operational and human resources needs including an increase in employee related costs and
- Unfunded mandates

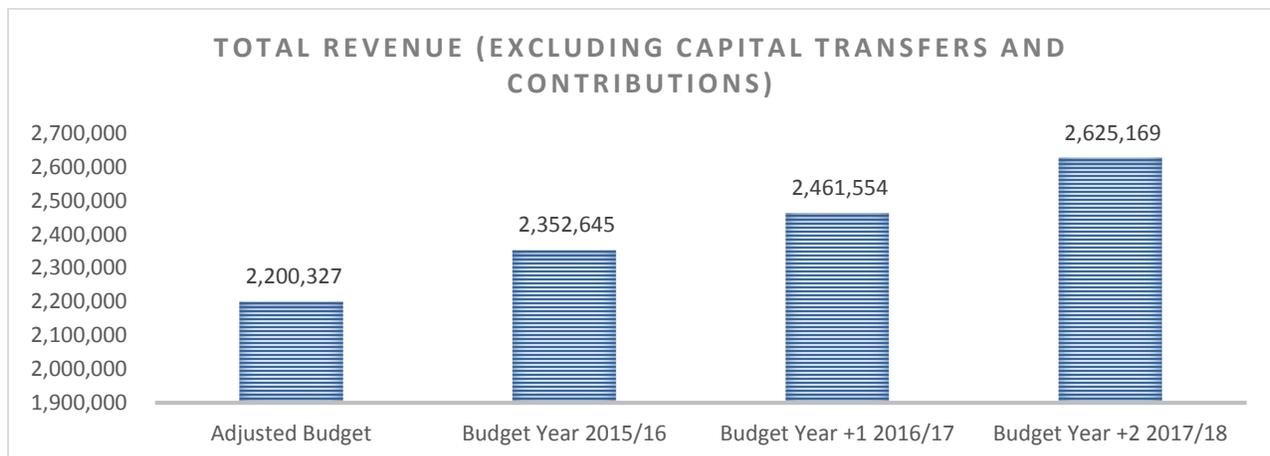
The following budget principles and guidelines directly informed the compilation of the 2015/16 MTREF:

- The 2014/15 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2015/16 annual budget;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPIX, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- motivation setting out the intention and cost of the expenditure which was used to prioritize expenditures:
 - Special Projects;
 - Consultant Fees;
 - Furniture and office equipment;
 - Special Events;
 - Refreshments and entertainment;
 - Ad-hoc travelling; and
 - Subsistence, Travelling & Conference fees (national & international).

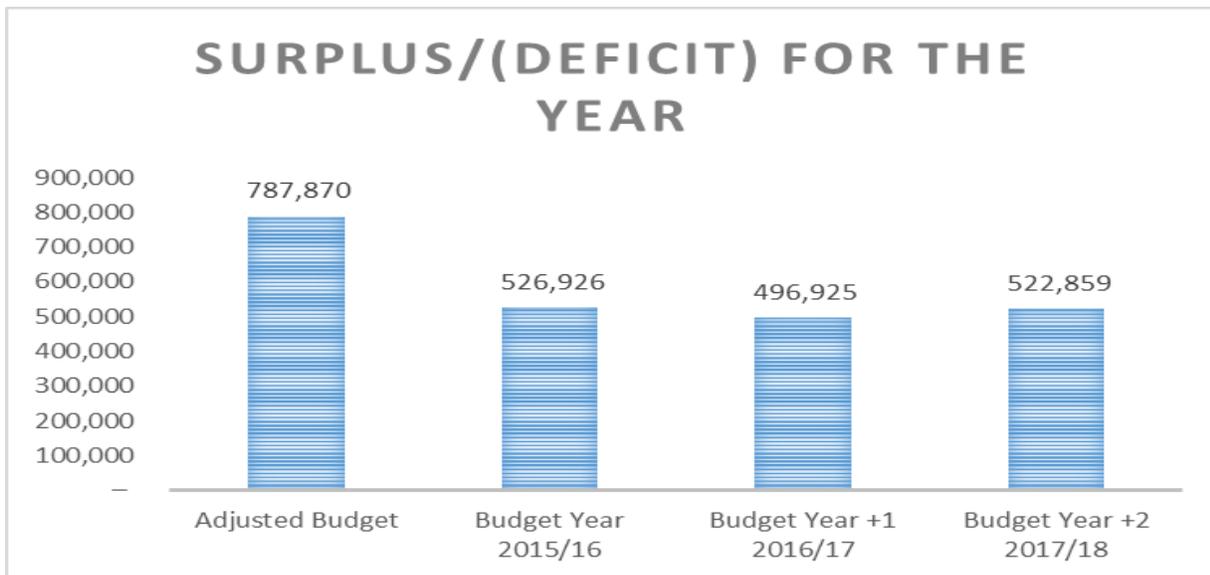
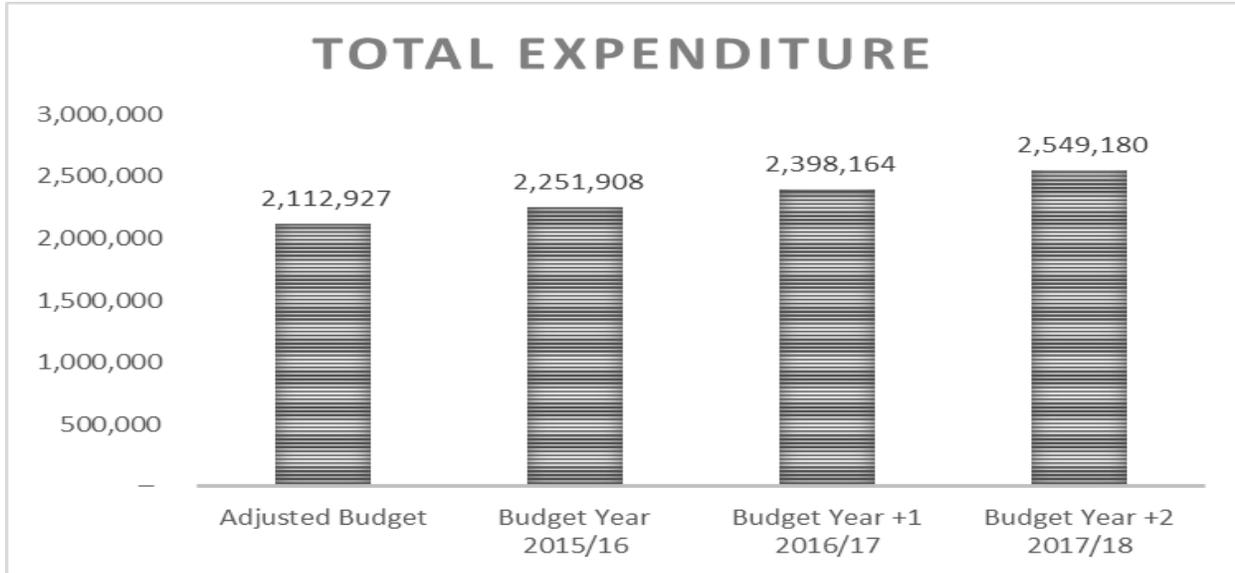
Table 1 Consolidated Overview of the 2015/16 MTREF

Description	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
	Adjusted Budget	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2
Total Revenue (excluding capital transfers and contributions)	2,200,327	2,352,645	2,461,554	2,625,169
Total Expenditure	2,112,927	2,251,908	2,398,164	2,549,180
Surplus/(Deficit)	87,400	100,737	63,390	75,989
Transfers recognised - capital	700,470	426,189	433,535	446,870
Surplus/(Deficit) for the year	787,870	526,926	496,925	522,859
Total Capital Expenditure - Standard	787,677	530,822	631,618	678,731

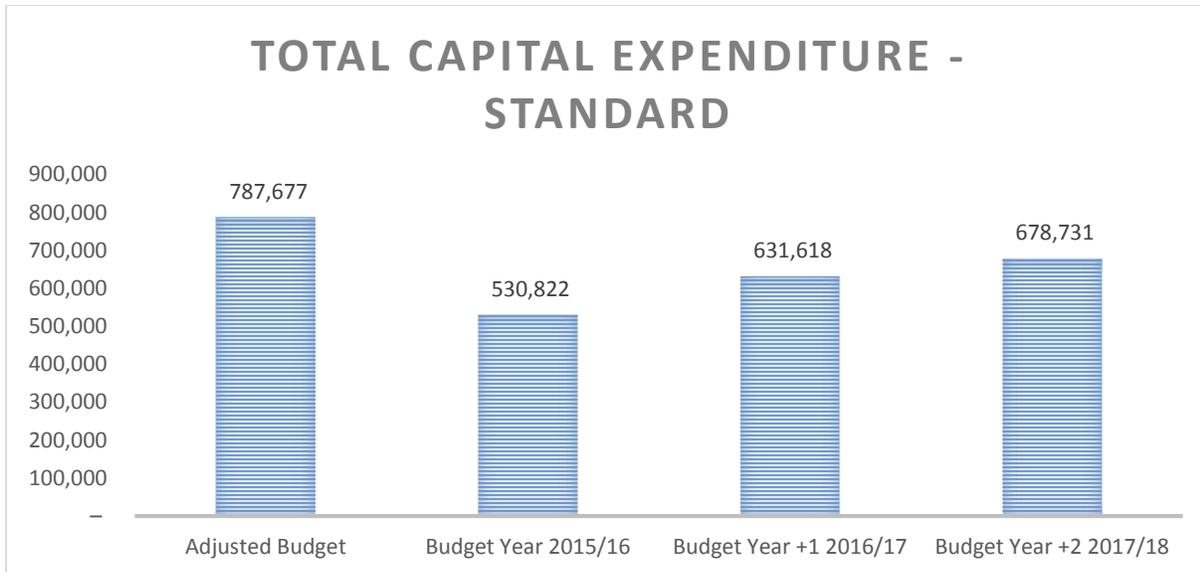
Total operating revenue has grown by 14 per cent or **R 289 million** for the 2015/16 financial year as compared to the 2014/15 Adjustments Budget.



Total operating expenditure for the 2015/16 budget year has been appropriated at R2.352 billion and translates into a budgeted surplus of R100.7 million. When compared to the 2014/15 Adjustments Budget, operational expenditure has grown by 6.3 per cent in 2015/15 budget year and by 6 per cent for each of the respective outer years of the MTREF.

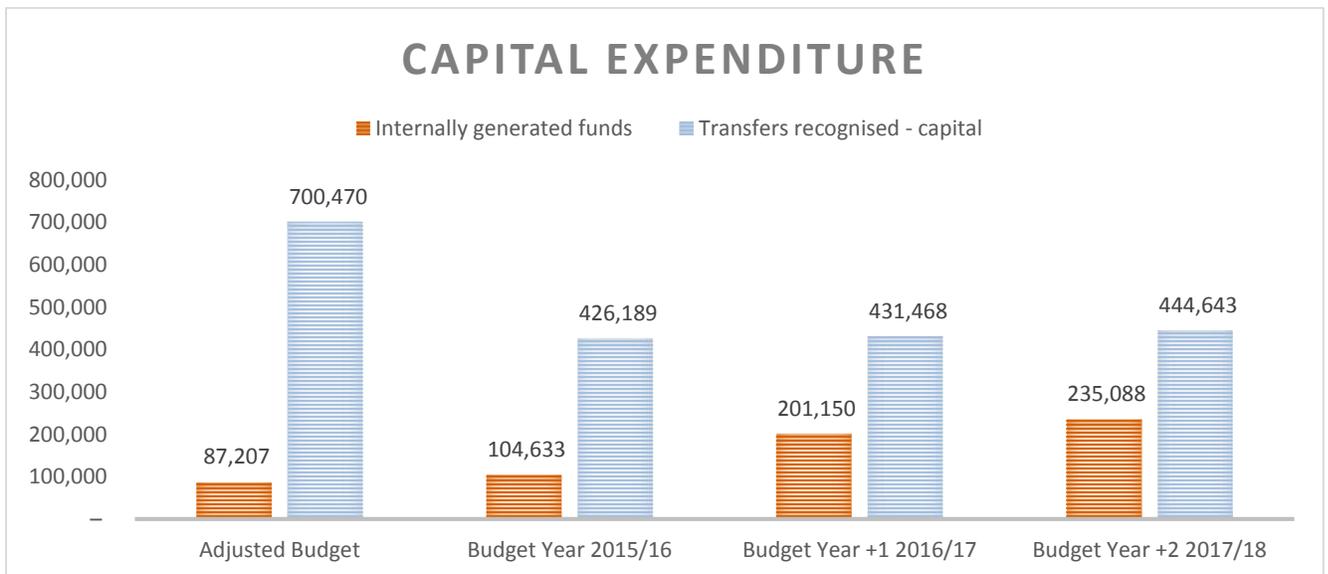


This surplus will be used to fund capital expenditure and to further ensure cash backing of reserves and funds. The adjusted budget surplus includes 2013/14 rollovers.



The municipality has committed itself to spent more funding through CRR on capital project as part of the commitment to the renewal of the existing assets and investment in infrastructure assets

Government grants and subsidies increased by 3% compared to 2014/15 original budget Municipality will make use of off-balance sheet projects to augment some of the key capital and revenue expenditure program.



The City continuously affirms the commitment of pushing back the frontiers of poverty and the adverse social and economic realities. As a result thereof, social relief will be provided to the elderly, indigent child-headed families and registered indigent's households as follows:

- Free 6 kl of water monthly
- Sanitation-100% rebate
- Refuse-100% rebate
- Free 100kw electricity monthly

- Basic charge-100% rebate
- Exemption of first R100 000 market value rating on residential properties

Assesment Rates	R100 000 Exempted	R 0.00
Electricicty	50kwh @R0 .76	R 38.00
	50KWH @ R0.93	R 46.50
	Basic	R 68.00
Water	5 kl @ R6.09	R 30.45
	1 kl @ R9.21	R 9.21
Sewer	< 500 m2	R 0.00
Refuse	1st 500 m2	R 32.62
Total Free Basic Services		R 220.00

1.3 Operating Revenue Framework

For Polokwane 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 and poverty. 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 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Energy Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to electricity;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

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

Table 2 Summary of revenue classified by main revenue source

	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2
Revenue By Source									
Property rates	229,423	254,721	285,392	302,252	302,252	302,252	332,477	354,088	376,396
Service charges	556,892	605,486	616,926	775,071	703,000	703,000	793,523	845,102	898,344
Service charges - water revenue	165,503	221,060	211,680	279,546	234,000	234,000	258,995	275,830	293,207
Service charges - sanitation revenue	39,311	46,449	48,588	66,163	50,000	50,000	55,326	58,922	62,634
Service charges - refuse revenue	46,795	51,305	54,773	60,959	58,000	58,000	63,262	67,374	71,619
Rental of facilities and equipment	5,102	12,154	16,231	20,020	20,020	20,020	21,221	22,600	24,024
Interest earned - external investments	24,554	23,017	30,547	23,000	23,000	23,000	31,000	33,015	35,095
Interest earned - outstanding debtors	17,678	7,377	51,302	30,000	30,000	30,000	31,800	33,867	36,001
Fines	4,497	2,627	12,347	10,753	10,753	10,753	13,780	14,676	15,600
Licences and permits	8,234	8,816	8,909	9,027	9,027	9,027	9,569	10,191	10,833
Agency services	13,827	13,892	16,040	15,656	15,656	15,656	16,596	17,674	18,788
Transfers recognised - operational	376,332	397,176	478,178	556,489	558,631	558,631	666,316	709,627	754,333
Other revenue	68,781	23,430	36,474	26,963	163,788	163,788	28,581	30,296	32,113
Gains on disposal of PPE	246	1,451	305	52,200	22,200	22,200	30,200	32,163	34,189
Total Revenue (excluding capital transfers and contributions)	1,557,176	1,668,960	1,867,692	2,228,099	2,200,327	2,200,327	2,352,645	2,505,424	2,663,175

Table 3 Percentage growth in revenue by main revenue source

Description	2015/16 Medium Term Revenue & Expenditure Framework					
	Budget Year 2015/16	%	Budget Year +1 2016/17	%	Budget Year +2 2017/18	%
Revenue By Source						
Property rates	332,477	14.1%	354,088	14.13%	376,396	14.13%
Property rates - penalties & collection charges	-	0.0%	-	0.00%	-	0.00%
Service charges - electricity revenue	793,523	33.7%	845,102	33.73%	898,344	33.73%
Service charges - water revenue	258,995	11.0%	275,830	11.01%	293,207	11.01%
Service charges - sanitation revenue	55,326	2.4%	58,922	2.35%	62,634	2.35%
Service charges - refuse revenue	63,262	2.7%	67,374	2.69%	71,619	2.69%
Rental of facilities and equipment	21,221	0.9%	22,600	0.90%	24,024	0.90%
Interest earned - external investments	31,000	1.3%	33,015	1.32%	35,095	1.32%
Interest earned - outstanding debtors	31,800	1.4%	33,867	1.35%	36,001	1.35%
Fines	13,780	0.6%	14,676	0.59%	15,600	0.59%
Licences and permits	9,569	0.4%	10,191	0.41%	10,833	0.41%
Agency services	16,596	0.7%	17,674	0.71%	18,788	0.71%
Transfers recognised - operational	666,316	28.3%	709,627	28.32%	754,333	28.32%
Other revenue	28,581	1.2%	30,296	1.21%	32,113	1.21%
Gains on disposal of PPE	30,200	1.3%	32,163	1.28%	34,189	1.28%
Total Revenue (excluding capital transfers and contributions)	2,352,645	100%	2,505,424	100%	2,663,175	100%
Rates and Service Charges	1,503,583	64%	1,601,316	64%	1,702,199	64%

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.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise more than two thirds of the total revenue mix. In the 2015/16 financial year, revenue from rates and services charges totalled R1.372 billion or 67 per cent. This increases to R1.483 billion, R1.586 billion and R1.695 billion in the respective financial years of the MTREF. This growth can be mainly attributed to the supplementary valuation rolls and the increased share that the sale of electricity and water contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity and bulk water. The above table includes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 59 MBRR SA1.

Operating Grants & Subsidies are the second largest revenue source totalling 25 per cent in 2015/16 and increases at 28 per cent in 2016/17. Property rates are the third largest revenue source totalling 14 per cent or R302.2 million rand and increases to R352.5 million by 2017/18. Departments have been urged to review the tariffs of items like building plan fees, connection fees, advertisements and permits and licenses on an annual basis to ensure they are cost reflective and market related. 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	2015/16 Medium Term Revenue & Expenditure Framework		
	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand			
RECEIPTS:			
Operating Transfers and Grants			
National Government:	628,716	665,756	716,327
Local Government Equitable Share	522,595	568,208	616,043
Finance Management	1,875	2,010	2,345
Department of Water Affairs			
Municipal Systems Improvement	930	957	1,033
Public Transport	11,000	3,433	3,273
Department Sport & Recreation			
CHAN Host City Operating Grant	–	–	–
Infrastructure skills development fund	5,000	5,000	5,113
Expanded public works programme incentive grant	–	–	–
FIFA Local Organizing Committee			
Integrated national electrification programme grant	40,000	40,000	40,000
Expanded public works programme incentive grant			
Municipal Infrastructure (MIG)	42,800	46,148	48,520
Expanded public works programme incentive grant	4,516	–	–
Other grant providers:	37,600	–	–
INEP Frontloading	37,600	–	–
	–	–	–
Total Operating Transfers and Grants	666,316	665,756	716,327

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 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, 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. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.3.1 Property Rates

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

National Treasury's MFMA Circulars No. 66 and 67 deals, inter alia, with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0.25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.
the total household bill.

Table 5 MBRR Table SA14 – Household bills

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Rand/cent							% incr.			
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	349.38	370.34	247.05	215.00	215.00	215.00	10.0%	235.00	249.10	264.05
Electricity: Basic levy				64.00	64.00	64.00	6.3%	68.00	72.08	76.40
Electricity: Consumption	899.52	998.19	1,089.00	1,106.50	1,106.50	1,106.50	12.2%	1,229.00	1,302.74	1,380.90
Water: Basic levy								-	-	-
Water: Consumption	183.55	216.59	231.10	247.25	247.25	247.25	10.0%	271.80	288.11	305.39
Sanitation	50.21	53.47	44.45	47.56	47.56	47.56	10.0%	52.31	55.45	58.78
Refuse removal	63.64	70.00	74.90	79.39	79.39	79.39	10.0%	87.32	92.56	98.11
Water Surcharge			100.00	100.00	100.00	100.00	-	100.00	100.00	100.00
sub-total	1,546.30	1,708.59	1,786.50	1,859.70	1,859.70	1,859.70	9.9%	2,043.43	2,160.04	2,283.64
VAT on Services	167.57	187.36	215.52	233.06	233.06	233.06		253.18	267.53	282.74
Total large household bill:	1,713.87	1,895.95	2,002.02	2,092.76	2,092.76	2,092.76	9.7%	2,296.61	2,427.57	2,566.38
% increase/-decrease	-	10.6%	5.6%	4.5%	-	-	9.7%	5.7%	5.7%	5.7%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	79.40	84.16	171.37	143.33	143.33	143.33	10.0%	156.66	166.06	176.02
Electricity: Basic levy				64.00	64.00	64.00	6.3%	68.00	72.08	76.40
Electricity: Consumption	430.72	478.23	446.00	475.00	475.00	475.00	12.2%	518.00	549.08	582.02
Water: Basic levy								-	-	-
Water: Consumption	149.88	176.86	188.80	202.00	202.00	202.00	10.0%	222.05	235.37	249.50
Sanitation	10.56	11.25	44.45	47.56	47.56	47.56	10.0%	52.31	55.45	58.78
Refuse removal	23.73	26.10	74.90	79.39	79.39	79.39	10.0%	87.32	92.56	98.11
Water Surcharge			50.00	50.00	50.00	50.00	-	50.00	50.00	50.00
sub-total	694.29	776.60	975.52	1,061.28	1,061.28	1,061.28	8.8%	1,154.34	1,220.60	1,290.84
VAT on Services	74.29	86.08	96.94	128.51	128.51	128.51		139.67	147.64	156.07
Total small household bill:	768.58	862.68	1,072.46	1,189.79	1,189.79	1,189.79	8.8%	1,294.01	1,368.24	1,446.91
% increase/-decrease	-	12.2%	24.3%	10.9%	-	-	8.8%	5.7%	5.7%	5.7%
Monthly Account for Household - 'Indigent Household receiving free basic services'										
Rates and services charges:										
Property rates	20.04	21.24	85.68	71.66	71.66	71.66	10.0%	78.33	83.03	88.01
Electricity: Basic levy				64.00	64.00	64.00	6.3%	68.00	72.08	76.40
Electricity: Consumption	403.06	447.52	246.00	225.50	225.50	225.50	12.2%	279.00	295.74	313.48
Water: Basic levy								-	-	-
Water: Consumption	129.25	152.52	112.77	120.67	120.67	120.67	10.0%	132.64	140.60	149.03
Sanitation								-	-	-
Refuse removal			27.98	29.66	29.66	29.66	10.0%	32.62	34.58	36.65
Water Surcharge								-	-	-
sub-total	552.35	621.28	472.43	511.49	511.49	511.49	15.5%	590.59	626.03	663.59
VAT on Services	74.52	84.00	54.15	61.57	61.57	61.57		71.71	76.02	80.58
Total small household bill:	626.87	705.28	526.58	573.06	573.06	573.06	15.6%	662.30	702.05	744.17
% increase/-decrease	-	12.5%	(25.3%)	8.8%	-	-	15.6%	6.0%	6.0%	6.0%

1.4 Operating Expenditure Framework

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

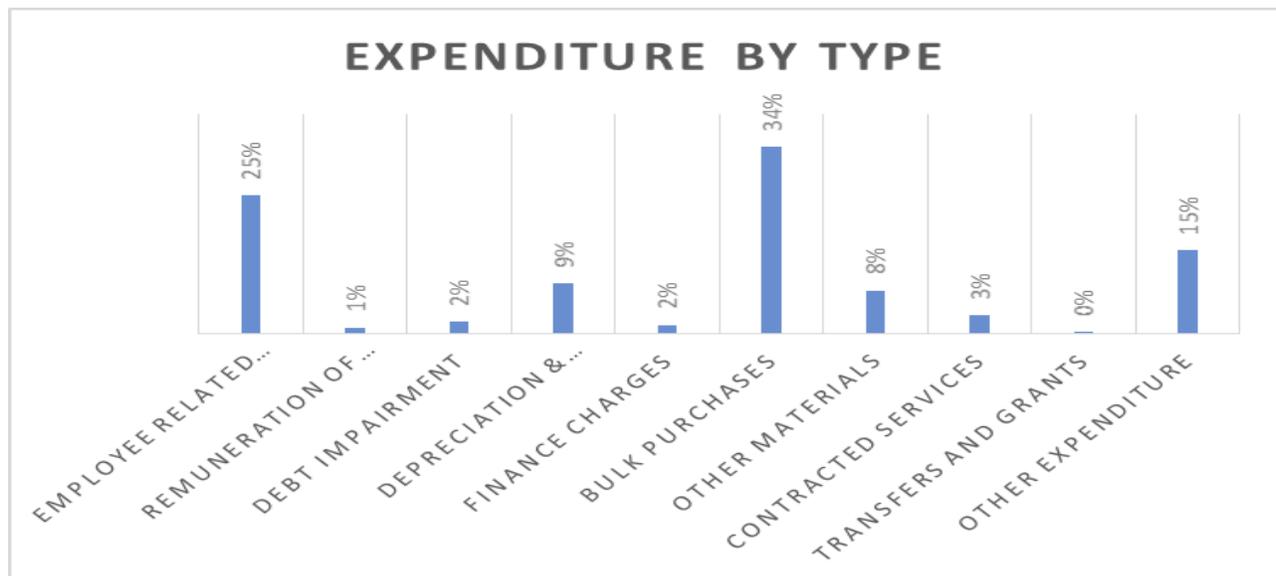
- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;

- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- 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 2015/16 budget and MTREF (classified per main type of operating expenditure):

Table 6 Summary of operating expenditure by standard classification item

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2
Expenditure By Type									
Employee related costs	384,940	392,060	440,943	504,000	504,000	504,000	562,855	596,173	632,168
Remuneration of councillors	17,678	18,937	21,668	25,410	25,410	25,410	25,780	27,455	29,185
Debt impairment	38,192	53,486	197,819	50,000	50,000	50,000	50,000	53,250	56,605
Depreciation & asset impairment	231,254	265,100	449,617	266,000	205,000	205,000	205,000	217,000	230,000
Finance charges	29,427	29,594	37,154	23,747	23,747	23,747	37,000	39,405	41,888
Bulk purchases	518,797	581,301	619,153	698,000	698,000	698,000	767,000	816,855	868,317
Other materials	132,492	144,648	142,278	170,000	170,600	170,600	177,210	188,728	200,618
Contracted services	39,935	56,380	66,780	75,854	75,754	75,754	74,275	79,103	84,086
Transfers and grants	6,122	5,540	6,940	5,240	6,740	6,740	6,480	6,901	7,336
Other expenditure	224,623	369,073	315,582	327,460	353,676	353,676	341,936	368,656	394,045
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Expenditure	1,623,459	1,916,119	2,297,934	2,145,711	2,112,927	2,112,927	2,247,535	2,393,526	2,544,248



The budgeted allocation for employee related costs for the 2015/16 financial year totals R567 million, which equals 25 percent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 7 per cent for the 2015/16 financial year. An annual increase of 6.7 and 6.6 per cent has been included in the two outer years of the MTREF.

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

The provision of debt impairment was determined based on an annual collection rate of 93 per cent and the Debt Write-off Policy of the Municipality. For the 2015/16 financial year this amount equates to R50 million. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R205 million for the 2015/16 financial and equates to 9 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 2 percent (R37 million) of operating expenditure.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Lepelle Water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. Bulk purchases make up 33.8 percent (R658 million) of operating expenditure. The expenditures include distribution losses.

Other materials comprise of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the City's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the City's infrastructure. For 2015/16 the appropriation against this group of expenditure makes up 7.92 percent (R170 million) of operating expenditure.

Contracted services have been identified as a cost saving area for the Municipality. As part of the compilation of the 2015/16 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2015/16 financial year, this group of expenditure totals R75.8 million. For the two outer years growth has been limited to R67.3 and R68.5 million respectively. As part of the process of identifying further cost efficiencies, a business process re-engineering project will commence in the 2015/16 financial year to identify alternative practices and procedures, including building in-house capacity for certain activities that are currently being contracted out. The outcome of this exercise will be factored into the next budget cycle and it is envisaged that additional cost savings will be implemented.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Printing and stationary, subsistence and travelling, attending of conferences and workshops have significantly been reduced or limited to zero growth. Other expenditure makes up 15 percent (R342 million) of operating expenditure

1.4.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2015/16 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 7 Operational repairs and maintenance

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and Maintenance by Asset Class	96,881	119,343	124,975	170,000	170,600	170,600	177,210	188,728	200,618
<i>Infrastructure - Road transport</i>	20,898	23,160	10,965	25,543	25,543	25,543	24,509	25,857	27,227
<i>Infrastructure - Electricity</i>	19,479	27,807	18,005	26,669	26,669	26,669	24,142	25,470	26,820
<i>Infrastructure - Water</i>	25,995	23,282	22,948	32,344	32,344	32,344	28,106	29,652	31,224
<i>Infrastructure - Sanitation</i>	5,633	6,810	4,996	7,527	7,527	7,527	39,383	41,549	43,751
<i>Infrastructure - Other</i>	19,675	10,332	11,987	23,400	23,400	23,400	-	-	-
Infrastructure	91,680	91,390	68,900	115,483	115,483	115,483	116,141	122,528	129,022
Community	5,202	27,953	56,075	54,517	55,117	55,117	61,069	66,200	71,596
R&M as a % of PPE	1.7%	2.1%	1.7%	2.5%	2.4%	2.4%	2.3%	2.4%	2.4%
Renewal and R&M as a % of PPE	2.0%	3.0%	3.0%	5.0%	5.0%	5.0%	4.0%	5.0%	5.0%
Renewal and R&M as a % of total opex	5.0%	6.0%	6.0%	7.0%	7.0%	7.0%	8.0%	8.0%	8.0%

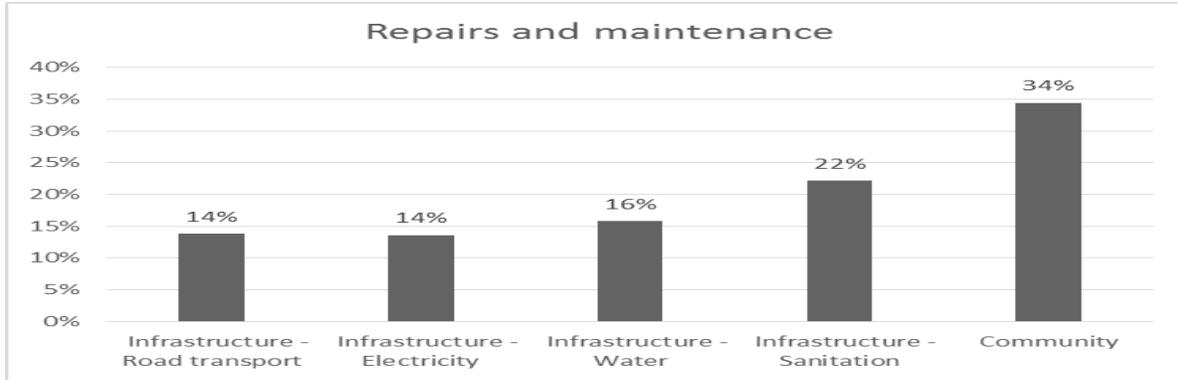
During the compilation of the 2015/16 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. In relation to the total operating expenditure, repairs and maintenance comprises of 8 per cent for all financial years of the MTREF.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 8 Repairs and maintenance per asset class

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	91,680	91,390	68,900	115,483	115,483	115,483	116,141	120,362	124,654
Infrastructure - Road transport	20,898	23,160	10,965	25,543	25,543	25,543	24,509	25,857	27,227
<i>Roads, Pavements & Bridges</i>	19,520	21,443	8,845	23,211	23,211	23,211	22,130	23,347	24,584
<i>Storm water</i>	1,377	1,717	2,120	2,332	2,332	2,332	2,379	2,510	2,643
Infrastructure - Electricity	19,479	27,807	18,005	26,669	26,669	26,669	24,142	25,470	26,820
<i>Transmission & Reticulation</i>	17,315	26,368	15,505	24,044	24,044	24,044	24,142	25,470	26,820
<i>Street Lighting</i>	2,164	1,439	2,500	2,625	2,625	2,625	-	-	-
Infrastructure - Water	25,995	23,282	22,948	32,344	32,344	32,344	28,106	29,652	31,224
<i>Dams & Reservoirs</i>	5,509	4,396	4,203	6,807	6,807	6,807	-	-	-
<i>Water purification</i>	2,957	2,601	3,000	3,533	3,533	3,533	-	-	-
<i>Reticulation</i>	17,529	16,285	15,746	22,004	22,004	22,004	28,106	29,652	31,224
Infrastructure - Sanitation	5,633	6,810	4,996	7,527	7,527	7,527	18,883	18,883	18,883
<i>Reticulation</i>	4,248	4,356	3,574	6,005	6,005	6,005	18,883	18,883	18,883
<i>Sewerage purification</i>	1,384	2,453	1,422	1,522	1,522	1,522	-	-	-
Infrastructure - Other	19,675	10,332	11,987	23,400	23,400	23,400	20,500	20,500	20,500
<i>Waste Management</i>	19,675	10,332	11,987	23,400	23,400	23,400	20,500	20,500	20,500
Community	5,202	27,953	56,075	54,517	55,117	55,117	61,069	66,200	71,596
Parks & gardens	6,645	10,985	9,281	12,249	12,249	12,249	11,557	12,308	13,083
Sportsfields & stadia	9,385	8,048	4,789	5,336	5,336	5,336	5,196	5,482	5,773
Swimming pools	400	198	222	230	230	230	243	257	270
Community halls	187	0	193	197	197	197	208	220	232
Libraries	472	79	156	149	149	149	158	166	175
Recreational facilities	-	-	-	-	-	-	450	475	500
Fire, safety & emergency	1,430	1,417	1,504	1,491	1,491	1,491	1,577	1,664	1,752
Security and policing	1,851	1,164	545	1,186	1,186	1,186	22	23	25
Clinics	0	1	7	6	6	6	-	-	-
Museums & Art Galleries	258	24	60	62	62	62	30	31	33
Cemeteries	1,073	953	1,290	1,355	1,355	1,355	1,428	1,507	1,587
Social rental housing	-	-	-	-	-	-	-	-	-
Other	(16,500)	5,084	38,027	32,257	32,857	32,857	40,199	44,066	48,166
Total Repairs and Maintenance Expenditure	96,881	119,343	124,975	170,000	170,600	170,600	177,210	186,562	196,250
R&M as a % of PPE	1.7%	2.1%	1.7%	2.5%	2.4%	2.4%	2.3%	2.3%	2.3%
R&M as % Operating Expenditure	6.0%	6.2%	5.4%	7.9%	8.1%	8.1%	7.9%	7.8%	7.7%

For the 2015/16 financial year, 66 per cent or R116 million of total repairs and maintenance will be spent on infrastructure assets. Community assets have been allocated R54.5 million of total repairs and maintenance equating to 34 percent. This is to move towards compliance with the requirements of National Treasury Circulars 66 & 67 to budget for at least 8% of Property, Plant & Equipment for renewal and operational repairs and maintenance of existing asset infrastructure.



1.5 Capital expenditure

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

Table 9 2015/16 Medium-term capital budget per vote

Vote Description	2015/16 Medium Term Revenue & Expenditure Framework					
	Budget Year 2015/16	%	Budget Year +1 2016/17	%	Budget Year +2 2017/18	%
R thousand						
Single-year expenditure to be appropriated						
Vote 1 - Council	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-
Vote 3 - Strategic Planning Monitoring and Evaluation	-	-	-	-	-	-
Vote 4 - Engineering Services	269,850	51%	362,094	57%	410,110	60%
Vote 5 - Community Services	17,983	3%	15,156	2%	19,190	3%
Vote 6 - Community Development	63,300	12%	78,237	12%	81,270	12%
Vote 7 - Corporate and Shared Services	5,000	1%	8,500	1%	9,500	1%
Vote 8 - Planning and Economic Development	3,000	1%	3,500	1%	2,000	0%
Vote 9 - Budget and Treasury	2,000	0%	2,500	0%	3,000	0%
Vote 10 - Transport Operations	169,689	32%	162,631	26%	154,661	23%
Total Capital Expenditure - Vote	530,822	100%	632,618	100%	679,731	100%

For 2015/16 an amount of R530.8 million has been appropriated for the development of infrastructure. In the outer years this amount totals R632.6 million and R679.7 million respectively for each of the financial years.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 24 MBRR A9 (Asset Management).

Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's

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

Table 10 MBRR Table A1 - Budget Summary

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Financial Performance									
Property rates	229,423	254,721	285,392	302,252	302,252	302,252	332,477	354,088	376,396
Service charges	808,502	924,299	931,967	1,181,739	1,045,000	1,045,000	1,171,106	1,247,228	1,325,803
Investment revenue	24,554	23,017	30,547	23,000	23,000	23,000	31,000	33,015	35,095
Transfers recognised - operational	376,332	397,176	478,178	556,489	558,631	558,631	666,316	709,627	754,333
Other own revenue	118,366	69,747	141,608	164,619	271,444	271,444	151,746	161,467	171,548
Total Revenue (excluding capital transfers and contributions)	1,557,176	1,668,960	1,867,692	2,228,099	2,200,327	2,200,327	2,352,645	2,505,424	2,663,175
Employee costs	384,940	392,060	440,943	504,000	504,000	504,000	562,855	596,173	632,168
Remuneration of councillors	17,678	18,937	21,668	25,410	25,410	25,410	25,780	27,455	29,185
Depreciation & asset impairment	231,254	265,100	449,617	266,000	205,000	205,000	205,000	217,000	230,000
Finance charges	29,427	29,594	37,154	23,747	23,747	23,747	37,000	39,405	41,888
Materials and bulk purchases	651,289	725,949	761,431	868,000	868,600	868,600	944,210	1,005,583	1,068,935
Transfers and grants	6,122	5,540	6,940	5,240	6,740	6,740	6,480	6,901	7,336
Other expenditure	302,750	478,939	580,181	453,314	479,430	479,430	466,211	501,008	534,736
Total Expenditure	1,623,459	1,916,119	2,297,934	2,145,711	2,112,927	2,112,927	2,247,535	2,393,526	2,544,248
Surplus/(Deficit)	(66,283)	(247,159)	(430,242)	82,388	87,400	87,400	105,110	111,898	118,927
Transfers recognised - capital	241,313	291,175	393,793	436,799	700,470	700,470	426,189	453,891	482,486
Contributions recognised - capital & contributed as	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	175,030	44,016	(36,449)	519,187	787,870	787,870	531,299	565,790	601,414
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	175,030	44,016	(36,449)	519,187	787,870	787,870	531,299	565,790	601,414
Capital expenditure & funds sources									
Capital expenditure	354,503	333,311	469,802	518,749	787,677	787,677	530,822	631,618	678,731
Transfers recognised - capital	216,313	225,076	353,771	436,799	700,470	700,470	426,189	431,468	444,643
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	138,190	112,357	116,030	81,950	87,207	87,207	104,633	201,150	235,088
Total sources of capital funds	354,503	337,434	469,802	518,749	787,677	787,677	530,822	632,618	679,731
Financial position									
Total current assets	762,346	758,852	904,508	690,120	690,120	690,120	887,577	833,262	803,404
Total non current assets	5,920,756	6,017,353	7,946,098	7,117,895	7,386,823	7,386,823	8,241,196	8,345,836	8,793,959
Total current liabilities	583,978	585,694	726,202	509,755	509,755	509,755	857,080	798,030	804,485
Total non current liabilities	477,859	477,859	513,877	401,065	401,065	401,065	442,135	412,075	386,178
Community wealth/Equity	5,621,265	5,712,652	7,610,526	6,897,195	7,166,123	7,166,123	7,829,558	7,968,993	8,406,700

DRAFT ANNUAL BUDGET 2015/16-2017/18

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands									
Cash flows									
Net cash from (used) operating	355,908	376,128	581,264	472,978	545,193	551,933	644,566	689,598	734,522
Net cash from (used) investing	(403,719)	(322,418)	(359,473)	(337,062)	(635,990)	(635,990)	(500,222)	(600,050)	(645,132)
Net cash from (used) financing	53,843	(12,921)	38,706	(31,806)	(31,806)	(31,806)	(56,100)	(56,600)	(57,100)
Cash/cash equivalents at the year end	11,274	52,062	312,558	154,110	236,990	243,730	173,244	206,192	238,482
Cash backing/surplus reconciliation									
Cash and investments available	290,273	331,061	481,558	329,000	329,000	329,000	474,000	464,000	404,000
Application of cash and investments	95,288	1,604	197,740	108,910	140,131	140,131	339,969	319,465	298,805
Balance - surplus (shortfall)	194,985	329,457	283,818	220,090	188,869	188,869	134,031	144,535	105,195
Asset management									
Asset register summary (WDV)	5,844,872	5,931,182	7,867,057	7,033,440	7,302,368	7,302,368	8,164,714	8,269,712	8,718,693
Depreciation & asset impairment	231,254	265,100	449,617	266,000	205,000	205,000	205,000	217,000	230,000
Renewal of Existing Assets	-	68,304	112,571	197,753	213,843	213,843	126,550	203,186	243,110
Repairs and Maintenance	96,881	119,343	124,975	170,000	170,600	170,600	177,210	188,728	200,618
Free services									
Cost of Free Basic Services provided	15,534	24,413	22,121	35,438	35,438	35,438	38,731	41,055	43,519
Revenue cost of free services provided	48,573	31,598	32,641	57,193	57,193	57,193	63,225	66,703	70,238
Households below minimum service level									
Water:	8	21	7	6	6	6	6	6	6
Sanitation/sewerage:	11	52	100	98	98	98	98	98	97
Energy:	80	36	30	29	29	29	29	29	29
Refuse:	82	65	86	86	86	86	86	86	86

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved during the 2015/16 financial year, when a surplus will be reflected.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 11 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard									
Governance and administration	943,772	983,173	1,265,463	1,356,752	1,759,316	1,622,565	1,496,423	1,529,409	1,620,342
Executive and council	-	-	12	-	-	-	-	-	-
Budget and treasury office	323,967	291,519	392,505	359,213	359,213	359,213	399,464	425,319	452,043
Corporate services	619,805	691,654	872,946	997,539	1,400,103	1,263,352	1,096,958	1,104,090	1,168,298
Community and public safety	8,334	15,171	19,224	32,006	32,080	32,080	36,361	38,668	41,104
Community and social services	1,590	1,736	1,640	2,526	2,600	2,600	2,731	2,852	3,032
Sport and recreation	1,546	10,110	4,009	14,804	14,804	14,804	15,692	16,712	17,765
Public safety	5,169	3,313	13,563	12,634	12,634	12,634	15,775	16,800	17,858
Housing	30	12	11	41	41	41	44	47	50
Health	-	-	-	2,000	2,000	2,000	2,120	2,258	2,400
Economic and environmental services	34,192	36,066	43,855	92,477	62,477	62,477	72,906	77,612	82,481
Planning and development	24,792	29,364	38,379	81,382	51,382	51,382	61,145	65,087	69,167
Road transport	7,609	3,816	3,687	8,968	8,968	8,968	9,506	10,124	10,761
Environmental protection	1,790	2,885	1,788	2,127	2,127	2,127	2,255	2,402	2,553
Trading services	812,191	925,725	932,944	1,183,663	1,046,924	1,046,924	1,173,145	1,249,400	1,328,112
Electricity	559,547	605,543	616,982	775,220	703,149	703,149	793,681	845,270	898,522
Water	165,503	221,060	211,680	279,602	234,057	234,057	259,055	275,894	293,275
Waste water management	39,311	46,449	48,588	66,163	50,000	50,000	55,326	58,922	62,634
Waste management	47,830	52,674	55,694	62,677	59,718	59,718	65,083	69,313	73,680
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	1,798,489	1,960,135	2,261,485	2,664,898	2,900,797	2,764,046	2,778,834	2,895,089	3,072,039
Expenditure - Standard									
Governance and administration	325,711	473,990	632,457	506,060	510,206	516,823	503,297	535,890	569,585
Executive and council	110,240	114,196	235,775	115,000	116,500	120,500	107,505	114,492	121,705
Budget and treasury office	83,630	170,237	151,610	127,234	128,234	128,234	147,248	156,716	166,523
Corporate services	131,841	189,557	245,072	263,825	265,472	268,089	248,544	264,682	281,357
Community and public safety	346,763	316,095	397,351	327,593	327,567	328,542	343,825	366,175	389,242
Community and social services	74,169	66,957	84,890	79,682	79,656	79,681	83,950	89,407	95,040
Sport and recreation	145,420	121,615	135,623	99,647	99,647	99,597	100,742	107,290	114,050
Public safety	114,856	116,962	164,956	138,338	138,338	139,338	146,964	156,517	166,377
Housing	6,947	5,231	6,503	5,851	5,851	5,851	7,862	8,375	8,900
Health	5,370	5,330	5,379	4,075	4,075	4,075	4,306	4,586	4,875
Economic and environmental services	147,957	165,669	242,697	190,754	160,714	160,762	183,646	195,582	207,904
Planning and development	37,379	67,136	52,518	73,837	73,797	73,857	87,906	93,620	99,518
Road transport	95,913	91,489	180,522	108,702	78,702	78,705	85,652	91,219	96,966
Environmental protection	14,665	7,044	9,656	8,215	8,215	8,200	10,087	10,743	11,420
Trading services	803,028	960,366	1,025,430	1,121,305	1,112,447	1,112,527	1,221,142	1,300,516	1,382,448
Electricity	482,245	560,506	622,840	656,204	662,204	662,204	776,230	826,684	878,766
Water	199,105	267,874	257,030	317,942	286,942	286,942	295,049	314,227	334,023
Waste water management	51,431	79,514	85,950	86,742	102,884	102,964	86,368	91,981	97,776
Waste management	70,247	52,472	59,609	60,416	60,416	60,416	63,496	67,623	71,883
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	1,623,459	1,916,119	2,297,934	2,145,711	2,110,933	2,118,654	2,251,908	2,398,164	2,549,180
Surplus/(Deficit) for the year	175,030	44,016	(36,449)	519,187	789,864	645,392	526,926	496,925	522,859

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 9 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for the Electricity, Water and Sanitation functions, but not the Waste Management function.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under Executive & Council.

Table 12 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote									
Vote 1 - Council	-	-	12	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Strategic Planning Monitoring and Evaluation	-	-	-	-	-	-	-	-	-
Vote 4 - Engineering Services	764,361	873,099	877,330	1,121,185	987,406	987,406	1,108,274	1,180,312	1,254,671
Vote 5 - Community Services	77,358	82,009	96,289	104,870	101,911	101,911	112,190	119,482	127,010
Vote 6 - Community Development	2,418	11,038	4,879	16,334	16,408	16,408	17,314	18,440	19,601
Vote 7 - Corporate and Shared Services	2,136	3,279	811	4,226	4,226	4,226	4,479	4,770	5,071
Vote 8 - Planning and Economic Development	10,604	10,841	17,575	65,781	35,781	35,781	44,608	47,475	50,446
Vote 9 - Budget and Treasury	941,612	979,871	1,264,590	1,352,501	1,755,065	1,755,065	1,491,969	1,524,701	1,615,395
Vote 10 - Transport Operations	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	1,798,489	1,960,135	2,261,485	2,664,898	2,900,797	2,900,797	2,778,834	2,895,180	3,072,194
Expenditure by Vote to be appropriated									
Vote 1 - Council	107,683	117,129	240,068	129,704	131,204	131,204	125,457	133,612	142,029
Vote 2 - Office of the Municipal Manager	25,916	20,395	24,850	26,567	26,567	26,567	24,184	25,756	27,378
Vote 3 - Strategic Planning Monitoring and Evaluation	12,032	12,296	12,007	21,068	21,068	21,068	23,035	24,533	26,078
Vote 4 - Engineering Services	828,833	997,303	1,136,889	1,159,875	1,121,017	1,121,017	1,226,525	1,306,249	1,388,542
Vote 5 - Community Services	250,752	229,237	289,722	260,798	260,798	260,798	283,242	301,653	320,657
Vote 6 - Community Development	197,549	169,366	231,350	168,885	168,859	168,859	176,640	188,121	199,973
Vote 7 - Corporate and Shared Services	82,664	137,574	151,547	176,284	179,884	179,884	151,665	161,506	171,680
Vote 8 - Planning and Economic Development	34,400	60,846	49,362	68,173	68,173	68,173	81,422	86,715	92,178
Vote 9 - Budget and Treasury	83,630	170,237	151,610	127,234	128,234	128,234	147,258	156,820	166,689
Vote 10 - Transport Operations	-	1,736	10,529	7,123	7,123	7,123	12,481	13,292	14,129
Total Expenditure by Vote	1,623,459	1,916,119	2,297,934	2,145,711	2,112,927	2,112,927	2,251,908	2,398,255	2,549,335
Surplus/(Deficit) for the year	175,030	44,016	(36,449)	519,187	787,870	787,870	526,926	496,925	522,859

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

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

Table 13 Surplus/(Deficit) calculations for the electricity trading service

Standard Classification Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard									
Electricity	559,547	605,543	616,982	775,220	703,149	703,149	793,681	845,270	898,522
Expenditure - Standard									
Electricity	482,245	560,506	622,840	656,204	662,204	662,204	776,230	826,684	878,766
Surplus/(Deficit)	77,302	45,037	(5,858)	119,015	40,944	40,944	17,452	18,586	19,757

Table 14 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2
Revenue By Source									
Property rates	229,423	254,721	285,392	302,252	302,252	302,252	332,477	354,088	376,396
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges	556,892	605,486	616,926	775,071	703,000	703,000	793,523	845,102	898,344
Service charges - water revenue	165,503	221,060	211,680	279,546	234,000	234,000	258,995	275,830	293,207
Service charges - sanitation revenue	39,311	46,449	48,588	66,163	50,000	50,000	55,326	58,922	62,634
Service charges - refuse revenue	46,795	51,305	54,773	60,959	58,000	58,000	63,262	67,374	71,619
Rental of facilities and equipment	5,102	12,154	16,231	20,020	20,020	20,020	21,221	22,600	24,024
Interest earned - external investments	24,554	23,017	30,547	23,000	23,000	23,000	31,000	33,015	35,095
Interest earned - outstanding debtors	17,678	7,377	51,302	30,000	30,000	30,000	31,800	33,867	36,001
Fines	4,497	2,627	12,347	10,753	10,753	10,753	13,780	14,676	15,600
Licences and permits	8,234	8,816	8,909	9,027	9,027	9,027	9,569	10,191	10,833
Agency services	13,827	13,892	16,040	15,656	15,656	15,656	16,596	17,674	18,788
Transfers recognised - operational	376,332	397,176	478,178	556,489	558,631	558,631	666,316	665,756	716,327
Other revenue	68,781	23,430	36,474	26,963	163,788	163,788	28,581	30,296	32,113
Gains on disposal of PPE	246	1,451	305	52,200	22,200	22,200	30,200	32,163	34,189
Total Revenue (excluding capital transfers and contributions)	1,557,176	1,668,960	1,867,692	2,228,099	2,200,327	2,200,327	2,352,645	2,461,554	2,625,169
Expenditure By Type									
Employee related costs	384,940	392,060	440,943	504,000	504,000	504,000	567,108	604,050	642,095
Remuneration of councillors	17,678	18,937	21,668	25,410	25,410	25,410	25,780	27,455	29,185
Debt impairment	38,192	53,486	197,819	50,000	50,000	50,000	50,000	53,250	56,605
Depreciation & asset impairment	231,254	265,100	449,617	266,000	205,000	205,000	205,000	217,000	230,000
Finance charges	29,427	29,594	37,154	23,747	23,747	23,747	37,000	39,405	41,888
Bulk purchases	518,797	581,301	619,153	698,000	698,000	698,000	767,000	816,855	868,317
Other materials	132,492	144,648	142,278	170,000	170,600	170,600	177,210	188,728	200,618
Contracted services	39,935	56,380	66,780	75,854	75,754	75,754	74,275	79,103	84,086
Transfers and grants	6,122	5,540	6,940	5,240	6,740	6,740	6,480	6,901	7,336
Other expenditure	224,623	369,073	315,582	327,460	353,676	353,676	342,056	365,416	389,050
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Expenditure	1,623,459	1,916,119	2,297,934	2,145,711	2,112,927	2,112,927	2,251,908	2,398,164	2,549,180
Surplus/(Deficit)	(66,283)	(247,159)	(430,242)	82,388	87,400	87,400	100,737	63,390	75,989
Transfers recognised - capital	241,313	291,175	393,793	436,799	700,470	700,470	426,189	433,535	446,870
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	175,030	44,016	(36,449)	519,187	787,870	787,870	526,926	496,925	522,859
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	175,030	44,016	(36,449)	519,187	787,870	787,870	526,926	496,925	522,859
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	175,030	44,016	(36,449)	519,187	787,870	787,870	526,926	496,925	522,859
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	175,030	44,016	(36,449)	519,187	787,870	787,870	526,926	496,925	522,859

Table 15 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure - Vote									
Vote 1 - Council	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	31	-	-	-	-	-	-
Vote 3 - Strategic Planning Monitoring and Evaluation	-	-	-	-	-	-	-	-	-
Vote 4 - Engineering Services	299,101	267,350	225,500	249,600	380,574	380,574	269,850	362,094	410,110
Vote 5 - Community Services	1,006	1,133	183	3,300	17,315	17,315	17,983	15,156	19,190
Vote 6 - Community Development	6,888	119	8,216	57,499	70,011	70,011	63,300	78,237	81,270
Vote 7 - Corporate and Shared Services	19,957	25,345	106,421	5,500	4,900	4,900	5,000	8,500	9,500
Vote 8 - Planning and Economic Development	21,529	4,123	-	1,850	1,959	1,959	3,000	3,500	2,000
Vote 9 - Budget and Treasury	6,022	44	51	1,000	1,000	1,000	2,000	2,500	3,000
Vote 10 - Transport Operations	-	39,320	129,397	200,000	311,918	311,918	169,689	162,631	154,661
Capital single-year expenditure sub-total	354,503	337,434	469,801	518,749	787,677	787,677	530,822	632,618	679,731
Total Capital Expenditure - Vote	354,503	337,434	469,801	518,749	787,677	787,677	530,822	632,618	679,731
Capital Expenditure - Standard									
Governance and administration	28,416	64,709	106,503	22,300	24,681	24,681	24,050	30,050	37,600
Executive and council	-	-	31	-	-	-	-	-	-
Budget and treasury office	6,022	44	51	1,000	1,000	1,000	2,000	2,500	3,000
Corporate services	22,394	64,665	106,421	21,300	23,681	23,681	22,050	27,550	34,600
Community and public safety	5,125	1,252	8,400	43,199	58,933	58,933	60,733	69,657	65,810
Community and social services	726	1,133	183	2,200	8,004	8,004	10,050	10,770	4,800
Sport and recreation	4,369	119	8,216	40,499	49,930	49,930	46,500	51,587	52,970
Public safety	-	-	-	500	998	998	3,600	7,300	8,040
Housing	29	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	583	-	-
Economic and environmental services	135,615	117,313	205,492	305,550	458,736	458,736	274,239	288,561	303,639
Planning and development	21,516	-	-	1,850	1,850	1,850	3,000	3,500	2,000
Road transport	114,099	117,313	205,274	303,700	456,886	456,886	271,239	285,061	301,639
Environmental protection	-	-	217	-	-	-	-	-	-
Trading services	185,348	150,037	149,407	147,700	245,328	245,328	171,800	243,350	271,682
Electricity	58,652	21,965	1,382	19,800	18,857	18,857	14,800	87,800	95,700
Water	107,181	124,299	147,022	122,000	211,778	211,778	153,000	148,864	164,682
Waste water management	19,169	3,773	166	4,100	5,080	5,080	-	-	-
Waste management	346	-	837	1,800	9,613	9,613	4,000	6,686	11,300
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	354,503	333,311	469,802	518,749	787,677	787,677	530,822	631,618	678,731
Funded by:									
National Government	216,313	225,076	353,771	430,646	694,317	694,317	426,189	431,468	444,643
Other transfers and grants	-	-	-	6,153	6,153	6,153	-	-	-
Transfers recognised - capital	216,313	225,076	353,771	436,799	700,470	700,470	426,189	431,468	444,643
Internally generated funds	138,190	112,357	116,030	81,950	87,207	87,207	104,633	201,150	235,088
Total Capital Funding	354,503	337,434	469,802	518,749	787,677	787,677	530,822	632,618	679,731

Table 16 MBRR Table A6 - Budgeted Financial Position

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
ASSETS									
Current assets									
Cash	11,274	52,061	312,558	50,000	50,000	50,000	85,000	105,000	50,000
Call investment deposits	220,000	220,000	110,000	220,000	220,000	220,000	330,000	300,000	295,000
Consumer debtors	383,445	383,445	354,198	313,241	313,241	313,241	364,198	322,241	352,241
Other debtors	79,970	40,859	49,949	45,000	45,000	45,000	47,000	46,000	45,000
Current portion of long-term receivables	7,502	8,595	23,513	6,879	6,879	6,879	6,379	5,021	5,163
Inventory	60,155	53,891	54,289	55,000	55,000	55,000	55,000	55,000	56,000
Total current assets	762,346	758,852	904,508	690,120	690,120	690,120	887,577	833,262	803,404
Non current assets									
Long-term receivables	8,667	7,809	8,152	6,093	6,093	6,093	5,593	5,235	4,377
Investments	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000
Investment property	138,360	234,602	544,972	234,602	234,602	234,602	544,472	234,602	234,602
Investment in Associate	8,217	8,217	8,217	8,217	8,217	8,217	8,217	8,217	8,217
Property, plant and equipment	5,664,780	5,664,780	7,292,652	6,767,038	7,035,966	7,035,966	7,591,559	8,007,177	8,456,908
Agricultural	-	-	-	-	-	-	-	-	-
Biological	7,305	13,965	16,633	13,965	13,965	13,965	16,633	16,633	16,633
Intangible	34,428	17,834	12,799	17,834	17,834	17,834	12,049	11,299	10,549
Other non-current assets	-	11,145	3,672	11,145	11,145	11,145	3,672	3,672	3,672
Total non current assets	5,920,756	6,017,353	7,946,098	7,117,895	7,386,823	7,386,823	8,241,196	8,345,836	8,793,959
TOTAL ASSETS	6,683,103	6,776,206	8,850,606	7,808,015	8,076,943	8,076,943	9,128,773	9,179,098	9,597,363
LIABILITIES									
Current liabilities									
Bank overdraft	-	-	-	-	-	-	-	-	-
Borrowing	38,884	38,884	71,792	36,806	36,806	36,806	71,792	71,292	71,292
Consumer deposits	62,072	63,788	65,650	65,288	65,288	65,288	65,288	66,738	68,193
Trade and other payables	483,022	483,022	588,760	407,662	407,662	407,662	720,000	660,000	665,000
Provisions	-	-	-	-	-	-	-	-	-
Total current liabilities	583,978	585,694	726,202	509,755	509,755	509,755	857,080	798,030	804,485
Non current liabilities									
Borrowing	283,472	283,472	309,088	188,591	188,591	188,591	237,296	166,004	94,711
Provisions	194,387	194,387	204,789	212,474	212,474	212,474	204,839	246,071	291,466
Total non current liabilities	477,859	477,859	513,877	401,065	401,065	401,065	442,135	412,075	386,178
TOTAL LIABILITIES	1,061,837	1,063,553	1,240,079	910,821	910,821	910,821	1,299,215	1,210,105	1,190,663
NET ASSETS	5,621,265	5,712,652	7,610,526	6,897,195	7,166,123	7,166,123	7,829,558	7,968,993	8,406,700
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	4,839,672	4,931,059	5,681,343	6,115,508	6,384,436	6,384,436	6,100,425	6,439,909	7,825,567
Reserves	781,594	781,594	1,929,184	781,687	781,687	781,687	1,729,134	1,529,084	581,133
Minorities' interests	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5,621,265	5,712,652	7,610,526	6,897,195	7,166,123	7,166,123	7,829,558	7,968,993	8,406,700

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in

order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

3. Table 64 is supported by an extensive table of notes (Table SA3) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 17 MBRR Table A7 - Budgeted Cash Flow Statement

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
				Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	Audited Outcome	Audited Outcome	Audited Outcome						
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	949,491	1,389,637	1,288,539	1,309,048	1,172,308	1,172,308	1,481,796	1,577,980	1,677,308
Government - operating	367,485	501,275	516,199	562,642	544,784	544,784	666,316	709,627	754,333
Government - capital	250,160	187,077	350,188	430,646	689,317	689,317	426,189	453,891	482,486
Interest	42,233	23,017	30,547	23,000	23,000	23,000	62,800	66,882	71,096
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(1,224,034)	(1,695,283)	(1,560,296)	(1,821,871)	(1,853,729)	(1,853,729)	(1,949,055)	(2,072,476)	(2,201,478)
Finance charges	(29,427)	(29,594)	(37,154)	(23,747)	(23,747)	(23,747)	(37,000)	(39,405)	(41,888)
Transfers and Grants	-	-	(6,760)	(6,740)	(6,740)	-	(6,480)	(6,901)	(7,336)
NET CASH FROM/(USED) OPERATING ACTIVITIES	355,908	376,128	581,264	472,978	545,193	551,933	644,566	689,598	734,522
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	11,442	(76)	52,000	22,000	22,000	30,200	32,163	34,189
Decrease (Increase) in non-current debtors	13,599	(235)	405	-	-	-	400	405	410
Decrease (increase) other non-current receivables	(59,000)	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	(3,815)	3,808	110,000	-	-	-	-	-	-
Payments									
Capital assets	(354,503)	(337,434)	(469,802)	(389,062)	(657,990)	(657,990)	(530,822)	(632,618)	(679,731)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(403,719)	(322,418)	(359,473)	(337,062)	(635,990)	(635,990)	(500,222)	(600,050)	(645,132)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	49,367	21,171	73,237	-	-	-	-	-	-
Increase (decrease) in consumer deposits	4,476	1,716	1,862	5,000	5,000	5,000	2,000	2,000	2,000
Payments									
Repayment of borrowing	-	(35,808)	(36,394)	(36,806)	(36,806)	(36,806)	(58,100)	(58,600)	(59,100)
NET CASH FROM/(USED) FINANCING ACTIVITIES	53,843	(12,921)	38,706	(31,806)	(31,806)	(31,806)	(56,100)	(56,600)	(57,100)
NET INCREASE/ (DECREASE) IN CASH HELD	6,032	40,788	260,497	104,110	(122,602)	(115,862)	88,244	32,948	32,290
Cash/cash equivalents at the year begin:	5,242	11,274	52,062	50,000	359,593	359,593	85,000	173,244	206,192
Cash/cash equivalents at the year end:	11,274	52,062	312,558	154,110	236,990	243,730	173,244	206,192	238,482

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. As part of the 2014/15 mid-year review and Adjustments Budget this unsustainable cash position had to be addressed as a matter of urgency and various interventions were implemented such as the reduction of expenditure allocations and rationalization of spending priorities.
4. The 2015/16 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
5. Cash and cash equivalents totals R173 million positive as at the end of the 2015/16 financial year and increases to R238 million by 2017/18.

Table 18 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Cash and investments available									
Cash/cash equivalents at the year end	11,274	52,062	312,558	154,110	236,990	243,730	173,244	206,192	238,482
Other current investments > 90 days	220,000	220,000	110,000	115,890	33,010	26,270	241,756	198,808	106,518
Non current assets - Investments	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000
Cash and investments available:	290,273	331,061	481,558	329,000	329,000	329,000	474,000	464,000	404,000
Application of cash and investments									
Unspent conditional transfers	194,553	194,553	274,579	107,662	107,662	107,662	330,000	300,000	295,000
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-	-
Other working capital requirements	(99,265)	(192,949)	(76,839)	1,248	32,469	32,469	9,969	19,465	3,805
Other provisions	-	-	-	-	-	-	-	-	-
Long term investments committed	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:	95,288	1,604	197,740	108,910	140,131	140,131	339,969	319,465	298,805
Surplus(shortfall)	194,985	329,457	283,818	220,090	188,869	188,869	134,031	144,535	105,195

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. As part of the budgeting and planning guidelines that informed the compilation of the 2015/16 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
6. As can be seen the budget has been modelled maintain a surplus for the entire MTREF

Table 19 MBRR Table A9 - Asset Management

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	354,503	269,130	366,792	320,996	573,834	573,834	404,272	429,432	436,621
Infrastructure - Road transport	114,099	69,147	8,250	98,700	98,700	98,700	22,800	28,080	34,488
Infrastructure - Electricity	58,652	1,793	51,500	14,800	20,023	20,023	6,800	23,800	26,400
Infrastructure - Water	107,181	107,771	130,000	111,000	168,178	168,178	144,500	145,364	152,682
Infrastructure - Sanitation	19,169	1,378	1,500	1,000	667	667	-	2,500	2,750
Infrastructure - Other	-	39,320	130,000	61,800	178,229	178,229	172,689	163,731	157,261
Infrastructure	299,101	219,409	321,250	287,300	465,798	465,798	346,789	363,475	373,581
Community	5,000	445	18,500	26,546	36,305	36,305	48,983	52,837	52,040
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	50,402	49,275	27,042	7,150	71,732	71,732	7,000	11,120	10,500
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	1,500	2,000	500
Total Renewal of Existing Assets	-	68,304	112,571	197,753	213,843	213,843	126,550	203,186	243,110
Infrastructure - Road transport	-	48,166	54,000	5,500	5,500	5,500	78,750	94,350	112,490
Infrastructure - Electricity	-	-	-	5,000	1,000	1,000	8,000	64,000	69,300
Infrastructure - Water	-	-	16,849	11,000	18,731	18,731	8,500	3,500	12,000
Infrastructure - Sanitation	-	1,568	40,000	3,100	4,412	4,412	500	500	-
Infrastructure - Other	-	1,721	1,721	140,000	140,000	140,000	1,000	5,586	8,700
Infrastructure	-	51,455	112,571	164,600	169,644	169,644	96,750	167,936	202,490
Community	-	-	-	16,153	16,992	16,992	13,300	14,250	13,120
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	16,849	-	17,000	27,207	27,207	15,000	19,000	25,500
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	1,500	2,000	2,000
Total Capital Expenditure									
Infrastructure - Road transport	114,099	117,313	62,250	104,200	104,200	104,200	101,550	122,430	146,978
Infrastructure - Electricity	58,652	1,793	51,500	19,800	21,023	21,023	14,800	87,800	95,700
Infrastructure - Water	107,181	107,771	146,849	122,000	186,909	186,909	153,000	148,864	164,682
Infrastructure - Sanitation	19,169	2,946	41,500	4,100	5,080	5,080	500	3,000	2,750
Infrastructure - Other	-	41,042	131,721	201,800	318,229	318,229	173,689	169,317	165,961
Infrastructure	299,101	270,864	433,821	451,900	635,441	635,441	443,539	531,411	576,071
Community	5,000	445	18,500	42,699	53,297	53,297	62,283	67,087	65,160
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	50,402	66,125	27,042	24,150	98,939	98,939	22,000	30,120	36,000
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	3,000	4,000	2,500
TOTAL CAPITAL EXPENDITURE - Asset class	354,503	337,434	479,362	518,749	787,677	787,677	530,822	632,618	679,731
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	1,349,724	1,407,803	1,470,053	1,522,004	1,675,189	1,675,189	1,675,803	1,798,233	1,945,211
Infrastructure - Electricity	790,531	710,674	762,174	727,911	726,968	726,968	797,997	885,797	981,497
Infrastructure - Water	642,754	687,148	833,997	1,023,733	1,113,511	1,113,511	1,173,906	1,322,770	1,487,452
Infrastructure - Sanitation	306,297	236,817	278,317	239,795	240,775	240,775	283,896	286,896	289,646
Infrastructure - Other	2,575,475	2,622,338	3,948,111	3,253,595	3,279,523	3,279,523	3,659,957	3,713,481	3,753,102
Infrastructure	5,664,780	5,664,780	7,292,652	6,767,038	7,035,966	7,035,966	7,591,559	8,007,177	8,456,908
Community	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	138,360	234,602	544,972	234,602	234,602	234,602	544,472	234,602	234,602
Other assets	-	-	-	-	-	-	-	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	7,305	13,965	16,633	13,965	13,965	13,965	16,633	16,633	16,633
Intangibles	34,428	17,834	12,799	17,834	17,834	17,834	12,049	11,299	10,549
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5,844,872	5,931,182	7,867,057	7,033,440	7,302,368	7,302,368	8,164,714	8,269,712	8,718,693

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
EXPENDITURE OTHER ITEMS									
<u>Depreciation & asset impairment</u>	176,461	231,254	265,065	232,700	232,700	232,700	205,000	217,000	230,000
<u>Repairs and Maintenance by Asset Class</u>	96,881	119,343	124,975	170,000	170,600	170,600	177,210	188,728	200,618
<i>Infrastructure - Road transport</i>	20,898	23,160	10,965	25,543	25,543	25,543	24,509	25,857	27,227
<i>Infrastructure - Electricity</i>	19,479	27,807	18,005	26,669	26,669	26,669	24,142	25,470	26,820
<i>Infrastructure - Water</i>	25,995	23,282	22,948	32,344	32,344	32,344	28,106	29,652	31,224
<i>Infrastructure - Sanitation</i>	5,633	6,810	4,996	7,527	7,527	7,527	39,383	41,549	43,751
<i>Infrastructure - Other</i>	19,675	10,332	11,987	23,400	23,400	23,400	-	-	-
Infrastructure	91,680	91,390	68,900	115,483	115,483	115,483	116,141	122,528	129,022
Community	5,202	27,953	56,075	54,517	55,117	55,117	61,069	66,200	71,596
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS	273,342	350,598	390,040	402,700	403,300	403,300	382,210	405,728	430,618
<i>Renewal of Existing Assets as % of total capex</i>	0.0%	20.2%	23.5%	38.1%	27.1%	27.1%	23.8%	32.1%	35.8%
<i>Renewal of Existing Assets as % of deprecn"</i>	0.0%	29.5%	42.5%	85.0%	91.9%	91.9%	61.7%	93.6%	105.7%
<i>R&M as a % of PPE</i>	1.7%	2.1%	1.7%	2.5%	2.4%	2.4%	2.3%	2.4%	2.4%
<i>Renewal and R&M as a % of PPE</i>	2.0%	3.0%	3.0%	5.0%	5.0%	5.0%	4.0%	5.0%	5.0%

Explanatory notes to Table A9 - Asset Management

1. 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.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE.
3. Due to substantial efforts, renewal of assets and repair and maintenance as a percentage of PPE has increased from 2.3 to 2.4 per cent in the 2016/17 financial year.

Table 20 MBRR Table A10 - Basic Service Delivery Measurement

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Household service targets									
Water:									
Piped water inside dwelling	40,673	41,484	43,559	43,800	43,800	43,800	43,800	43,850	44,000
Piped water inside yard (but not in dwelling)	31,547	35,923	40,962	43,300	43,300	43,300	43,300	43,400	43,500
Using public tap (at least min.service level)	50,450	58,281	52,371	51,000	51,000	51,000	51,000	49,800	49,700
Other water supply (at least min.service level)			34,162	33,601	33,601	33,601	33,601	34,751	34,701
<i>Minimum Service Level and Above sub-total</i>	122,670	135,688	171,054	171,701	171,701	171,701	171,701	171,801	171,901
Using public tap (< min.service level)									
Other water supply (< min.service level)	7,691	20,878	6,947	6,300	6,300	6,300	6,300	6,200	6,100
No water supply									
<i>Below Minimum Service Level sub-total</i>	7,691	20,878	6,947	6,300	6,300	6,300	6,300	6,200	6,100
Total number of households	130,361	156,566	178,001	178,001	178,001	178,001	178,001	178,001	178,001
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	31,546	37,581	38,656	40,500	40,500	40,500	40,500	40,600	40,700
Flush toilet (with septic tank)	700	3,903	4,032	4,100	4,100	4,100	4,100	4,200	4,300
Chemical toilet	14,816	1,481	1,493	1,520	1,520	1,520	1,520	1,520	1,520
Pit toilet (ventilated)	72,480	61,403	33,688	34,000	34,000	34,000	34,000	34,100	34,100
Other toilet provisions (> min.service level)									
<i>Minimum Service Level and Above sub-total</i>	119,542	104,368	77,869	80,120	80,120	80,120	80,120	80,420	80,620
Bucket toilet									
Other toilet provisions (< min.service level)	10,819	52,198	100,132	98,000	98,000	98,000	98,000	97,581	97,381
No toilet provisions									
<i>Below Minimum Service Level sub-total</i>	10,819	52,198	100,132	98,000	98,000	98,000	98,000	97,581	97,381
Total number of households	130,361	156,566	178,001	178,120	178,120	178,120	178,120	178,001	178,001
Energy:									
Electricity (at least min.service level)	24,300	53,140	80,094	79,802	79,802	79,802	79,802	79,802	79,802
Electricity - prepaid (min.service level)	26,300	66,946	67,616	69,000	69,000	69,000	69,000	69,100	69,200
<i>Minimum Service Level and Above sub-total</i>	50,600	120,086	147,710	148,802	148,802	148,802	148,802	148,902	149,002
Electricity (< min.service level)	18,162	21,000	14,780	13,216	13,216	13,216	13,216	13,116	13,016
Electricity - prepaid (< min. service level)	34,223	12,925	13,925	14,514	14,514	14,514	14,514	14,514	14,514
Other energy sources	27,376	2,555	1,586	1,469	1,469	1,469	1,469	1,469	1,469
<i>Below Minimum Service Level sub-total</i>	79,761	36,480	30,291	29,199	29,199	29,199	29,199	29,099	28,999
Total number of households	130,361	156,566	178,001	178,001	178,001	178,001	178,001	178,001	178,001
Refuse:									
Removed at least once a week	48,364	91,338	92,000	92,000	92,000	92,000	92,000	92,000	92,000
<i>Minimum Service Level and Above sub-total</i>	48,364	91,338	92,000	92,000	92,000	92,000	92,000	92,000	92,000
Removed less frequently than once a week		97	97	97	97	97	97	97	97
Using communal refuse dump		4,566	4,566	4,566	4,566	4,566	4,566	4,566	4,566
Using own refuse dump	81,997	60,565	81,338	81,338	81,338	81,338	81,338	81,338	81,338
Other rubbish disposal									
No rubbish disposal									
<i>Below Minimum Service Level sub-total</i>	81,997	65,228	86,001	86,001	86,001	86,001	86,001	86,001	86,001
Total number of households	130,361	156,566	178,001	178,001	178,001	178,001	178,001	178,001	178,001

DRAFT ANNUAL BUDGET 2015/16-2017/18

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	69,750	115,082	116,921	116,921	116,921	116,921	116,921	116,921	116,921
Sanitation (free minimum level service)	30,700	61,403	64,073	64,073	64,073	64,073	64,073	64,073	64,073
Electricity/other energy (50kwh per household per month)	34,223	27,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000
Refuse (removed at least once a week)	30,700	91,338	99,433	99,433	99,433	99,433	99,433	99,433	99,433
Cost of Free Basic Services provided (R'000)									
Water (6 kilolitres per household per month)	5,596	6,190	7,560	6,105	6,105	6,105	6,105	6,471	6,859
Sanitation (free sanitation service)	1,055	3,158	4,537	8,047	8,047	8,047	8,047	8,530	9,042
Electricity/other energy (50kwh per household per month)	7,908	12,418	7,000	13,225	13,225	13,225	13,225	14,018	14,859
Refuse (removed once a week)	975	2,647	3,024	8,061	8,061	8,061	8,061	8,544	9,057
Total cost of FBS provided (minimum social package)	15,534	24,413	22,121	35,438	35,438	35,438	35,438	37,563	39,817
Highest level of free service provided									
Property rates (R value threshold)	50,000	50,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)									
Sanitation (Rand per household per month)	33	36	38	48	48	48	48	51	54
Electricity (kwh per household per month)	50	50	50	100	100	100	100	100	100
Refuse (average litres per week)	27	30	32	34	34	34	34	36	38
Revenue cost of free services provided (R'000)									
Property rates (R15 000 threshold rebate)	3,334	3,534	3,746	3,457	3,457	3,457	3,803	4,012	4,224
Property rates (other exemptions, reductions and rebates)	3,445	3,651	6,774	15,886	15,886	15,886	17,475	18,436	19,413
Water	18,303	6,190	7,560	6,494	6,494	6,494	7,143	7,536	7,936
Sanitation	4,432	3,158	4,537	8,561	8,561	8,561	9,417	9,935	10,462
Electricity/other energy	9,655	12,418	7,000	14,220	14,220	14,220	15,955	16,832	17,724
Refuse	9,403	2,647	3,024	8,575	8,575	8,575	9,433	9,951	10,479
Municipal Housing - rental rebates									
Housing - top structure subsidies									
Other									
Total revenue cost of free services provided (total social package)	48,573	31,598	32,641	57,193	57,193	57,193	63,225	66,703	70,238

Explanatory notes to Table A10 - Basic Service Delivery Measurement

- Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
- The Municipality continues to make good progress with the eradication of backlogs:
 - Water services – backlog will be reduced by 3012 households to 17865 over the MTREF. These households are largely found in rural areas.
 - Sanitation services – backlog will be reduced by 2369 to 49 829 households over the MTREF. The number of households with no toilet provision are found in rural areas.
 - Electricity services – backlog will be reduced by 931 households to 35 549 over the MTREF. These households are largely found in rural areas.
- Refuse services – backlog will be reduced by 162 to 65 066 households over the MTREF. These households are largely found in rural areas.

Part 2 – Supporting Documentation

1.6 Overview of the annual budget process

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

The IDP/Budget/PMS Steering Committee consists of the all Members of Mayoral Committee; Municipal Manager, all Directors and selected Managers with the Executive Mayor chairing the Meeting.

The role of IDP/Budget/PMS Steering Committee is to:

- Provide political oversight in the development of IDP/Budget/PMS.
- Supervise the implementation of the IDP/Budget/PMS.
- Lead the IDP /Budget Public Participation process.
- Responsible for the submission of the IDP/Budget/PMS to Mayoral Committee for recommendation to council

1.6.1 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2015/16 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2015/16 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2014/15 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 66 and 67 have been taken into consideration in the planning and prioritisation process.

1.7 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

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

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

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

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

- NSDP
- Green Paper on National Strategic Planning of 2009;
- MTSF
- Government Programme of Action;
- New Growth Path
- Development Facilitation Act of 1995;
- Limpopo Employment , Growth and Development Plan
- Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal

integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP.

VISION 2030 - SMART CITY

City of Polokwane has charted its post-election strategy for the next term and beyond through VISION 2030. This strategy is pegged against a long-term growth path to transform the municipality into a bustling and sustainable entity that distinguishes the Municipality as a nodal point that offers quality living experience through the **SMART CITY** concept.

Embedded in this strategic positioning is the need to craft an operating model that best fits the municipal ability to deliver on its strategy and mandate. It is precisely this process of envisioning operating model, which encouraged the leadership of the municipality to initiate a strategic planning session for the municipality.

A Strategic Planning Workshops was held with Departments which was then followed by Municipal Strategic Planning session to assess progress to date to deliver Vision 2030: unlike the previous year's Strategic Planning Session the main objective was to

- Assess Progress to date to deliver Vision 2030
- Review and refine the Logic Models (inputs)
- Review and refine the Scorecards
- Review and refine the Operating Model
- Develop Value Chain/Service Standards
- Roadmap for Vision 2030

The Smart City Concept

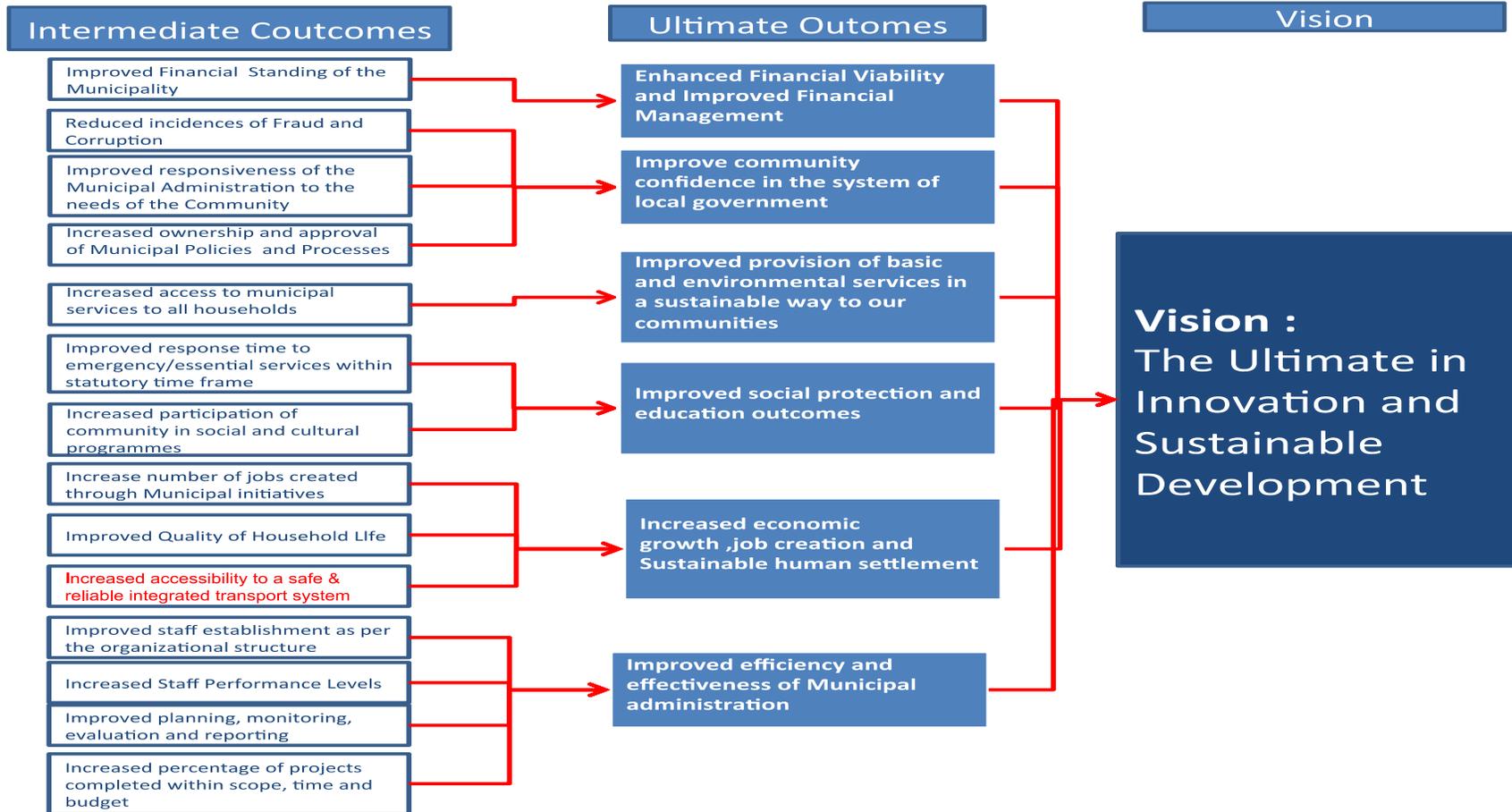


Smart Economy	Smart Environment	Smart Governance	Smart Living	Smart Mobility	Smart People
<ul style="list-style-type: none"> Innovative spirit Entrepreneurship Economic image & trademarks Productivity Flexibility of labour market Ability to transform 	<ul style="list-style-type: none"> Attractively of natural conditions Pollution Environmental protection Sustainable resource management 	<ul style="list-style-type: none"> Participation in decision-making Public and social services Transparent governance Political strategies & perspectives 	<ul style="list-style-type: none"> Cultural facilities Health conditions Individual safety Housing quality Education facilities Social cohesion 	<ul style="list-style-type: none"> Local accessibility (Inter-)national accessibility Availability of ICT-infrastructure Sustainable, innovative and safe transport systems 	<ul style="list-style-type: none"> Participation in decision-making Public and social services Transparent governance Political strategies & perspectives

Forward looking in Economy, People, Governance, Mobility, Environment and Spaces. Comprehensive integration of critical infrastructure in its totality. Build collective intelligence of the City through connecting the physical, the IT, the social, and the business infrastructure.

Using the 'Smart City' as a compass to reposition the City of Polokwane as the trailblazer in the knowledge economy of not only Limpopo Province, but in the country. Using it as a platform to transform the productive patterns of the City's groups of communities, i.e. citizens, business, NGOs, government departments, etc.

GOALS AND OBJECTIVES MAP



Alignment of the Ultimate Outcomes/Goals for City of Polokwane to the KPA

Key Performance Area	Ultimate Outcomes/Goals
KPA 1: Municipal Transformation and Institutional Development	1. Improved efficiency and effectiveness of Municipal administration
KPA 2: Basic Services Delivery and Infrastructure	2. Improved provision of basic and environmental services in a sustainable way to our
KPA 2: Basic Services Delivery and Infrastructure	3. Improved social protection and education outcomes
KPA3 & 6 : Local Economic Development & Spatial Rationale	4. Increased economic growth ,job creation and Sustainable human settlement, Integrated sustainable human settlement
KPA 4: Municipal Financial Viability and Financial Management	5. Enhanced Financial Viability and Improved Financial Management
KPA 5. Good Governance and Public Participation	6. Improve community confidence in the system of local government

Table 21 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
Develop and refurbish	Water and sanitation	A	204,814	267,509	260,268	345,766	284,057	284,057	314,381	334,816	355,909	
	Energy services	B	559,400	605,290	616,717	774,930	702,871	702,871	793,386	844,866	898,034	
	Transport infrastructure	C	-	48	80	200	200	200	212	226	240	
Create a conducive economic	Economic development and	D	-	-	-	1,147	1,147	1,147	1,215	1,294	1,376	
	City and regional planning	E	7,347	5,572	11,762	58,361	28,361	28,361	36,743	39,131	41,596	
	Transport operations	F	-	-	-	-	-	-	-	-	-	
	Sports and Recreation	G	1,687	3,166	1,173	2,935	2,935	2,935	3,111	3,313	3,522	
Enhance revenue and asset	Facility commercialisation	H	-	6,966	2,859	12,000	12,000	12,000	12,720	13,547	14,400	
	Budget and treasury	J	941,612	979,871	1,264,590	1,352,501	1,755,065	1,755,065	1,491,969	1,588,928	1,689,018	
Plan sustainable integrated	Housing & Building Inspections	K	3,258	5,269	5,814	6,274	6,274	6,274	6,650	7,050	7,474	
			-	-	-	-	-	-	-	-	-	
Preserve natural resources	Environmental management	L	2,508	3,693	2,559	3,123	3,123	3,123	3,311	3,526	3,748	
	Waste management	M	47,830	52,674	55,694	62,677	59,718	59,718	65,083	69,313	73,680	
	Community health services	N	-	-	-	2,000	2,000	2,000	2,120	2,258	2,400	
Facilitate, care and support	Fire and emergency services	O	158	259	277	287	287	287	304	324	344	
	Arts and Culture	P	427	380	326	511	585	585	542	577	613	
	Traffic and licence	Q	26,851	25,375	37,759	36,774	36,774	36,774	41,362	44,051	46,826	
	Facility management	R	304	526	520	888	888	888	941	1,003	1,066	
	Disaster management	S	-	-	-	-	-	-	-	-	-	
	Community safety and	T	-	-	-	-	-	-	-	-	-	
	Control centre	U	158	259	277	287	287	287	304	324	344	
	Special focus (community	V	-	-	-	-	-	-	-	-	-	
	Invest in human capital and	Human resources	W	2,136	3,278	811	4,225	4,225	4,225	4,478	4,769	5,070
	Practice good governance	Internal audit	X	-	-	-	-	-	-	-	-	-
Risk management		Y	-	-	-	-	-	-	-	-	-	
IDP		Z	-	-	-	-	-	-	-	-	-	
Project management		AA	-	-	-	-	-	-	-	-	-	
Performance management		AB	-	-	-	-	-	-	-	-	-	
Information systems		AC	-	0	0	1	1	1	1	1	1	
Legal services		AD	-	-	-	-	-	-	-	-	-	
Secretariat		AE	-	-	-	-	-	-	-	-	-	
Mechanical services		AF	-	-	-	-	-	-	-	-	-	
Councillor support, Traditional		AG	-	-	-	-	-	-	-	-	-	
Communication and marketing		AI	-	-	-	-	-	-	-	-	-	
Council & Executive mayor's	AJ	-	-	-	12	-	-	-	-	-		
Municipal manager's office	AK	-	-	-	-	-	-	-	-	-		
Allocations to other priorities												
Total Revenue (excluding capital transfers and contributions)			1,798,489	1,960,135	2,261,485	2,664,898	2,900,797	2,900,797	2,778,834	2,959,316	3,145,662	

Table 22 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
Develop and refurbish	Water and sanitation	A	239,778	337,845	327,236	391,789	376,931	376,931	367,340	391,217	415,863	
	Energy services	B	477,890	544,650	608,579	642,346	647,619	647,619	758,565	807,783	858,613	
	Transport infrastructure	C	102,008	96,116	181,607	107,424	77,508	77,508	77,198	82,216	87,396	
Create a conducive economic	Economic development and	D	8,347	7,689	8,293	12,017	12,017	12,017	12,843	13,678	14,540	
	City and regional planning	E	14,240	43,631	12,350	46,051	46,051	46,051	53,332	56,798	60,376	
	Transport operations	F	-	1,736	10,529	7,123	7,123	7,123	12,703	13,528	14,381	
	Sports and Recreation	G	101,789	91,397	119,539	95,346	95,296	95,296	94,258	100,384	106,708	
	Facility commercialisation	H	44,854	33,417	18,562	15,085	15,085	15,085	16,960	18,062	19,200	
Enhance revenue and asset	Budget and treasury	J	83,630	170,237	151,610	127,234	128,234	128,234	147,217	156,777	166,644	
Plan sustainable integrated	Housing & Building Inspections	K	11,814	9,524	28,718	10,105	10,105	10,105	12,723	13,550	14,404	
Preserve natural resources	Environmental management	L	57,227	48,586	55,238	49,767	49,777	49,777	55,910	59,544	63,295	
	Waste management	M	70,247	52,472	59,609	60,416	60,416	60,416	63,496	67,623	71,883	
Facilitate, care and support	Community health services	N	5,925	5,897	5,917	4,711	4,711	4,711	4,814	5,127	5,450	
	Fire and emergency services	O	24,444	22,476	27,411	26,167	26,167	26,167	28,438	30,286	32,194	
	Arts and Culture	P	27,973	20,081	33,563	26,187	26,161	26,161	26,669	28,402	30,192	
	Traffic and licence	Q	42,746	44,451	84,284	49,794	49,854	49,854	65,987	70,276	74,703	
	Facility management	R	22,932	24,470	59,686	32,266	32,446	32,446	38,753	41,272	43,873	
	Disaster management	S	4,041	4,406	4,319	4,843	4,843	4,843	5,893	6,276	6,672	
	Community safety and	T	-	-	-	-	-	-	-	-	-	
	Control centre	U	65,247	69,639	76,364	84,675	84,675	84,675	82,126	87,465	92,975	
	Invest in human capital and	Human resources	W	38,260	58,226	55,910	44,322	44,372	44,372	48,483	51,634	54,887
	Practice good governance	Internal audit	X	3,501	4,135	6,196	9,355	9,355	9,355	9,223	9,823	10,442
Risk management		Y	2,451	3,255	2,950	4,214	4,214	4,214	3,370	3,589	3,815	
IDP		Z	4,475	5,289	3,820	6,796	6,796	6,796	7,170	7,636	8,117	
Project management		AA	4,881	3,360	2,615	5,112	5,112	5,112	5,840	6,219	6,611	
Performance management		AB	-	1,066	1,828	4,114	4,114	4,114	4,403	4,689	4,985	
Information systems		AC	17,897	20,132	24,464	32,516	33,770	33,770	35,337	37,633	40,004	
Legal services		AD	7,137	8,172	8,663	13,331	16,331	16,331	9,723	10,355	11,007	
Secretariat		AE	9,110	7,982	11,429	9,762	9,762	9,762	10,723	11,420	12,140	
Mechanical services		AF	10,259	43,063	51,081	75,093	75,093	75,093	45,689	48,658	51,724	
Communication and marketing		AI	17,407	8,665	9,151	9,419	9,419	9,419	7,320	7,796	8,287	
Council & Executive mayor's		AJ	97,717	117,129	236,116	129,704	131,204	131,204	125,481	133,638	142,057	
Municipal manager's office	AK	2,357	4,341	6,553	3,579	3,579	3,579	3,916	4,170	4,433		
Allocations to other priorities												
Total Expenditure			1,623,459	1,916,119	2,297,934	2,145,711	2,112,927	2,112,927	2,247,535	2,393,526	2,544,248	

Table 23 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Develop and refurbish	Water and sanitation	A	126,350	128,072	138,572	126,100	216,857	216,857	153,500	151,864	167,432
	Energy services	B	58,652	21,965	7,325	19,800	18,857	18,857	14,800	87,800	95,700
	Transport infrastructure	C	114,099	117,313	78,971	103,700	144,859	144,859	101,550	122,430	146,978
Create a conducive economic	Economic development and	D	-	-	-	-	-	-	-	-	-
	City and regional planning	E	21,500	4,121	-	1,850	1,850	1,850	3,000	3,500	2,000
	Transport operations	F	-	39,320	129,182	200,000	311,918	311,918	169,689	162,631	154,661
	Sports and Recreation	G	4,369	119	8,216	40,499	49,930	49,930	46,500	51,587	52,970
	Facility commercialisation	H	-	-	-	-	-	-	-	-	-
Enhance revenue and asset	Budget and treasury	J	6,022	44	51	1,000	1,000	1,000	2,000	2,500	3,000
Plan sustainable integrated	Housing & Building Inspections	K	29	2	-	-	109	109	-	-	-
Preserve natural resources	Environmental management	L	644	388	-	1,000	6,704	6,704	3,683	4,300	5,290
	Waste management	M	346	-	787	1,800	9,613	9,613	4,000	6,686	11,300
	Community health services	N	-	-	-	-	-	-	-	-	-
Facilitate, care and support	Fire and emergency services	O	-	269	2	500	998	998	3,450	1,500	2,000
	Arts and Culture	P	-	-	-	800	800	800	-	800	-
	Traffic and licence	Q	16	-	183	-	-	-	4,300	2,120	-
	Facility management	R	2,437	-	1,158	15,800	18,781	18,781	6,500	10,000	15,000
	Disaster management	S	-	-	-	-	-	-	-	-	-
	Community safety and	T	-	-	-	-	-	-	-	-	-
	Control centre	U	-	476	-	-	-	-	2,550	550	600
	Special focus (community	V	82	-	-	400	500	500	10,300	15,850	13,300
	Invest in human capital and	Human resources	W	-	-	-	-	-	-	-	-
	Practice good governance	Internal audit	X	-	-	-	-	-	-	-	-
Risk management		Y	-	-	-	-	-	-	-	-	-
IDP		Z	-	-	-	-	-	-	-	-	-
Project management		AA	-	-	-	-	-	-	-	-	-
Performance management		AB	-	-	-	-	-	-	-	-	-
Information systems		AC	13,469	773	9,176	4,500	4,500	4,500	5,000	6,000	6,500
Legal services		AD	-	-	-	-	-	-	-	-	-
Secretariat		AE	-	-	-	1,000	400	400	-	2,500	3,000
Mechanical services		AF	6,488	24,571	96,146	-	-	-	-	-	-
Councillor support, Traditional		AG	-	-	-	-	-	-	-	-	-
Communication and marketing		AI	-	-	31	-	-	-	-	-	-
council & Executive mayor's		AJ	-	-	-	-	-	-	-	-	-
Municipal manager's office	AK	-	-	-	-	-	-	-	-	-	
Secretariat	AE	-	-	-	-	-	-	-	-	-	
			354,503	337,434	469,801	518,749	787,677	787,677	530,822	632,618	679,731

1.8 Measurable performance objectives and indicators

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

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year’s performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

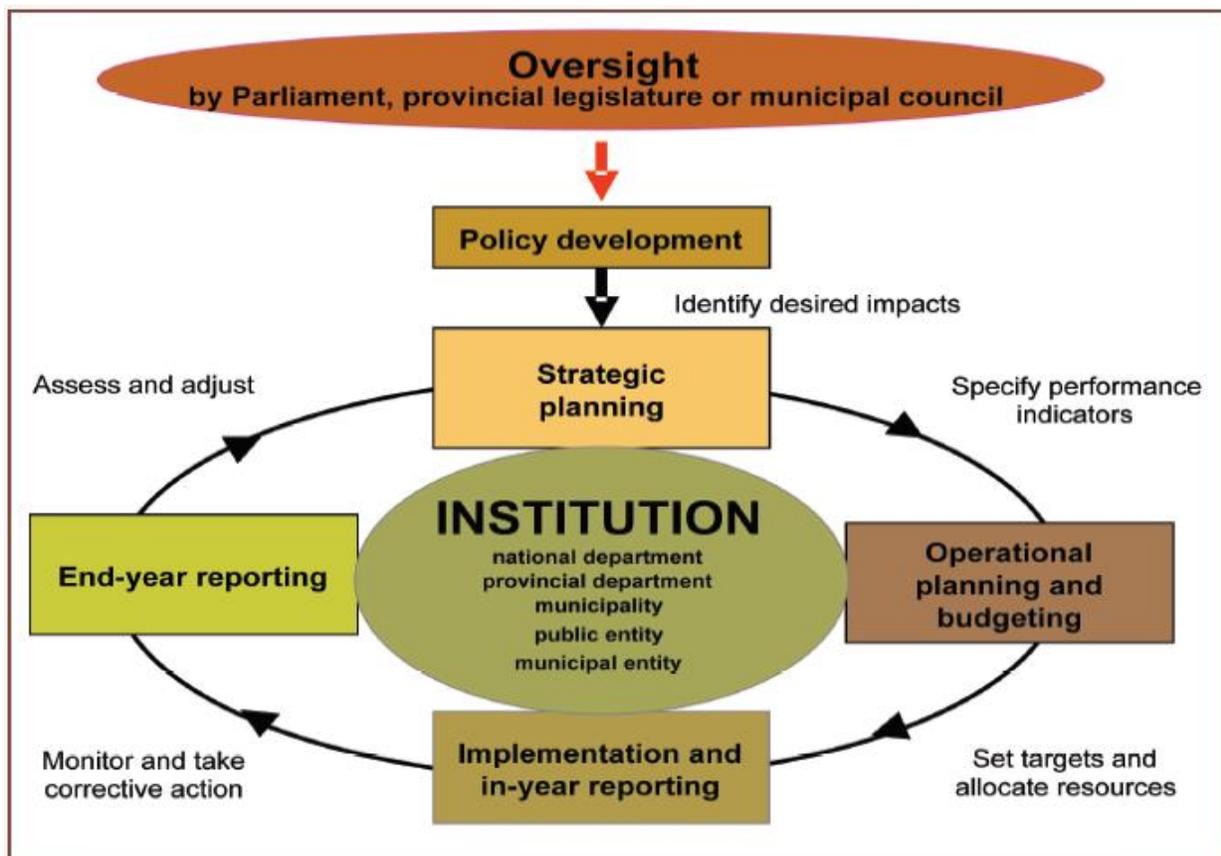


Figure 1 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);

- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

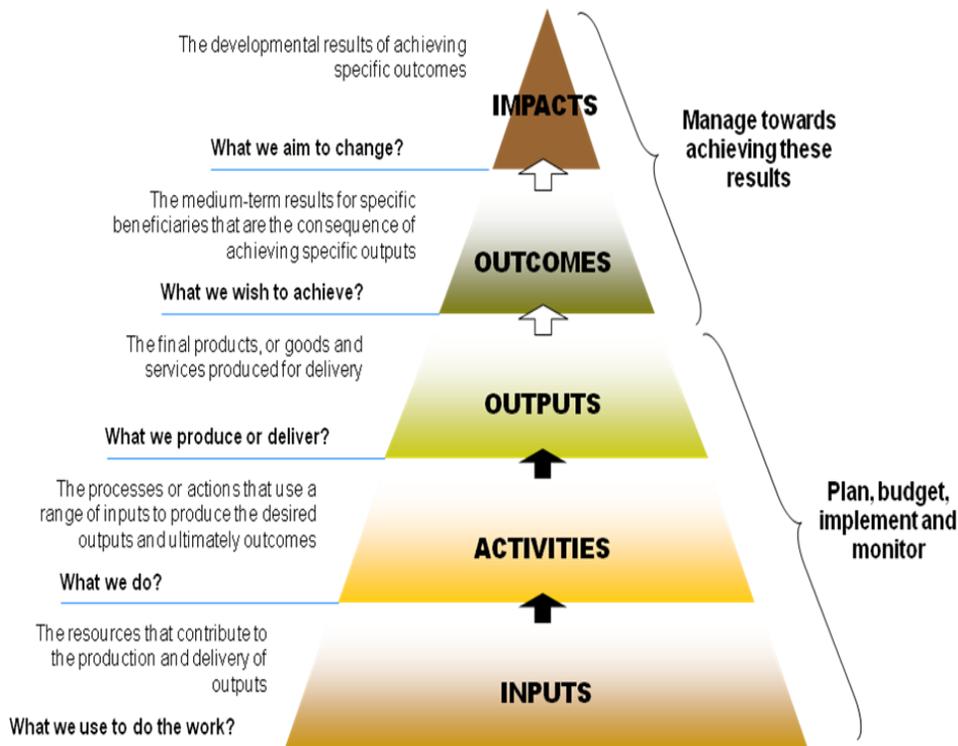


Figure 2 Definition of performance information concepts

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

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

Table 24 MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<u>Borrowing Management</u>										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.8%	3.4%	3.2%	2.8%	2.9%	2.9%	4.2%	4.1%	4.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.5%	5.1%	5.3%	3.6%	3.7%	3.7%	5.6%	5.5%	5.3%
<u>Safety of Capital</u>										
Gearing	Long Term Borrowing/ Funds & Reserves	36.3%	36.3%	16.0%	24.1%	24.1%	24.1%	13.7%	10.9%	16.3%
<u>Liquidity</u>										
Current Ratio	Current assets/current liabilities	1.3	1.3	1.2	1.4	1.4	1.4	1.0	1.0	1.0
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.3	1.3	1.2	1.4	1.4	1.4	1.0	1.0	1.0
Liquidity Ratio	Monetary Assets/Current Liabilities	0.4	0.5	0.6	0.5	0.5	0.5	0.5	0.5	0.4
<u>Revenue Management</u>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		78.2%	111.4%	94.9%	82.0%	73.4%	172.5%	91.2%	91.2%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		82.1%	111.4%	94.8%	82.0%	73.4%	73.4%	91.2%	91.2%	91.2%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	30.8%	26.4%	23.3%	16.7%	16.9%	16.9%	18.0%	15.4%	15.5%
<u>Creditors Management</u>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%	99.0%
Creditors to Cash and Investments		2558.8%	554.1%	100.5%	194.7%	126.6%	123.1%	225.1%	253.6%	367.7%
<u>Other Indicators</u>										
Electricity Distribution Losses (2)	Total Volume Losses (kW)	91669634	73822461	66278896	67604473.92	67604473.92	67604473.92	68280518.66	68280518.66	68280518.66
	Total Cost of Losses (Rand '000)		51,902	39,172	39,956	39,956	39,956	40,355	40,355	40,355
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	0	0	0	0	0	0	0	0
Water Distribution Losses (2)	Total Volume Losses (kℓ)	5,280	7,982	3,033	3,093	3,093	3,093	3,124	3,124	3,124
	Total Cost of Losses (Rand '000)		33844650	21070625	21492037.5	21492037.5	21492037.5	21706957.88	21706957.88	21706957.88
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	0	0	0	0	0	0	0	0

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Employee costs	Employee costs/(Total Revenue - capital revenue)	24.7%	23.5%	23.6%	22.6%	22.9%	22.9%	23.9%	24.2%	24.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	24.7%	24.2%	22.1%	21.4%	21.7%	21.7%	25.6%	25.5%	24.9%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6.2%	7.2%	6.7%	7.6%	7.8%	7.8%	7.5%	7.7%	7.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	16.7%	17.7%	26.1%	13.0%	10.4%	10.4%	10.3%	10.4%	10.4%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	20.1	19.0	23.2	28.0	28.0	28.0	13.4	13.8	14.7
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	45.1%	36.3%	34.7%	24.3%	26.7%	26.7%	27.4%	23.0%	23.3%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.1	0.5	2.4	1.2	1.8	1.9	1.2	1.0	0.6

1.8.1 Providing clean water and managing waste water

The Municipality is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider. Approximately 45 per cent of the City’s bulk water needs are provided directly by Lepelle Water in the form of purified water. The remaining 55 per cent is generated from the Ebenezer Water

The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

Lepelle Water and the Municipality were awarded Blue Drop status in 2011/12, indicating that the City’s drinking water is of exceptional quality

1.9 Overview of budget related-policies

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

The following budget-related policies have been approved by Council, or have been reviewed or amended and/or are currently being reviewed/amended in line with National Guidelines and other legislation.

- 2.4.1 Budget Policy
- 2.4.2 Supply Chain Management Policy
- 2.4.3. Rates Policy
- 2.4.4 Tariff Policy
- 2.4.5 Credit Control & Debt Collection Policy
- 2.4.6 Subsistence & Travel Policy
- 2.4.7 Leave Policy
- 2.4.8 Virement Policy
- 2.4.9 Funding and Reserves Policy
- 2.4.10 Cash Management and Investment Policy
- 2.4.11 Asset Management Policy
- 2.4.12 Borrowing Policy
- 2.4.13 Indigent Policy
- 2.4.14 Petty Cash Policy
- 2.4.15 Customer Care Policy
- 2.4.16 Claims and Loss Control Policy

The promulgation of the Municipal Budget and Reporting Regulations in Government Gazette No. 32141 dated 17 April 2009 is to secure sound and sustainable management of the budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirement for insuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes of those institutions and other relevant matters as required by the MFMA.

These regulations are effective for all Municipalities from 1 July 2010 and the budget has been compiled accordingly to be in full compliance from 1 July 2010.

In terms of section 7 of these regulations the Municipal Manager must prepare, or take all reasonable steps to ensure the preparation of the budget-related policies of the municipality, or any amendments to such policies, in accordance with the legislation applicable to those policies for tabling in the municipal council by the applicable deadline specified by the mayor in terms of section 21(1) (b) of the Act.

2.4.1 BUDGET POLICY

The budget policy is there to assist Mayors, Councillors, Accounting Officers and Senior Managers in dealing with the changes brought about by the Municipal Finance Management Act No 56 of 2003. This policy provides a framework within which Senior Management can compile, control and review budgets of their respective departments to ensure effective financial management

2.4.2 SUPPLY CHAIN MANAGEMENT POLICY

Municipalities are required in terms of section 111 of the MFMA to have a supply chain management policy.

This policy is within the framework of the relevant legislation and regulations. The policy ascribes to the following principles:

A procurement system which is fair, equitable, transparent, competitive and cost-effective in terms of section 217 of the Constitution of South Africa No. 108 of 1996

As enshrined in Chapter 11 of the Municipal Finance Management Act and its regulations

Best practices in supply chain management

Uniformity in supply chain management systems between organs of state in all spheres

Broad Based Black Economic Empowerment

2.4.3 RATES POLICY

Section 5(1) of the Municipal Property Rates Act, No. 6 of 2004 states that a municipal council must annually review, and if necessary, amend its rates policy. Any amendments must accompany the municipality's annual budget when it is tabled in the Council. The policy is designed to ensure equitable treatment by Council in the levying of rates on property owners, including owners under sectional title, as well as other persons who may become liable for the payment of rates.

2.4.4 TARIFF POLICY

The Municipal Systems Act, No 32 of 2000, requires a municipality to have a tariff determination policy. The challenge in setting tariffs lies in striking a balance between maintaining financial sustainability of the relevant departments (and so the sustainability of service provision) and ensuring affordability of those services by consumers. The municipality's tariff policy provides a broad framework where the Council can determine fair, transparent and affordable service charges that also promote sustainability of service provision. The policy is based on principles that address the social, economic and financial imperatives that the process of tariff setting should take account of.

2.4.5 CREDIT CONTROL & DEBT COLLECTION POLICY

The municipality's credit control and debt collection policy provides the procedures and mechanisms for credit control and for the collection of debts. The primary objective of this policy is to ensure that all monies due and payable to the municipality in respect of rates, fees for services, surcharges on such fees, charges, tariffs, interest which has accrued on any amounts due and payable in respect of the foregoing and any collection charges are collected efficiently and promptly.

2.4.6 SUBSISTANCE AND TRAVEL POLICY

The purpose of this policy is to determine guidelines for Councillors and officials for the payment of travelling and subsistence allowances when performing official functions on behalf of the Municipality.

2.4.7 LEAVE POLICY

The leave policy's goal is to ensure that the services rendered by this municipality to the community are efficient, effective and uninterrupted.

The objections are as follows:

- (i) Ensure continuity in operational requirements of the organisation while other employees are on leave.
- (ii) To develop a better understanding regarding leave policy and procedure.
- (iii) Ensure the development of clearly written administrative policy and procedure.
- (iv) To ensure proper and accurate record keeping.
- (v) To ensure that the private and confidential information is maintained.
- (vi) Ensure that leave policy respond effectively to crisis and emergency situations.

2.4.8 VIREMENT POLICY

This policy's objective is to allow flexibility in the use of budgeted funds to enable management to act on occasions such as disasters, unforeseen expenditure or savings, etc. as they arise to accelerate service delivery in a financially responsible manner.

2.4.9 FUNDING AND RESERVES POLICY

The funding and reserves policy is aimed at ensuring that the municipality procures sufficient and cost effective funding in order to achieve its capital expenditure objectives in a optimum manner. The policy is adhered to in the procurement of funding for the municipality having due regard to the assets and liability maturity profile of the municipality

2.4.10 CASH MANAGEMENT AND INVESTMENT POLICY

Section 13(2) of the MFMA requires that a municipality have a policy dealing with cash management and investment. The municipality's cash management and investment policy is developed within the framework of the MFMA.

2.4.11 ASSET MANAGEMENT POLICY

To ensure the effective and efficient control of the municipality's assets through

- (a) proper recording of assets from authorisation to acquisition and to subsequent disposal;
- (b) providing for safeguarding procedures, and
- (c) setting proper guidelines as to authorised utilization
- (d) and prescribing for proper maintenance.

To assist officials in understanding their legal and managerial responsibilities with regard to assets.

2.4.12 BORROWING POLICY

The objectives of this Policy are to:-

manage interest rate and credit risk exposure;

maintain debt within specified limits and ensure adequate provision for the repayment of debt; to ensure compliance with all Legislation and Council policy governing borrowing of funds.

2.4.13 INDIGENT POLICY

The objectives of this Policy are to:-

Provide a framework within which the Municipality can exercise its executive and legislative authority with regard to the implementation of financial aid to indigent and poor households in respect of their municipal account;

Determine the criteria for qualification of Indigent and poor households;

Ensure that the criteria is applied correctly and fairly to all applicants;

Allow the municipality to conduct in loco visits to the premises of applicants to verify the actual status of the household;

Allow the Municipality to maintain and publish the register of names and addresses of account holders receiving subsidies.

2.4.14 PETTY CASH POLICY

Compliance with the regulatory framework in terms of the relevant legislation is required.

2.4.15 Customer Care Policy

2.4.16 Claims and Loss Control Policy (New)

2.5 Overview of budget assumptions

2.5.1 External factors

The South African economy has averaged about 2.5 per cent growth a year since 2010. Against the background of the slowdown in the global economy, real GDP growth is likely to fall to about 2.1 per cent in 2013.

A recovery of up to 2.5 per cent and 3.0 per cent growth in 2014 and 2015 is expected, but these are modest rates of expansion relative to the social and developmental challenges we face and the opportunities that our mineral wealth and human capabilities offer.

There was a welcome recovery in job creation during 2011, but unemployment has not yet returned to its 2008 peak and the unemployment rate remains high at 25 per cent.

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

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2015/16 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 23% per cent of total operating expenditure in the 2015/16 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget. The wage agreement SALGBC has been concluded with the municipal workers unions and must be noted. Provision was made for a 6.85% increase.

2.5.3 Collection rate for revenue services

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

The rate of revenue collection is currently expressed as a percentage (93 per cent) of annual billings. Cash flow is assumed to be 93 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.5.4 Growth or decline in tax base of the municipality

Debtor's revenue is assumed to increase at a rate that is influenced by the consumer debtor's collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

2.5.5 Salary increases

An across the board increase of 7 per cent has been provided for as wage negotiations are expected to start early in April 2015.

2.5.6 Impact of national, provincial and local policies

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

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

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

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

It is estimated that a spending rate of at least 90 per cent is achieved on operating expenditure and 80 per cent on the capital programme for the 2015/16 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

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

Table 25 Breakdown of the operating revenue over the medium-term

Description	2015/16 Medium Term Revenue & Expenditure Framework					
	R thousand	%	Budget Year +1 2016/17	%	Budget Year +2 2017/18	%
Revenue By Source						
Property rates		14.1%	354,088	14.13%	376,396	14.13%
Property rates - penalties & collection charges		0.0%	–	0.00%	–	0.00%
Service charges - electricity revenue		33.7%	845,102	33.73%	898,344	33.73%
Service charges - water revenue		11.0%	275,830	11.01%	293,207	11.01%
Service charges - sanitation revenue		2.4%	58,922	2.35%	62,634	2.35%
Service charges - refuse revenue		2.7%	67,374	2.69%	71,619	2.69%
Rental of facilities and equipment		0.9%	22,600	0.90%	24,024	0.90%
Interest earned - external investments		1.3%	33,015	1.32%	35,095	1.32%
Interest earned - outstanding debtors		1.4%	33,867	1.35%	36,001	1.35%
Fines		0.6%	14,676	0.59%	15,600	0.59%
Licences and permits		0.4%	10,191	0.41%	10,833	0.41%
Agency services		0.7%	17,674	0.71%	18,788	0.71%
Transfers recognised - operational		28.3%	709,627	28.32%	754,333	28.32%
Other revenue		1.2%	30,296	1.21%	32,113	1.21%
Gains on disposal of PPE		1.3%	32,163	1.28%	34,189	1.28%
Total Revenue (excluding capital transfers and contributions)		100%	2,505,424	100%	2,663,175	100%
Rates and Service Charges		64%	1,601,316	64%	1,702,199	64%

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as electricity, solid waste removal, property rates, operating grants from organs of state and other minor charges (such as building plan fees, licenses, fines and permits etc).

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

- Growth in the Municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 95 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Energy Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

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

The proposed tariff increases for the 2015/16 MTREF on the different revenue categories are:

Table 26 Proposed tariff increases over the medium-term

Revenue category	2015/16 proposed tariff increase	2016/17 proposed tariff increase	2017/18 proposed tariff increase
	%	%	%
Property rates	10	6	6
Sanitation	10	6	6
Solid Waste	10	6	6
Water	10	7	6
Electricity	12.2	6	6
Total			

Revenue to be generated from property rates is R332 million in the 2015/16 financial year and increases to R376 million by 2017/18 which represents 14 per cent of the operating revenue base of the Municipality. It remains relatively constant over the medium-term. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R1.503 billion for the 2015/16 financial year and increasing to R1.702 billion by 2017/18. For the 2015/16 financial year services charges amount to 64 per cent of the total revenue base over the medium-term.

Operational grants and subsidies amount to R666.3 million, R665.7 million and R716.3 million for each of the respective financial years of the MTREF, or 28, 27 and 28 per cent of operating revenue. The percentage of the total operational grants and transfers in relation to the total operating revenue is distorted owing to the high increases in revenue relating to services charges.

It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

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

Table 27 MBRR SA15 – Detail Investment Information

DRAFT ANNUAL BUDGET 2015/16-2017/18

Investment type	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Parent municipality									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank	220,000	220,000	110,000	220,000	220,000	220,000	330,000	300,000	295,000
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits									
Bankers Acceptance Certificates									
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000
Repurchase Agreements - Banks									
Municipal Bonds									
Municipality sub-total	279,000	279,000	169,000	279,000	279,000	279,000	389,000	359,000	354,000
Entities									
Entities sub-total	-	-	-	-	-	-	-	-	-
Consolidated total:	279,000	279,000	169,000	279,000	279,000	279,000	389,000	359,000	354,000

Table 28 MBRR SA16 – Investment particulars by maturity

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate %	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Closing Balance
Name of institution & investment ID	Yrs/Months										
Parent municipality											
PHA	4 Years	Call deposit	Yes	Variable	0.00	No	N/A	CALL ACCOUNT	8,217	-	8,217
Standard Bank	3 Months	Fixed deposit	No	Fixed	0.06	No	N/A	20 April 2014	59,000	279	59,279
FNB	3 Months	Fixed deposit	No	Fixed	0.06	No	N/A	20 April 2014	30,000	453	30,453
Standard Bank	3 Months	Fixed deposit	No	Fixed	0.06	No	N/A	20 April 2014	45,000	702	45,702
Nedbank	3 Months	Fixed deposit	No	Fixed	0.06	No	N/A	20 April 2014	45,000	699	45,699
Absa	3 Months	Fixed deposit	42114	Fixed	0.06	No	N/A	20 April 2014	30,000	462	30,462
Municipality sub-total									217,217		219,812
Entities											
Entities sub-total									-		-
TOTAL INVESTMENTS AND INTEREST									217,217		219,812

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2015/16 medium-term capital programme:

Table 29 Sources of capital revenue over the MTREF

Vote Description	2015/16 Medium Term Revenue & Expenditure Framework						
	R thousand	Budget Year 2015/16	%	Budget Year +1 2016/17	%	Budget Year +2 2017/18	%
Funded by:							
National Government	426,189		80%	431,468	68%	444,643	65%
Provincial Government	–			–		–	
District Municipality	–			–		–	
Other transfers and grants	–			–		–	
Transfers recognised - capital	426,189			431,468		444,643	
Public contributions & donations	–			–		–	
Borrowing	–			–		–	
Internally generated funds	104,633		20%	201,150	32%	235,088	35%
Total Capital Funding	530,822		20%	632,618	32%	679,731	35%

Vote Description	2015/16 Medium Term Revenue & Expenditure Framework						
	R thousand	Budget Year 2015/16	%	Budget Year +1 2016/17	%	Budget Year +2 2017/18	%
Funded by:							
National Government	426,189		80%	431,468	68%	444,643	65%
Provincial Government	–			–		–	
District Municipality	–			–		–	
Other transfers and grants	–			–		–	
Transfers recognised - capital	426,189			431,468		444,643	
Public contributions & donations	–			–		–	
Borrowing	–			–		–	
Internally generated funds	104,633		20%	201,150	32%	235,088	35%
Total Capital Funding	530,822		20%	632,618	32%	679,731	35%

Capital grants and receipts equates to 80 per cent of the total funding source which represents R530.8 million for the 2015/16 financial year and amounts to R679.9 million or 65 per cent by 2017/18.

The following table is a detailed analysis of the Municipality's borrowing liability.

Table 30 MBRR Table SA 17 - Detail of borrowings

Borrowing - Categorized by type	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<u>Parent municipality</u>									
Long-Term Loans (annuity/reducing balance)	283,472	283,472	309,088	188,591	188,591	188,591	237,296	166,004	94,711
Municipality sub-total	283,472	283,472	309,088	188,591	188,591	188,591	237,296	166,004	94,711
<u>Entities</u>									
Entities sub-total	-	-	-	-	-	-	-	-	-
Total Borrowing	283,472	283,472	309,088	188,591	188,591	188,591	237,296	166,004	94,711

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below

Table 31 MBRR Table SA 18 - Transfers and grant receipts

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
RECEIPTS:									
Operating Transfers and Grants									
National Government:	367,856	412,805	558,258	556,489	808,027	808,027	628,716	665,756	716,327
Local Government Equitable Share	350,705	388,232	415,990	455,799	455,799	455,799	522,595	568,208	616,043
Finance Management	1,250	1,500	1,650	1,800	1,800	1,800	1,875	2,010	2,345
Department of Water Affairs	13,111	3,273							
Municipal Systems Improvement	790	800	890	930	340,611	340,611	930	957	1,033
Public Transport			19,304				11,000	3,433	3,273
Department Sport & Recreation	2,000								
CHAN Host City Operating Grant			33,500						
Infrastructure skills development fund		3,000	3,200	3,000			5,000	5,000	5,113
Expanded public works programme incentive grant			4,614	3,960	4,057	4,057			
FIFA Local Organizing Committee									
Integrated national electrification programme grant				20,000			40,000	40,000	40,000
Expanded public works programme incentive grant									
Municipal Infrastructure (MIG)			42,735	46,000	1,800	1,800	42,800	46,148	48,520
Expanded public works programme incentive grant		16,000	36,375	25,000	3,960	3,960	4,516		
Provincial Government:	-	-	-	-	-	-	-	-	-
Expanded public works programme incentive grant									
District Municipality: <i>[insert description]</i>	-	-	-	-	-	-	-	-	-
Other grant providers:	15,000	15,000	6,100	6,153	311,918	311,918	37,600	-	-
INEP Frontloading		15,000	6,100	6,153	311,918	311,918	37,600		
Total Operating Transfers and Grants	382,856	427,805	564,358	562,642	1,119,945	1,119,945	666,316	665,756	716,327
Capital Transfers and Grants									
National Government:	241,001	295,517	586,404	430,646	94,072	94,072	426,189	433,535	446,870
Municipal Infrastructure (MIG)	153,679	221,514	337,109	220,646	31,000	31,000	233,000	241,337	256,482
Public Transport	43,820	48,703	221,795	200,000	930	930	173,189	168,198	160,388
Sport and Recreation									
Water Affairs	6,407		10,000						
Integrated national electrification programme grant	8,120								
Expanded public works programme incentive grant	2,743	5,300							
Electricity Demand Side Management	9,232	2,000	10,000	5,000					
Neighbourhood development partnership grant	17,000	18,000		5,000	62,142	62,142	20,000	24,000	30,000
Dept Environmental Affairs			7,500						
Provincial Government:	-	-	-	-	-	-	-	-	-
Other capital transfers/grants <i>[insert description]</i>									
District Municipality: <i>[insert description]</i>	-	-	-	-	-	-	-	-	-
Other grant providers:	1,506	-	-	-	6,153	6,153	-	-	-
Anglo Platinum	1,506				6,153	6,153			
National Lottery									
Eskom									
Total Capital Transfers and Grants	242,507	295,517	586,404	430,646	100,225	100,225	426,189	433,535	446,870
TOTAL RECEIPTS OF TRANSFERS & GRANTS	625,363	723,322	1,150,762	993,288	1,220,170	1,220,170	1,092,505	1,099,291	1,163,197

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

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

- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 32 MBRR Table A7 - Budget cash flow statement

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	949,491	1,389,637	1,288,539	1,309,048	1,172,308	1,172,308	1,481,796	1,577,980	1,677,308
Government - operating	367,485	501,275	516,199	562,642	544,784	544,784	666,316	709,627	754,333
Government - capital	250,160	187,077	350,188	430,646	689,317	689,317	426,189	453,891	482,486
Interest	42,233	23,017	30,547	23,000	23,000	23,000	62,800	66,882	71,096
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(1,224,034)	(1,695,283)	(1,560,296)	(1,821,871)	(1,853,729)	(1,853,729)	(1,949,055)	(2,072,476)	(2,201,478)
Finance charges	(29,427)	(29,594)	(37,154)	(23,747)	(23,747)	(23,747)	(37,000)	(39,405)	(41,888)
Transfers and Grants	-	-	(6,760)	(6,740)	(6,740)	-	(6,480)	(6,901)	(7,336)
NET CASH FROM/(USED) OPERATING ACTIVITIES	355,908	376,128	581,264	472,978	545,193	551,933	644,566	689,598	734,522
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	11,442	(76)	52,000	22,000	22,000	30,200	32,163	34,189
Decrease (Increase) in non-current debtors	13,599	(235)	405	-	-	-	400	405	410
Decrease (increase) other non-current receivables	(59,000)	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	(3,815)	3,808	110,000	-	-	-	-	-	-
Payments									
Capital assets	(354,503)	(337,434)	(469,802)	(389,062)	(657,990)	(657,990)	(530,822)	(632,618)	(679,731)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(403,719)	(322,418)	(359,473)	(337,062)	(635,990)	(635,990)	(500,222)	(600,050)	(645,132)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	49,367	21,171	73,237	-	-	-	-	-	-
Increase (decrease) in consumer deposits	4,476	1,716	1,862	5,000	5,000	5,000	2,000	2,000	2,000
Payments									
Repayment of borrowing	-	(35,808)	(36,394)	(36,806)	(36,806)	(36,806)	(58,100)	(58,600)	(59,100)
NET CASH FROM/(USED) FINANCING ACTIVITIES	53,843	(12,921)	38,706	(31,806)	(31,806)	(31,806)	(56,100)	(56,600)	(57,100)
NET INCREASE/ (DECREASE) IN CASH HELD	6,032	40,788	260,497	104,110	(122,602)	(115,862)	88,244	32,948	32,290
Cash/cash equivalents at the year begin:	5,242	11,274	52,062	50,000	359,593	359,593	85,000	173,244	206,192
Cash/cash equivalents at the year end:	11,274	52,062	312,558	154,110	236,990	243,730	173,244	206,192	238,482

For the 2015/16 MTREF the budget has been prepared to ensure high levels of cash and cash equivalents over the medium-term with cash levels anticipated to improve from R173.2 million positive by 2015/16 and increasing to R238.4 million by 2017/18.

2.6.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

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

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

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

Table 33 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash and investments available									
Cash/cash equivalents at the year end	11,274	52,062	312,558	154,110	236,990	243,730	173,244	206,192	238,482
Other current investments > 90 days	220,000	220,000	110,000	115,890	33,010	26,270	241,756	198,808	106,518
Non current assets - Investments	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000	59,000
Cash and investments available:	290,273	331,061	481,558	329,000	329,000	329,000	474,000	464,000	404,000
Application of cash and investments									
Unspent conditional transfers	194,553	194,553	274,579	107,662	107,662	107,662	330,000	300,000	295,000
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-	-
Other working capital requirements	(99,265)	(192,949)	(76,839)	1,248	32,469	32,469	9,969	19,465	3,805
Other provisions	-	-	-	-	-	-	-	-	-
Long term investments committed	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:	95,288	1,604	197,740	108,910	140,131	140,131	339,969	319,465	298,805
Surplus(shortfall)	194,985	329,457	283,818	220,090	188,869	188,869	134,031	144,535	105,195

2.6.4 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding

compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 34 MBRR SA10 – Funding compliance measurement

Description	MFMA section	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Funding measures											
Cash/cash equivalents at the year end - R'000	18(1)b	1	11,274	52,062	319,318	154,110	236,990	243,730	100,720	23,673	(60,787)
Cash + investments at the yr end less applications - R'000	18(1)b	2	275,168	388,675	314,315	247,229	188,234	188,234	140,476	149,401	108,744
Cash year end/monthly employee/supplier payments	18(1)b	3	0.1	0.5	2.9	1.3	1.8	2.0	0.8	0.2	(0.4)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	36,334	(5,663)	73,623	423,342	641,745	706,507	510,053	519,241	557,920
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	17.8%	7.6%	10.3%	(6.0%)	(6.0%)	2.2%	0.9%	0.9%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	99.1%	125.1%	102.2%	89.4%	73.3%	73.3%	92.7%	92.5%	92.1%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	5.6%	3.7%	4.5%	2.9%	2.9%	2.9%	3.3%	3.1%	2.9%
Capital payments % of capital expenditure	18(1)c;19	8	100.0%	100.0%	100.0%	75.0%	83.5%	83.5%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	35.7%	18.8%	63.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10							100.0%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(8.1%)	(1.2%)	(14.6%)	0.0%	0.0%	14.4%	(10.6%)	7.8%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	(9.9%)	4.4%	(25.3%)	0.0%	0.0%	(8.2%)	(6.4%)	(16.4%)
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.7%	2.1%	1.7%	2.5%	2.4%	2.4%	2.3%	2.4%	2.4%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	20.2%	24.0%	38.1%	27.1%	27.1%	23.8%	32.1%	35.8%

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
High Level Outcome of Funding Compliance									
Total Operating Revenue	1,297,076	1,494,131	1,786,103	1,957,003	2,171,251	2,171,251	2,229,717	2,386,463	2,555,260
Total Operating Expenditure	1,420,352	1,758,800	1,899,556	2,018,969	2,122,009	2,057,247	2,156,463	2,288,657	2,431,101
Surplus/(Deficit) Budgeted Operating Statement	(123,276)	(264,670)	(113,454)	(61,965)	49,241	114,003	73,254	97,806	124,159
Surplus/(Deficit) Considering Reserves and Cash Backing	151,892	124,005	200,861	185,264	237,475	302,237	213,730	247,206	232,903
MTREF Funded (1) / Unfunded (0)	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded *	✓	✓	✓	✓	✓	✓	✓	✓	✓

2.7 Expenditure on grants and reconciliations of unspent funds

Table 35 MBRR SA19 - Expenditure on transfers and grant programmes

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	392,485	396,805	480,836	556,489	558,258	558,258	628,716	665,756	716,327
Equitable share	350,705	388,232	415,990	455,799	415,990	415,990	522,595	568,208	616,043
Finance Management	1,250	1,500	1,650	1,800	1,650	1,650	1,875	2,010	2,345
Department of Water Affairs	13,111	3,273		20,000			-	-	-
Municipal Systems Improvement	790	800	890	930	890	890	930	957	1,033
Public Transport			19,304		19,304	19,304	11,000	3,433	3,273
Department Sport & Recreation							-	-	-
2010 FIFA Host City Operating Grant			30,000		33,500	33,500			
Infrastructure skills development fund	25,000	3,000	3,200	3,000	3,200	3,200	5,000	5,000	5,113
Expanded public works programme incentive grant	1,629		4,614	3,960	4,614	4,614	4,516	-	-
FIFA Local Organizing Committee									
Municipal Infrastructure (MIG)			5,188	46,000	42,735	42,735	42,800	46,148	48,520
Integrated national electrification programme grant				25,000	36,375	36,375	40,000	40,000	40,000
Provincial Government:				-			-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Other grant providers:	8,847	-	6,100	-	6,100	6,100	37,600	-	-
National Lottery	8,847		6,100	-	6,100	6,100	37,600	-	-
Dept Transport									
Eskom									
Total operating expenditure of Transfers and Grants	401,332	396,805	486,936	556,489	564,358	564,358	666,316	665,756	716,327
Capital expenditure of Transfers and Grants									
National Government:	213,511	291,176	479,207	430,646	578,904	578,904	426,189	433,535	446,870
Municipal Infrastructure (MIG)	160,801	195,257	237,000	220,646	337,109	337,109	233,000	241,337	256,482
Public Transport	14,793	40,642	179,457	200,000	221,795	221,795	173,189	168,198	160,388
Sport and Recreation									
Water Affairs		4,349	10,000	-	10,000	10,000	-	-	-
Integrated national electrification programme grant	16,112	14,627	35,000				-	-	-
Expanded public works programme incentive grant	952	7,765							
Electricity Demand Side Management	1,248	10,538	10,000	5,000	10,000	10,000	-	-	-
Neighbourhood development partnership grant	19,605	18,000	7,750	5,000	-	-	20,000	24,000	30,000
Dept Environmental Affairs									
Provincial Government:	-	-	-	6,153	6,153	-	-	-	-
National Lottery				6,153	6,153		-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
Other grant providers:	2,802	-	-	-	-	-	-	-	-
NER	2,802								
Total capital expenditure of Transfers and Grants	216,313	291,176	479,207	436,799	585,057	578,904	426,189	433,535	446,870
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	617,645	687,981	966,143	993,288	1,149,415	1,143,262	1,092,505	1,099,291	1,163,197

Table 36 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	1,604	1,604	1,604	1,604	1,604	1,604	-	-	-
Current year receipts	332,009	500,903	486,936	556,489	558,631	558,631	518,889	657,024	710,160
Conditions met - transferred to revenue	332,009	500,903	486,936	556,489	558,631	558,631	518,889	655,420	708,556
Conditions still to be met - transferred to liabilities	1,604	1,604	1,604	1,604	1,604	1,604	-	1,604	1,604
Provincial Government:									
Balance unspent at beginning of the year	333	721	365	365	365	365	386	386	386
Current year receipts	2,016	15	-	-	-	-	-	-	-
Conditions met - transferred to revenue	2,016	15	-	-	-	-	386	386	386
Conditions still to be met - transferred to liabilities	333	721	365	365	365	365	-	-	-
District Municipality:									
Balance unspent at beginning of the year	-	-	-	-	-	-	-	-	-
Current year receipts	-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-
Other grant providers:									
Balance unspent at beginning of the year	25,000	6,153	6,153	6,153	6,153	6,153	-	-	-
Current year receipts	15,000	-	-	-	-	-	37,600	-	-
Conditions met - transferred to revenue	15,000	-	-	-	-	-	37,600	-	-
Conditions still to be met - transferred to liabilities	25,000	6,153	6,153	6,153	6,153	6,153	-	-	-
Total operating transfers and grants revenue	349,025	500,919	486,936	556,489	558,631	558,631	556,875	655,806	708,942
Total operating transfers and grants - CTBM	26,937	8,478	8,122	8,122	8,122	8,122	-	1,604	1,604
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	74,150	135,650	163,140	183,481	183,481	183,481	-	-	-
Current year receipts	241,313	291,175	393,793	436,799	700,470	700,470	436,799	421,435	433,761
Conditions met - transferred to revenue	179,813	263,685	373,452	620,280	883,951	883,951	436,799	421,435	433,761
Conditions still to be met - transferred to liabilities	135,650	163,140	183,481	183,481	183,481	183,481	-	-	-
Provincial Government:									
Balance unspent at beginning of the year	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950
Current year receipts	-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950
District Municipality:									
Balance unspent at beginning of the year	-	-	-	-	-	-	-	-	-
Current year receipts	-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue	-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-
Other grant providers:									
Balance unspent at beginning of the year	-	1,296	-	-	-	-	-	-	-
Current year receipts	4,824	1,506	-	-	-	-	-	-	-
Conditions met - transferred to revenue	3,528	2,802	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	1,296	-	-	-	-	-	-	-	-
Total capital transfers and grants revenue	183,342	266,488	373,452	620,280	883,951	883,951	436,799	421,435	433,761
Total capital transfers and grants - CTBM	139,895	166,089	186,431	2,950	2,950	2,950	2,950	2,950	2,950
TOTAL TRANSFERS AND GRANTS REVENUE	532,367	767,406	860,388	1,176,769	1,442,582	1,442,582	993,674	1,077,241	1,142,703
TOTAL TRANSFERS AND GRANTS - CTBM	166,832	174,567	194,553	11,071	11,071	11,071	2,950	4,554	4,554

2.8 Councillor and employee benefits

Table 37 MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	11,520	13,057	14,408	15,234	15,234	15,234	14,959	15,857	16,808
Pension and UIF Contributions	1,703	1,969	1,802	2,285	2,285	2,285	2,244	2,379	2,521
Medical Aid Contributions	1,266	1,261	1,181	1,331	1,331	1,331	444	470	499
Motor Vehicle Allowance	4,363	3,264	3,551	3,808	3,808	3,808	5,882	6,235	6,609
Cellphone Allowance	926	883	980	1,027	1,027	1,027	1,607	1,703	1,806
Other benefits and allowances							274	274	274
Sub Total - Councillors	19,779	20,435	21,922	23,684	23,684	23,684	25,410	26,918	28,516
% increase		3.3%	7.3%	8.0%	-	-	7.3%	5.9%	5.9%
Senior Managers of the Municipality									
Basic Salaries and Wages	3,264	4,969	5,563	7,661	7,661	7,661	8,114	8,633	9,186
Pension and UIF Contributions	628	862	775	960	960	960	1,057	1,125	1,197
Medical Aid Contributions	104	126	147	170	170	170	189	201	214
Motor Vehicle Allowance	773	1,175	1,034	1,188	1,188	1,188	1,260	1,341	1,426
Other benefits and allowances				354	354	354	390	415	442
Sub Total - Senior Managers of Municipality	4,793	7,142	7,519	10,332	10,332	10,332	11,011	11,715	12,465
% increase		49.0%	5.3%	37.4%	-	-	6.6%	6.4%	6.4%
Other Municipal Staff									
Basic Salaries and Wages	219,944	236,354	270,852	313,010	313,010	313,010	352,901	366,416	379,465
Pension and UIF Contributions	43,292	45,377	50,045	64,193	64,193	64,193	75,765	79,471	83,180
Medical Aid Contributions	15,610	16,994	18,581	13,794	13,794	13,794	16,018	15,892	17,616
Overtime	50,881	34,238	38,580	37,875	37,875	37,875	31,582	33,635	35,754
Motor Vehicle Allowance	26,016	28,681	31,732	30,193	30,193	30,193	34,104	34,980	35,756
Housing Allowances	3,771	3,810	2,503	3,950	3,950	3,950	3,794	4,041	4,295
Other benefits and allowances	25,426	26,606	28,650	30,652	30,652	30,652	31,553	33,155	34,765
Sub Total - Other Municipal Staff	384,940	392,060	440,943	493,668	493,668	493,668	545,717	567,589	590,831
% increase		1.8%	12.5%	12.0%	-	-	10.5%	4.0%	4.1%
Total Parent Municipality	409,512	419,637	470,384	527,684	527,684	527,684	582,137	606,222	631,813
		2.5%	12.1%	12.2%	-	-	10.3%	4.1%	4.2%
Board Members of Entities									
Basic Salaries and Wages	60	1,026		1,021	1,021	1,021	1,123	1,123	1,123
Motor Vehicle Allowance	5	115		206	206	206	227	227	227
Sub Total - Board Members of Entities	65	1,141	-	1,227	1,227	1,227	1,350	1,350	1,350
% increase		1,652.7%	(100.0%)	-	-	-	10.0%	-	-
Senior Managers of Entities									
Basic Salaries and Wages	641	750	799	799	847	847	931	987	1,046
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Sub Total - Senior Managers of Entities	641	750	799	799	847	847	931	987	1,046
% increase		16.9%	6.6%	-	5.9%	-	10.0%	6.0%	6.0%
Other Staff of Entities									
Basic Salaries and Wages	2,086	1,708	2,089	3,687	3,765	3,765	3,446	3,653	3,855
Pension and UIF Contributions	197	187	208	186	197	197	251	266	282
Medical Aid Contributions	142	147	194	203	283	283	375	397	421
Overtime	18	18	-	50	-	-	50	53	53
Housing Allowances	101	72	72	90	90	90	108	114	121
Other benefits and allowances	139	112	158	228	233	233	282	299	317
Sub Total - Other Staff of Entities	2,683	2,243	2,722	4,444	4,568	4,568	4,512	4,783	5,049
% increase		(16.4%)	21.3%	63.3%	2.8%	-	(1.2%)	6.0%	5.6%
Total Municipal Entities	3,390	4,134	3,521	6,471	6,642	6,642	6,793	7,120	7,445
TOTAL SALARY, ALLOWANCES & BENEFITS	412,901	423,771	473,905	534,155	534,326	534,326	588,931	613,342	639,257
% increase		2.6%	11.8%	12.7%	0.0%	-	10.2%	4.1%	4.2%
TOTAL MANAGERS AND STAFF	393,057	402,195	451,983	509,244	509,415	509,415	562,171	585,075	609,391

Table 38 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.				2.
Councillors							
Speaker	1	459,110	96,659	209,724			765,493
Chief Whip	1	440,988	78,580	199,615			719,183
Executive Mayor	1	604,096	90,614	276,990			971,700
Deputy Executive Mayor	-	-	-	-			-
Executive Committee	10	3,248,198	646,494	1,511,077			5,405,769
Total for all other councillors	63	10,202,598	1,796,550	5,918,251			17,917,399
Total Councillors	76	14,954,990	2,708,897	8,115,657			25,779,544
Senior Managers of the Municipality							
Municipal Manager	1	1,217,300	406,633	168,000	-		1,791,933
Chief Finance Officer	1	1,570,833	1,861	120,000	-		1,692,694
Director Engineering Services	1	801,613	288,361	240,000	-		1,329,974
Director Community Services	1	694,890	272,129	216,000	-		1,183,019
Director Corporate & Shared Services	1	1,037,158	1,861	144,000	-		1,183,019
Director Planning & Economic Development	1	754,466	272,553	156,000	-		1,183,019
<i>List of each official with packages >= senior manager</i>							
Director Community Development	1	1,181,158	1,861	-	-		1,183,019
Director Strategic Planning Monitoring & Evaluation	1	844,657	290,362	48,000	-		1,183,019
Director Transport Operations	1	754,453	260,566	168,000	-		1,183,019
Total Senior Managers of the Municipality	9	8,856,528	1,796,187	1,260,000	-		11,912,715
A Heading for Each Entity							
<i>List each member of board by designation</i>							
Director - Board Chairperson	1	359,552		42,680			402,232
Director	1	165,980		13,699			179,679
Director	1	165,980		44,000			209,980
Director	1	165,980		44,000			209,980
Director	1	165,980		44,000			209,980
Director	1	165,980		44,000			209,980
Total for municipal entities	6	1,189,452	-	232,379	-		1,421,831
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	91	25,000,970	4,505,084	9,608,036	-		39,114,090

Table 39 MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers	2013/14			Current Year 2014/15			Budget Year 2015/16			
	Number	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)	76		76	77		77	77		77	
Board Members of municipal entities	9		9	6		6	6		6	
Municipal employees										
Municipal Manager and Senior Managers	8		6	9		9	9		9	
Other Managers	87	68		117	116	1	117	116	1	
Professionals	39	38	-	373	65	10	373	65	10	
<i>Finance</i>	12	12		2	2	5	2	2	5	
<i>Spatial/town planning</i>	4	4		18	10		18	10		
<i>Information Technology</i>	4	4		32	21		32	21		
<i>Roads</i>	2	1		25	6		25	6		
<i>Electricity</i>	6	6		12	3		12	3		
<i>Water</i>	8	8		8	5		8	5		
<i>Sanitation</i>				13	12		13	12		
<i>Refuse</i>	3	3		7	5		7	5		
<i>Other</i>				256	1	5	256	1	5	
Technicians	129	139	4	674	116	3	674	116	3	
<i>Finance</i>	14	14	4	18	8		18	8		
<i>Spatial/town planning</i>	16	16		26	15		26	15		
<i>Information Technology</i>	10	10		19	3		19	3		
<i>Roads</i>		10		8	4		8	4		
<i>Electricity</i>	32	32		38	21		38	21		
<i>Water</i>	29	29		40	18		40	18		
<i>Sanitation</i>				18	12		18	12		
<i>Refuse</i>	28	28		45	23		45	23		
<i>Other</i>				462	12	3	462	12	3	
Clerks (Clerical and administrative)	380	371		560	371	10	560	371	10	
Service and sales workers	225	160		225	200		225	200		
Skilled agricultural and fishery workers	36	16								
Craft and related trades	100	83		100	83		100	83		
Plant and Machine Operators	362	217		566	217		566	217		
Elementary Occupations	1,143	634		1,160	634		1,160	634		
TOTAL PERSONNEL NUMBERS	2,594	1,726	95	3,867	1,802	116	3,867	1,802	116	
% increase				49.1%	4.4%	22.1%	-	-	-	
Total municipal employees headcount	1,914	1,550	75	3,849	1,802	118	3,849	1,802	118	
Finance personnel headcount	119	123	8	215	123	5	215	123	5	
Human Resources personnel headcount	38	29	4	45	29	3	45	29	3	

2.9 Monthly targets for revenue, expenditure and cash flow

Table 40 MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
Revenue By Source																
Property rates	27,706	27,706	27,706	27,706	27,706	27,706	27,706	27,706	27,706	27,706	27,706	27,706	332,477	354,088	376,396	
Service charges - electricity revenue	66,127	66,127	66,127	66,127	66,127	66,127	66,127	66,127	66,127	66,127	66,127	66,127	793,523	845,102	898,344	
Service charges - water revenue	21,583	21,583	21,583	21,583	21,583	21,583	21,583	21,583	21,583	21,583	21,583	21,583	258,995	275,830	293,207	
Service charges - sanitation revenue	4,610	4,610	4,610	4,610	4,610	4,610	4,610	4,610	4,610	4,610	4,610	4,610	55,326	58,922	62,634	
Service charges - refuse revenue	5,272	5,272	5,272	5,272	5,272	5,272	5,272	5,272	5,272	5,272	5,272	5,272	63,262	67,374	71,619	
Rental of facilities and equipment	1,768	1,768	1,768	1,768	1,768	1,768	1,768	1,768	1,768	1,768	1,768	1,768	21,221	22,600	24,024	
Interest earned - external investments	2,583	2,583	2,583	2,583	2,583	2,583	2,583	2,583	2,583	2,583	2,583	2,583	31,000	33,015	35,095	
Interest earned - outstanding debtors	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	4,300	31,800	33,867	36,001	
Fines	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	1,148	13,780	14,676	15,600	
Licences and permits	797	797	797	797	797	797	797	797	797	797	797	797	9,569	10,191	10,833	
Agency services	1,383	1,383	1,383	1,383	1,383	1,383	1,383	1,383	1,383	1,383	1,383	1,383	16,596	17,674	18,788	
Transfers recognised - operational	55,526	55,526	55,526	55,526	55,526	55,526	55,526	55,526	55,526	55,526	55,526	55,526	666,316	665,756	716,327	
Other revenue	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382	2,382	28,581	30,296	32,113	
Gains on disposal of PPE	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	30,200	32,163	34,189	
Total Revenue (excluding capital transfers and	195,904	195,904	195,904	195,904	195,904	195,904	195,904	195,904	195,904	195,904	195,904	197,704	2,352,645	2,461,554	2,625,169	
Expenditure By Type																
Employee related costs	46,898	46,898	46,898	46,898	46,898	46,898	46,898	46,898	46,898	46,898	46,898	51,231	567,108	604,050	642,095	
Remuneration of councillors	2,148	2,148	2,148	2,148	2,148	2,148	2,148	2,148	2,148	2,148	2,148	2,148	25,780	27,455	29,185	
Debt impairment	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	50,000	53,250	56,605	
Depreciation & asset impairment	17,083	17,083	17,083	17,083	17,083	17,083	17,083	17,083	17,083	17,083	17,083	17,083	205,000	217,000	230,000	
Finance charges	3,083	3,083	3,083	3,083	3,083	3,083	3,083	3,083	3,083	3,083	3,083	3,083	37,000	39,405	41,888	
Bulk purchases	63,917	63,917	63,917	63,917	63,917	63,917	63,917	63,917	63,917	63,917	63,917	63,917	767,000	816,855	868,317	
Other materials	14,767	14,767	14,767	14,767	14,767	14,767	14,767	14,767	14,767	14,767	14,767	14,767	177,210	188,728	200,618	
Contracted services	6,190	6,190	6,190	6,190	6,190	6,190	6,190	6,190	6,190	6,190	6,190	6,190	74,275	79,103	84,086	
Transfers and grants	6,040	40	40	40	40	40	40	40	40	40	40	40	6,480	6,901	7,336	
Other expenditure	28,392	28,392	28,392	28,392	28,392	28,392	28,392	28,392	28,392	28,392	28,392	29,749	342,056	365,416	389,050	
Total Expenditure	192,685	186,685	192,376	2,251,908	2,398,164	2,549,180										
Surplus/(Deficit)	3,219	9,219	5,328	100,737	63,390	75,989										
Transfers recognised - capital	35,516	35,516	35,516	35,516	35,516	35,516	35,516	35,516	35,516	35,516	35,516	35,516	426,189	433,535	446,870	
Surplus/(Deficit) after capital transfers & contributions	38,735	44,735	40,844	526,926	496,925	522,859										
Share of surplus/ (deficit) of associate													-	-	-	
Surplus/(Deficit)	38,735	44,735	40,844	526,926	496,925	522,859										

Table 41 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue by Vote																
Vote 1 - Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Strategic Planning Monitoring and Evalua	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Engineering Services	92,356	92,356	92,356	92,356	92,356	92,356	92,356	92,356	92,356	92,356	92,356	92,356	1,108,274	1,180,312	1,254,671	
Vote 5 - Community Services	9,349	9,349	9,349	9,349	9,349	9,349	9,349	9,349	9,349	9,349	9,349	9,349	112,190	119,482	127,010	
Vote 6 - Community Development	1,443	1,443	1,443	1,443	1,443	1,443	1,443	1,443	1,443	1,443	1,443	1,443	17,314	18,440	19,601	
Vote 7 - Corporate and Shared Services	373	373	373	373	373	373	373	373	373	373	373	373	4,479	4,770	5,071	
Vote 8 - Planning and Economic Development	3,717	3,717	3,717	3,717	3,717	3,717	3,717	3,717	3,717	3,717	3,717	3,717	44,608	47,475	50,446	
Vote 9 - Budget and Treasury	124,331	124,331	124,331	124,331	124,331	124,331	124,331	124,331	124,331	124,331	124,331	124,331	1,491,969	1,524,701	1,615,395	
Vote 10 - Transport Operations													-	-	-	
Total Revenue by Vote	231,570	231,570	231,570	231,570	231,570	231,570	231,570	231,570	231,570	231,570	231,570	231,570	2,778,834	2,895,180	3,072,194	
Expenditure by Vote to be appropriated																
Vote 1 - Council	10,455	10,455	10,455	10,455	10,455	10,455	10,455	10,455	10,455	10,455	10,455	10,455	125,457	133,612	142,029	
Vote 2 - Office of the Municipal Manager	1,985	1,985	1,985	1,985	1,985	1,985	1,985	1,985	1,985	1,985	1,985	1,985	24,184	25,756	27,378	
Vote 3 - Strategic Planning Monitoring and Evalua	1,920	1,920	1,920	1,920	1,920	1,920	1,920	1,920	1,920	1,920	1,920	1,920	23,035	24,533	26,078	
Vote 4 - Engineering Services	102,210	102,210	102,210	102,210	102,210	102,210	102,210	102,210	102,210	102,210	102,210	102,210	1,226,525	1,306,249	1,388,542	
Vote 5 - Community Services	23,599	23,599	23,599	23,599	23,599	23,599	23,599	23,599	23,599	23,599	23,599	23,599	283,242	301,653	320,657	
Vote 6 - Community Development	14,720	14,720	14,720	14,720	14,720	14,720	14,720	14,720	14,720	14,720	14,720	14,720	176,640	188,121	199,973	
Vote 7 - Corporate and Shared Services	12,413	2,413	12,413	12,413	2,413	12,413	12,413	12,413	2,413	12,413	12,413	45,124	151,665	161,506	171,680	
Vote 8 - Planning and Economic Development	6,576	6,576	6,576	6,576	6,576	6,576	6,576	6,576	6,576	6,576	6,576	9,089	81,422	86,715	92,178	
Vote 9 - Budget and Treasury	12,268	12,268	12,268	12,268	12,268	12,268	12,268	12,268	12,268	12,268	12,268	12,308	147,258	156,820	166,689	
Vote 10 - Transport Operations	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,063	12,481	13,292	14,129	
Total Expenditure by Vote	187,184	177,184	187,184	187,184	177,184	187,184	187,184	187,184	177,184	187,184	187,184	222,885	2,251,908	2,398,255	2,549,335	
Surplus/(Deficit) before assoc.	44,386	54,386	44,386	44,386	54,386	44,386	44,386	44,386	54,386	44,386	44,386	8,685	526,926	496,925	522,859	
Taxation													-	-	-	
Attributable to minorities													-	-	-	
Share of surplus/ (deficit) of associate													-	-	-	
Surplus/(Deficit)	44,386	54,386	44,386	44,386	54,386	44,386	44,386	44,386	54,386	44,386	44,386	8,685	526,926	496,925	522,859	

Table 42 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
Revenue - Standard																
Governance and administration	91,418	91,418	91,418	91,418	91,418	91,418	91,418	91,418	91,418	91,418	91,418	490,829	1,496,423	1,529,409	1,620,342	
Executive and council												-	-	-	-	
Budget and treasury office	33,289	33,289	33,289	33,289	33,289	33,289	33,289	33,289	33,289	33,289	33,289	33,289	399,464	425,319	452,043	
Corporate services	58,129	58,129	58,129	58,129	58,129	58,129	58,129	58,129	58,129	58,129	58,129	457,540	1,096,958	1,104,090	1,168,298	
Community and public safety	3,026	3,026	3,026	3,026	3,026	3,026	3,026	3,026	3,026	3,026	3,026	3,078	36,361	38,668	41,104	
Community and social services	223	223	223	223	223	223	223	223	223	223	223	276	2,731	2,852	3,032	
Sport and recreation	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	15,692	16,712	17,765	
Public safety	1,315	1,315	1,315	1,315	1,315	1,315	1,315	1,315	1,315	1,315	1,315	1,315	15,775	16,800	17,858	
Housing	4	4	4	4	4	4	4	4	4	4	4	4	44	47	50	
Health	177	177	177	177	177	177	177	177	177	177	177	177	2,120	2,258	2,400	
Economic and environmental services	6,075	6,075	6,075	6,075	6,075	6,075	6,075	6,075	6,075	6,075	6,075	6,075	72,906	77,612	82,481	
Planning and development	5,095	5,095	5,095	5,095	5,095	5,095	5,095	5,095	5,095	5,095	5,095	5,095	61,145	65,087	69,167	
Road transport	792	792	792	792	792	792	792	792	792	792	792	792	9,506	10,124	10,761	
Environmental protection	188	188	188	188	188	188	188	188	188	188	188	188	2,255	2,402	2,553	
Trading services	97,762	97,762	97,762	97,762	97,762	97,762	97,762	106,762	97,762	97,762	97,762	97,762	88,762	1,173,145	1,249,400	1,328,112
Electricity	66,140	66,140	66,140	66,140	66,140	66,140	66,140	66,140	66,140	66,140	66,140	66,140	793,681	845,270	898,522	
Water	21,588	21,588	21,588	21,588	21,588	21,588	21,588	30,588	21,588	21,588	21,588	21,588	259,055	275,894	293,275	
Waste water management	4,610	4,610	4,610	4,610	4,610	4,610	4,610	4,610	4,610	4,610	4,610	4,610	55,326	58,922	62,634	
Waste management	5,424	5,424	5,424	5,424	5,424	5,424	5,424	5,424	5,424	5,424	5,424	5,424	65,083	69,313	73,680	
Other													-	-	-	
Total Revenue - Standard	198,281	198,281	198,281	198,281	198,281	198,281	198,281	207,281	198,281	198,281	198,281	588,745	2,778,834	2,895,089	3,072,039	
Expenditure - Standard																
Governance and administration	41,683	41,683	41,683	41,683	41,683	41,683	41,683	41,683	41,683	36,683	36,683	54,785	503,297	535,890	569,585	
Executive and council	8,959	8,959	8,959	8,959	8,959	8,959	8,959	8,959	8,959	8,959	8,959	8,959	107,505	114,492	121,705	
Budget and treasury office	12,268	12,268	12,268	12,268	12,268	12,268	12,268	12,268	12,268	12,268	12,268	12,298	147,248	156,716	166,523	

Budgeted monthly revenue and expenditure (standard classification) – Continued

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17
Corporate services	20,456	20,456	20,456	20,456	20,456	20,456	20,456	20,456	20,456	15,456	15,456	33,528	248,544	264,682	281,357
Community and public safety	28,648	28,648	28,648	28,648	28,648	28,648	28,648	28,648	28,648	28,648	28,648	28,648	343,825	366,175	389,242
Community and social services	6,996	6,996	6,996	6,996	6,996	6,996	6,996	6,996	6,996	6,996	6,996	6,996	83,950	89,407	95,040
Sport and recreation	8,395	8,395	8,395	8,395	8,395	8,395	8,395	8,395	8,395	8,395	8,395	8,395	100,742	107,290	114,050
Public safety	12,243	12,243	12,243	12,243	12,243	12,243	12,243	12,243	12,243	12,243	12,243	12,293	146,964	156,517	166,377
Housing	655	655	655	655	655	655	655	655	655	655	655	655	7,862	8,375	8,900
Health	359	359	359	359	359	359	359	359	359	359	359	359	4,306	4,586	4,875
Economic and environmental services	15,091	15,091	15,091	15,091	15,091	15,091	15,091	15,091	15,091	15,091	15,091	17,640	183,646	195,582	207,904
Planning and development	7,134	7,134	7,134	7,134	7,134	7,134	7,134	7,134	7,134	7,134	7,134	9,435	87,906	93,620	99,518
Road transport	7,117	7,117	7,117	7,117	7,117	7,117	7,117	7,117	7,117	7,117	7,117	7,364	85,652	91,219	96,966
Environmental protection	841	841	841	841	841	841	841	841	841	841	841	841	10,087	10,743	11,420
Trading services	101,762	101,762	101,762	101,762	101,762	101,762	101,762	101,762	101,762	101,762	101,762	101,762	1,221,142	1,300,516	1,382,448
Electricity	64,686	64,686	64,686	64,686	64,686	64,686	64,686	64,686	64,686	64,686	64,686	64,686	776,230	826,684	878,766
Water	24,587	24,587	24,587	24,587	24,587	24,587	24,587	24,587	24,587	24,587	24,587	24,587	295,049	314,227	334,023
Waste water management	7,197	7,197	7,197	7,197	7,197	7,197	7,197	7,197	7,197	7,197	7,197	7,197	86,368	91,981	97,776
Waste management	5,291	5,291	5,291	5,291	5,291	5,291	5,291	5,291	5,291	5,291	5,291	5,291	63,496	67,623	71,883
<i>Other</i>												-	-	-	-
Total Expenditure - Standard	187,184	187,184	187,184	187,184	187,184	187,184	187,184	187,184	187,184	182,184	182,184	202,885	2,251,908	2,398,164	2,549,180
Surplus/(Deficit) before assoc.	11,097	11,097	11,097	11,097	11,097	11,097	11,097	20,097	11,097	16,097	16,097	385,860	526,926	496,925	522,859
Share of surplus/ (deficit) of associate												-	-	-	-
Surplus/(Deficit)	11,097	11,097	11,097	11,097	11,097	11,097	11,097	20,097	11,097	16,097	16,097	385,860	526,926	496,925	522,859

Table 43 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Single-year expenditure to be appropriated															
Vote 1 - Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Strategic Planning Monitoring and Evaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Engineering Services	22,488	22,488	22,488	22,488	22,488	22,488	22,488	22,488	22,488	22,488	22,488	22,488	269,850	362,094	410,110
Vote 5 - Community Services	1,499	1,499	1,499	1,499	1,499	1,499	1,499	1,499	1,499	1,499	1,499	1,499	17,983	15,156	19,190
Vote 6 - Community Development	5,275	5,275	5,275	5,275	5,275	5,275	5,275	5,275	5,275	5,275	5,275	5,275	63,300	78,237	81,270
Vote 7 - Corporate and Shared Services	-	-	-	1,700	-	-	2,000	-	-	-	-	1,300	5,000	8,500	9,500
Vote 8 - Planning and Economic Development	-	300	-	-	-	-	-	1,000	-	-	-	1,700	3,000	3,500	2,000
Vote 9 - Budget and Treasury	-	-	-	-	-	-	-	-	-	-	-	2,000	2,000	2,500	3,000
Vote 10 - Transport Operations	4,000	8,000	15,000	20,000	20,000	20,000	25,000	15,000	15,000	13,000	10,000	4,689	169,689	162,631	154,661
Capital single-year expenditure sub-total	33,261	37,561	44,261	50,961	49,261	49,261	56,261	45,261	44,261	42,261	39,261	38,950	530,822	632,618	679,731
Total Capital Expenditure	33,261	37,561	44,261	50,961	49,261	49,261	56,261	45,261	44,261	42,261	39,261	38,950	530,822	632,618	679,731

Table 44 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Description	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital Expenditure - Standard															
Governance and administration	-	-	-	2,000	-	-	2,000	-	2,000	-	-	18,050	24,050	30,050	37,600
Executive and council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office	-	-	-	-	-	-	-	-	-	-	-	2,000	2,000	2,500	3,000
Corporate services	-	-	-	2,000	-	-	2,000	-	2,000	-	-	16,050	22,050	27,550	34,600
Community and public safety	-	-	3,000	700	-	-	3,000	4,000	4,500	5,000	-	40,533	60,733	69,657	65,810
Community and social services	-	-	-	700	-	-	-	1,000	-	-	-	8,350	10,050	10,770	4,800
Sport and recreation	-	-	3,000	-	-	-	3,000	3,000	4,000	5,000	-	28,500	46,500	51,587	52,970
Public safety	-	-	-	-	-	-	-	-	500	-	-	3,100	3,600	7,300	8,040
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	583	583	-	-
Economic and environmental services	5,000	10,300	20,000	30,000	30,000	30,000	40,000	31,000	20,000	20,000	20,000	17,939	274,239	288,561	303,639
Planning and development	-	300	-	-	-	-	-	1,000	-	-	-	1,700	3,000	3,500	2,000
Road transport	5,000	10,000	20,000	30,000	30,000	30,000	40,000	30,000	20,000	20,000	20,000	16,239	271,239	285,061	301,639
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	1,446	3,000	5,000	12,000	21,000	15,000	13,000	10,000	20,000	11,000	12,000	48,354	171,800	243,350	271,682
Electricity	-	-	2,000	2,000	-	-	3,000	-	-	1,000	2,000	4,800	14,800	87,800	95,700
Water	346	3,000	3,000	10,000	20,000	15,000	10,000	10,000	20,000	10,000	10,000	41,654	153,000	148,864	164,682
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management	1,100	-	-	-	1,000	-	-	-	-	-	-	1,900	4,000	6,686	11,300
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	6,446	13,300	28,000	44,700	51,000	45,000	58,000	45,000	46,500	36,000	32,000	124,876	530,822	631,618	678,731
Funded by:															
National Government	3,346	10,300	27,000	41,700	45,000	40,000	54,000	43,000	61,000	31,000	24,000	45,843	426,189	431,468	444,643
Provincial Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	3,346	10,300	27,000	41,700	45,000	40,000	54,000	43,000	61,000	31,000	24,000	45,843	426,189	431,468	444,643
Public contributions & donations															
Borrowing															
Internally generated funds	2,000	3,000	5,000	4,000	11,000	18,000	6,000	7,000	6,000	5,000	8,000	29,633	104,633	201,150	235,088
Total Capital Funding	5,346	13,300	32,000	45,700	56,000	58,000	60,000	50,000	67,000	36,000	32,000	75,476	530,822	632,618	679,731

Table 45 MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Receipts By Source														1		
Property rates	25,767	25,767	25,767	25,767	25,767	25,767	25,767	25,767	25,767	25,767	25,767	25,767	25,767	309,204	326,432	352,547
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	61,498	61,498	61,498	61,498	61,498	61,498	61,498	61,498	61,498	61,498	61,498	61,497	61,497	737,976	777,183	831,155
Service charges - water revenue	20,072	20,072	20,072	20,072	20,072	20,072	20,072	20,072	20,072	20,072	20,072	20,072	20,072	240,865	292,367	309,759
Service charges - sanitation revenue	4,288	4,288	4,288	4,288	4,288	4,288	4,288	4,288	4,288	4,288	4,288	4,288	4,288	51,453	69,228	73,291
Service charges - refuse revenue	4,903	4,903	4,903	4,903	4,903	4,903	4,903	4,903	4,903	4,903	4,903	4,903	4,903	58,834	63,434	67,240
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	1,645	1,645	1,645	1,645	1,645	1,645	1,645	1,645	1,645	1,645	1,645	1,645	1,645	19,735	19,737	20,921
Interest earned - external investments	2,403	2,403	2,403	2,403	2,403	2,403	2,403	2,403	2,403	2,403	2,403	2,403	2,403	28,830	23,000	23,000
Interest earned - outstanding debtors	2,325	2,325	2,325	2,325	2,325	2,325	2,325	2,325	2,325	2,325	2,325	3,999	3,999	29,574	31,000	32,000
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	1,068	1,068	1,068	1,068	1,068	1,068	1,068	1,068	1,068	1,068	1,068	1,068	1,068	12,815	6,840	7,250
Licences and permits	742	742	742	742	742	742	742	742	742	742	742	742	742	8,899	9,569	10,143
Agency services	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	15,434	16,596	17,591
Transfer receipts - operational	55,110	55,110	55,110	55,110	55,110	55,110	55,110	55,110	55,110	55,110	55,110	60,110	60,110	666,316	665,756	716,327
Other revenue	1,892	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,892	1,892	2,228	20,703	28,461	30,049
Cash Receipts by Source	182,997	182,705	182,997	182,997	190,007	2,200,638	2,329,602	2,491,274								
Other Cash Flows by Source																
Transfer receipts - capital	35,516	35,932	35,932	35,932	35,932	35,932	35,932	35,932	35,932	35,932	35,932	35,932	31,349	426,189	421,435	433,761
Contributions recognised - capital & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	30,200	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	167	167	167	167	167	167	167	167	167	167	167	167	167	2,000	2,000	2,000
Decrease (Increase) in non-current debtors	33	33	33	33	33	33	33	33	33	33	33	33	33	400	405	410
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	221,229	221,354	221,646	221,646	224,073	2,659,427	2,753,442	2,927,445								

Budgeted monthly cash flow - Continued

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Payments by Type																
Employee related costs	46,905	44,037	44,037	44,037	44,037	44,037	44,037	44,037	44,037	44,037	44,037	44,037	75,581	562,855	596,173	632,168
Remuneration of councillors	2,148	2,035	2,035	2,037	2,038	2,033	2,615	2,134	2,147	2,154	2,027	2,376	25,780	27,455	29,185	
Finance charges	-	-	-	-	-	11,777	-	-	-	-	-	-	25,223	37,000	39,405	41,888
Bulk purchases - Electricity	65,000	64,000	48,000	38,000	39,000	35,000	36,000	38,000	35,000	37,000	38,000	38,000	67,000	540,000	583,000	630,000
Bulk purchases - Water & Sewer	12,000	11,000	13,000	13,000	14,000	15,000	14,000	13,000	13,000	14,000	14,000	14,000	12,000	158,000	158,000	158,000
Other materials	13,137	13,137	13,137	13,137	13,137	13,137	13,137	13,137	13,137	13,137	13,137	13,137	32,703	177,210	188,728	200,618
Contracted services	3,632	10,850	1,091	6,912	6,079	8,887	6,484	5,192	5,026	6,475	2,515	11,133	74,275	79,103	84,086	
Transfers and grants - other municipalities	6,040	40	40	40	40	40	40	40	40	40	40	40	40	6,480	6,480	6,480
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	28,495	28,260	28,260	28,260	28,260	28,260	28,260	28,260	28,260	28,260	28,260	28,260	30,842	341,936	368,656	394,045
Cash Payments by Type	177,356	173,359	149,600	145,423	146,590	158,172	144,573	143,800	140,647	145,103	142,016	256,897	1,923,535	2,047,000	2,176,470	
Other Cash Flows/Payments by Type																
Capital assets	5,346	13,300	32,000	45,700	56,000	58,000	60,000	50,000	67,000	36,000	32,000	32,000	75,476	530,822	632,618	679,731
Repayment of borrowing	-	-	-	-	-	27,600	-	-	-	-	-	-	30,500	58,100	58,600	59,100
Other Cash Flows/Payments	4,894	4,894	4,894	4,894	4,894	4,894	4,894	4,894	4,894	4,894	4,894	4,894	4,894	58,726	46,504	53,475
Total Cash Payments by Type	187,596	191,553	186,494	196,016	207,484	248,665	209,467	198,693	212,541	185,997	178,910	367,767	2,571,183	2,784,722	2,968,776	
NET INCREASE/(DECREASE) IN CASH HELD	33,633	29,802	34,861	25,338	13,870	(27,311)	11,888	22,661	8,813	35,649	42,736	(143,694)	88,244	(31,280)	(41,332)	
Cash/cash equivalents at the monthly year begin:	85,000	118,633	148,435	183,295	208,633	222,503	195,192	207,080	229,741	238,554	274,203	316,939	85,000	173,244	141,965	
Cash/cash equivalents at the monthly year end:	118,633	148,435	183,295	208,633	222,503	195,192	207,080	229,741	238,554	274,203	316,939	173,244	173,244	141,965	100,633	

2.10 Annual budgets and SDBIPs – Internal departments

Table 46 Services Department – Operating revenue by source, expenditure by type and total capital expenditure

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue By Source									
Property rates	229,423	254,721	285,392	302,252	302,252	302,252	332,477	354,088	376,396
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	556,892	605,486	616,926	775,071	703,000	703,000	793,523	845,102	898,344
Service charges - water revenue	165,503	221,060	211,680	279,546	234,000	234,000	258,995	275,830	293,207
Service charges - sanitation revenue	39,311	46,449	48,588	66,163	50,000	50,000	55,326	58,922	62,634
Service charges - refuse revenue	46,795	51,305	54,773	60,959	58,000	58,000	63,262	67,374	71,619
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	5,102	12,154	16,231	20,020	20,020	20,020	21,221	22,600	24,024
Interest earned - external investments	24,554	23,017	30,547	23,000	23,000	23,000	31,000	33,015	35,095
Interest earned - outstanding debtors	17,678	7,377	51,302	30,000	30,000	30,000	31,800	33,867	36,001
Dividends received	-	-	-	-	-	-	-	-	-
Fines	4,497	2,627	12,347	10,753	10,753	10,753	13,780	14,676	15,600
Licences and permits	8,234	8,816	8,909	9,027	9,027	9,027	9,569	10,191	10,833
Agency services	13,827	13,892	16,040	15,656	15,656	15,656	16,596	17,674	18,788
Transfers recognised - operational	376,332	397,176	478,178	556,489	558,631	558,631	666,316	665,756	716,327
Other revenue	68,781	23,430	36,474	26,963	163,788	163,788	28,581	30,296	32,113
Gains on disposal of PPE	246	1,451	305	52,200	22,200	22,200	30,200	32,163	34,189
Total Revenue (excluding capital transfers and contributions)	1,557,176	1,668,960	1,867,692	2,228,099	2,200,327	2,200,327	2,352,645	2,461,554	2,625,169
Expenditure By Type									
Employee related costs	384,940	392,060	440,943	504,000	504,000	504,000	562,855	596,173	632,168
Remuneration of councillors	17,678	18,937	21,668	25,410	25,410	25,410	25,780	27,455	29,185
Debt impairment	38,192	53,486	197,819	50,000	50,000	50,000	50,000	53,250	56,605
Depreciation & asset impairment	231,254	265,100	449,617	266,000	205,000	205,000	205,000	217,000	230,000
Finance charges	29,427	29,594	37,154	23,747	23,747	23,747	37,000	39,405	41,888
Bulk purchases	518,797	581,301	619,153	698,000	698,000	698,000	767,000	816,855	868,317
Other materials	132,492	144,648	142,278	170,000	170,600	170,600	177,210	188,728	200,618
Contracted services	39,935	56,380	66,780	75,854	75,754	75,754	74,275	79,103	84,086
Transfers and grants	6,122	5,540	6,940	5,240	6,740	6,740	6,480	6,901	7,336
Other expenditure	224,623	369,073	315,582	327,460	353,676	353,676	341,936	368,656	394,045
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Expenditure	1,623,459	1,916,119	2,297,934	2,145,711	2,112,927	2,112,927	2,247,535	2,393,526	2,544,248
Surplus/(Deficit)	(66,283)	(247,159)	(430,242)	82,388	87,400	87,400	105,110	68,028	80,921
Transfers recognised - capital	241,313	291,175	393,793	436,799	700,470	700,470	426,189	433,535	446,870
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	175,030	44,016	(36,449)	519,187	787,870	787,870	531,299	501,563	527,791
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	175,030	44,016	(36,449)	519,187	787,870	787,870	531,299	501,563	527,791
Attributable to minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	175,030	44,016	(36,449)	519,187	787,870	787,870	531,299	501,563	527,791
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	175,030	44,016	(36,449)	519,187	787,870	787,870	531,299	501,563	527,791

Total Capital Expenditure

Vote Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital Expenditure - Standard									
<i>Governance and administration</i>	28,416	64,709	106,503	22,300	24,681	24,681	24,050	30,050	37,600
Executive and council	-	-	31	-	-	-	-	-	-
Budget and treasury office	6,022	44	51	1,000	1,000	1,000	2,000	2,500	3,000
Corporate services	22,394	64,665	106,421	21,300	23,681	23,681	22,050	27,550	34,600
<i>Community and public safety</i>	5,125	1,252	8,400	43,199	58,933	58,933	60,733	69,657	65,810
Community and social services	726	1,133	183	2,200	8,004	8,004	10,050	10,770	4,800
Sport and recreation	4,369	119	8,216	40,499	49,930	49,930	46,500	51,587	52,970
Public safety	-	-	-	500	998	998	3,600	7,300	8,040
Housing	29	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	583	-	-
<i>Economic and environmental services</i>	135,615	117,313	205,492	305,550	458,736	458,736	274,239	288,561	303,639
Planning and development	21,516	-	-	1,850	1,850	1,850	3,000	3,500	2,000
Road transport	114,099	117,313	205,274	303,700	456,886	456,886	271,239	285,061	301,639
Environmental protection	-	-	217	-	-	-	-	-	-
<i>Trading services</i>	185,348	150,037	149,407	147,700	245,328	245,328	171,800	243,350	271,682
Electricity	58,652	21,965	1,382	19,800	18,857	18,857	14,800	87,800	95,700
Water	107,181	124,299	147,022	122,000	211,778	211,778	153,000	148,864	164,682
Waste water management	19,169	3,773	166	4,100	5,080	5,080	-	-	-
Waste management	346	-	837	1,800	9,613	9,613	4,000	6,686	11,300
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	354,503	333,311	469,802	518,749	787,677	787,677	530,822	631,618	678,731
Funded by:									
National Government	216,313	225,076	353,771	430,646	694,317	694,317	426,189	431,468	444,643
Provincial Government	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	6,153	6,153	6,153	-	-	-
Transfers recognised - capital	216,313	225,076	353,771	436,799	700,470	700,470	426,189	431,468	444,643
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	138,190	112,357	116,030	81,950	87,207	87,207	104,633	201,150	235,088
Total Capital Funding	354,503	337,434	469,802	518,749	787,677	787,677	530,822	632,618	679,731

2.11 Capital expenditure details

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

Table 47 MBRR SA 34a - Capital expenditure on new assets by asset class

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	299,101	219,409	311,688	287,300	465,798	465,798	346,789	363,475	373,581
Infrastructure - Road transport	114,099	69,147	8,250	98,700	98,700	98,700	22,800	28,080	34,488
<i>Roads, Pavements & Bridges</i>	114,099	69,147	8,250	98,700	98,700	98,700	22,800	28,080	34,488
<i>Storm water</i>	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity	58,652	1,793	51,500	14,800	20,023	20,023	6,800	23,800	26,400
<i>Generation</i>	-	-	-	-	-	-	-	-	-
<i>Transmission & Reticulation</i>	58,652	1,793	51,500	14,800	20,023	20,023	6,800	23,800	26,400
<i>Street Lighting</i>	-	-	-	-	-	-	-	-	-
Infrastructure - Water	107,181	107,771	130,000	111,000	168,178	168,178	144,500	145,364	152,682
<i>Dams & Reservoirs</i>	-	-	-	-	-	-	-	-	-
<i>Water purification</i>	-	-	-	-	-	-	-	-	-
<i>Reticulation</i>	107,181	107,771	130,000	111,000	168,178	168,178	144,500	145,364	152,682
Infrastructure - Sanitation	19,169	1,378	1,500	1,000	667	667	-	2,500	2,750
<i>Reticulation</i>	-	-	-	1,000	667	667	-	2,500	2,750
<i>Sewerage purification</i>	19,169	1,378	1,500	-	-	-	-	-	-
Infrastructure - Other	-	39,320	120,438	61,800	178,229	178,229	172,689	163,731	157,261
<i>Waste Management</i>	-	-	-	1,800	1,800	1,800	3,000	1,100	2,600
<i>Transportation</i>	-	39,320	120,438	60,000	172,026	172,026	169,689	162,631	154,661
<i>Gas</i>	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	4,403	4,403	-	-	-
Community	5,000	445	18,500	26,546	36,305	36,305	48,983	52,837	52,040
Parks & gardens	4,237	163	9,000	500	500	500	2,100	2,100	2,390
Sportsfields & stadia	37	32	9,500	24,346	32,683	32,683	38,000	44,387	45,550
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	82	-	-	-	-	-	-	-	-
Libraries	-	76	-	400	400	400	800	2,850	600
Recreational facilities	-	-	-	-	923	923	-	-	-
Fire, safety & emergency	-	-	-	500	998	998	3,450	1,500	2,000
Museums & Art Galleries	-	174	-	800	800	800	500	500	500
Cemeteries	644	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	2,083	1,500	1,000
Heritage assets	-	-	-	-	-	-	-	-	-
Other assets	50,402	49,275	27,042	7,150	71,732	71,732	7,000	11,120	10,500
General vehicles	-	-	26,542	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	498	498	-	-	-
Plant & equipment	-	-	-	-	7,468	7,468	3,000	3,500	4,000
Computers - hardware/equipment	13,469	773	500	2,500	2,000	2,000	500	500	500
Furniture and other office equipment	-	-	-	-	-	-	1,500	3,000	3,000
Civic Land and Buildings	-	-	-	800	45,422	45,422	-	-	-
Other Buildings	2,437	-	-	-	3,555	3,555	-	2,500	3,000
Other	34,496	48,502	-	3,850	12,789	12,789	2,000	1,620	-
Agricultural assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	1,500	2,000	500
Total Capital Expenditure on new assets	354,503	269,130	357,230	320,996	573,834	573,834	404,272	429,432	436,621
Specialised vehicles	-	-	-	-	498	498	-	-	-

Table 48 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	-	51,455	112,571	164,600	169,644	169,644	96,750	167,936	202,490
Infrastructure - Road transport	-	48,166	54,000	5,500	5,500	5,500	78,750	94,350	112,490
<i>Roads, Pavements & Bridges</i>	-	48,166	54,000	5,500	5,500	5,500	77,750	92,850	110,490
<i>Storm water</i>	-	-	-	-	-	-	1,000	1,500	2,000
Infrastructure - Electricity	-	-	-	5,000	1,000	1,000	8,000	64,000	69,300
<i>Transmission & Reticulation</i>	-	-	-	5,000	1,000	1,000	8,000	64,000	69,300
Infrastructure - Water	-	-	16,849	11,000	18,731	18,731	8,500	3,500	12,000
<i>Reticulation</i>	-	-	16,849	11,000	18,731	18,731	8,500	3,500	12,000
Infrastructure - Sanitation	-	1,568	40,000	3,100	4,412	4,412	500	500	-
<i>Reticulation</i>	-	1,568	40,000	3,100	4,412	4,412	-	-	-
Infrastructure - Other	-	1,721	1,721	140,000	140,000	140,000	1,000	5,586	8,700
<i>Waste Management</i>	-	-	-	-	-	-	1,000	5,586	8,700
<i>Transportation</i>	-	-	-	140,000	140,000	140,000	-	-	-
<i>Other</i>	-	1,721	1,721	-	-	-	-	-	-
Community	-	-	-	16,153	16,992	16,992	13,300	14,250	13,120
Parks & gardens	-	-	-	-	-	-	1,000	2,200	2,900
Sportsfields & stadia	-	-	-	16,153	16,992	16,992	7,000	7,200	7,420
Other	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	16,849	-	17,000	27,207	27,207	15,000	19,000	25,500
General vehicles	-	-	-	-	-	-	-	-	-
Computers - hardware/equipment	-	-	-	2,000	2,000	2,000	-	-	-
Furniture and other office equipment	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	15,000	15,000	15,000	10,000	10,000	15,000
Agricultural assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	1,500	2,000	2,000
Total Capital Expenditure on renewal of existing	-	68,304	112,571	197,753	213,843	213,843	126,550	203,186	243,110
Specialised vehicles	-	-	-	-	-	-	-	-	-
Renewal of Existing Assets as % of total capex	0.0%	20.2%	24.0%	38.1%	27.1%	27.1%	23.8%	32.1%	35.8%
Renewal of Existing Assets as % of deprecn"	0.0%	25.8%	25.0%	74.3%	104.3%	104.3%	61.7%	93.6%	105.7%

Table 49 MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	91,680	91,390	68,900	115,483	115,483	115,483	116,141	122,528	129,022
Infrastructure - Road transport	20,898	23,160	10,965	25,543	25,543	25,543	24,509	25,857	27,227
<i>Roads, Pavements & Bridges</i>	19,520	21,443	8,845	23,211	23,211	23,211	22,130	23,347	24,584
<i>Storm water</i>	1,377	1,717	2,120	2,332	2,332	2,332	2,379	2,510	2,643
Infrastructure - Electricity	19,479	27,807	18,005	26,669	26,669	26,669	24,142	25,470	26,820
<i>Transmission & Reticulation</i>	17,315	26,368	15,505	24,044	24,044	24,044	24,142	25,470	26,820
<i>Street Lighting</i>	2,164	1,439	2,500	2,625	2,625	2,625	-	-	-
Infrastructure - Water	25,995	23,282	22,948	32,344	32,344	32,344	28,106	29,652	31,224
<i>Dams & Reservoirs</i>	5,509	4,396	4,203	6,807	6,807	6,807	-	-	-
<i>Water purification</i>	2,957	2,601	3,000	3,533	3,533	3,533	-	-	-
<i>Reticulation</i>	17,529	16,285	15,746	22,004	22,004	22,004	28,106	29,652	31,224
Infrastructure - Sanitation	5,633	6,810	4,996	7,527	7,527	7,527	39,383	41,549	43,751
<i>Reticulation</i>	4,248	4,356	3,574	6,005	6,005	6,005	39,383	41,549	43,751
<i>Sewerage purification</i>	1,384	2,453	1,422	1,522	1,522	1,522	-	-	-
Infrastructure - Other	19,675	10,332	11,987	23,400	23,400	23,400	-	-	-
<i>Waste Management</i>	19,675	10,332	11,987	23,400	23,400	23,400	-	-	-
Community	5,202	27,953	56,075	54,517	55,117	55,117	61,069	66,200	71,596
Parks & gardens	6,645	10,985	9,281	12,249	12,249	12,249	11,557	12,308	13,083
Sportsfields & stadia	9,385	8,048	4,789	5,336	5,336	5,336	5,196	5,482	5,773
Swimming pools	400	198	222	230	230	230	243	257	270
Community halls	187	0	193	197	197	197	208	220	232
Libraries	472	79	156	149	149	149	158	166	175
Recreational facilities	-	-	-	-	-	-	450	475	500
Fire, safety & emergency	1,430	1,417	1,504	1,491	1,491	1,491	1,577	1,664	1,752
Security and policing	1,851	1,164	545	1,186	1,186	1,186	22	23	25
Clinics	0	1	7	6	6	6	-	-	-
Museums & Art Galleries	258	24	60	62	62	62	30	31	33
Cemeteries	1,073	953	1,290	1,355	1,355	1,355	1,428	1,507	1,587
Social rental housing	-	-	-	-	-	-	-	-	-
Other	(16,500)	5,084	38,027	32,257	32,857	32,857	40,199	44,066	48,166
Total Repairs and Maintenance Expenditure	96,881	119,343	124,975	170,000	170,600	170,600	177,210	188,728	200,618
R&M as a % of PPE	1.7%	2.1%	1.7%	2.5%	2.4%	2.4%	2.3%	2.4%	2.4%
R&M as % Operating Expenditure	6.0%	6.2%	5.4%	7.9%	8.1%	8.1%	7.9%	7.9%	7.9%

Table 50 MBRR SA34d Depreciation by asset class

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Depreciation by Asset Class/Sub-class									
Infrastructure	120,523	159,604	260,398	157,468	96,468	96,468	96,877	104,332	109,332
Infrastructure - Road transport	63,063	55,639	141,816	55,639	25,639	25,639	26,009	26,009	26,009
<i>Roads, Pavements & Bridges</i>	62,811	55,617	141,793	55,617	25,617	25,617	26,009	26,009	26,009
<i>Storm water</i>	251	22	22	22	22	22	-	-	-
Infrastructure - Electricity	29,200	23,226	44,872	20,155	20,155	20,155	20,155	20,155	20,155
<i>Generation</i>	-	-	-	-	-	-	-	-	-
<i>Transmission & Reticulation</i>	21,127	19,442	41,088	20,155	20,155	20,155	20,155	20,155	20,155
<i>Street Lighting</i>	8,073	3,784	3,784						
Infrastructure - Water	12,765	74,409	39,494	75,345	44,345	44,345	44,345	51,800	56,800
<i>Dams & Reservoirs</i>	-	-	-	-	-	-	-	-	-
<i>Water purification</i>	3,540	580	580	580	580	580	-	-	-
<i>Reticulation</i>	9,224	73,829	38,913	74,764	43,764	43,764	44,345	51,800	56,800
Infrastructure - Sanitation	12,949	4,990	24,855	4,990	4,990	4,990	6,369	6,369	6,369
<i>Reticulation</i>	4,003	-	-						
<i>Sewerage purification</i>	8,946	4,990	24,855	4,990	4,990	4,990	6,369	6,369	6,369
Infrastructure - Other	2,546	1,339	9,362	1,339	1,339	1,339	-	-	-
<i>Waste Management</i>	2,546	1,339	9,362	1,339	1,339	1,339	-	-	-
Community	110,732	105,461	145,320	108,532	108,532	108,532	108,123	112,668	120,668
Parks & gardens	2,962	501	501	501	501	501	501	501	501
Sportsfields & stadia	58,245	55,723	59,284	59,010	59,010	59,010	58,301	63,301	71,301
Swimming pools	120	86	86	86	86	86	86	86	86
Community halls	224	91	91	91	91	91	91	91	91
Libraries	3,950	586	586	586	586	586	578	578	578
Recreational facilities	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	4,434	2,757	15,015	2,757	2,757	2,757	2,757	2,757	2,757
Security and policing	3,419	1,027	1,027	1,027	1,027	1,027	164	164	164
Buses	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	76	76	76
Museums & Art Galleries	4,113	201	24,242	201	201	201	136	136	136
Cemeteries	327	185	185	185	185	185	185	185	185
Social rental housing	-	-	-	-	-	-	-	-	-
Other	32,937	44,303	44,303	44,087	44,087	44,087	45,248	44,793	44,793
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	-	43,899	-	-	-	-	-	-
Agricultural assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Depreciation	231,254	265,064,666	449,617,041	266,000,000	205,000,000	205,000,000	205,000,000	217,000,000	230,000,000

Table 51 MBRR SA35 - Future financial implications of the capital budget

Vote Description	2015/16 Medium Term Revenue & Expenditure Framework		
	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand			
Capital expenditure			
Vote 1 - Council	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-
Vote 3 - Strategic Planning Monitoring and Evaluation	-	-	-
Vote 4 - Engineering Services	269,850	362,094	410,110
Vote 5 - Community Services	17,983	15,156	19,190
Vote 6 - Community Development	63,300	78,237	81,270
Vote 7 - Corporate and Shared Services	5,000	8,500	9,500
Vote 8 - Planning and Economic Development	3,000	3,500	2,000
Vote 9 - Budget and Treasury	2,000	2,500	3,000
Vote 10 - Transport Operations	169,689	162,631	154,661
<i>List entity summary if applicable</i>			
Total Capital Expenditure	530,822	632,618	679,731
Future operational costs by vote			
Vote 1 - Council			
Vote 2 - Office of the Municipal Manager			
Vote 3 - Strategic Planning Monitoring and Evaluation			
Vote 4 - Engineering Services			
Vote 5 - Community Services			
Vote 6 - Community Development			
Vote 7 - Corporate and Shared Services			
Vote 8 - Planning and Economic Development			
Vote 9 - Budget and Treasury			
Vote 10 - Transport Operations			
Total future operational costs	-	-	-
Future revenue by source			
Property rates			
Property rates - penalties & collection charges			
Service charges - electricity revenue			
Service charges - water revenue			
Service charges - sanitation revenue			
Service charges - other			
Rental of facilities and equipment			
<i>List other revenues sources if applicable</i>			
<i>List entity summary if applicable</i>			
Total future revenue	-	-	-
Net Financial Implications	530,822	632,618	679,731

Table 52 MBRR SA36 - Detailed capital budget per municipal vote

Municipal Vote/Capital project	Program/Project description	2015/16 Medium Term Revenue & Expenditure Framework			Project information
		Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	New or renewal
R thousand					
Parent municipality:					
<i>List all capital projects grouped by Municipal Vote</i>					
Facility Management	Renovation of Offices	2,000	2,000	3,000	Renewal
Facility Management	Furniture and Office Equipment	1,500	3,000	3,000	Renewal
Facility Management	Upgrading of Barracks	1,000	1,000	1,000	Renewal
Facility Management	Upgrading of Offices Stadium	3,500			New
Facility Management	Refurbishment of Civic Centre	6,500	10,000	15,000	New
Road Transport Infrastructure Services	Rehabilitation of street in Polokwane West	2,000	2,500	3,000	New
Road Transport Infrastructure Services	Rehabilitation of street in Polokwane East	2,000	2,500	3,000	New
Road Transport Infrastructure Services	Upgrading of internal street in Mankweng area	4,000	4,000	4,000	New
Road Transport Infrastructure Services	Upgrading of internal street in seshego area	-	2,000	5,000	New
Road Transport Infrastructure Services	Rehabilitation of street in Seshego	1,000	2,500	5,000	New
Road Transport Infrastructure Services	Rehabilitation in CBD	2,000	2,300	2,700	New
Road Transport Infrastructure Services	Upgrading of storm water in municipal area	1,000	1,500	2,000	New
Road Transport Infrastructure Services	Re-gravelling of rural roads in Molelje cluster	3,000	3,300	3,600	New
Road Transport Infrastructure Services	Regravelling of rural roads in Seshego cluster	750	850	1,300	New
Road Transport Infrastructure Services	Regravelling of rural roads in Dikgale/Sebayeng cluster	3,000	3,300	3,630	New
Road Transport Infrastructure Services	Regravelling of rural roads in Mankweng Cluster	3,000	3,300	3,630	New
Road Transport Infrastructure Services	Regravelling of rural roads in Molepo, Maja and Chene	3,000	3,300	3,630	New
Road Transport Infrastructure Services	Installation Road Signage	800	880	968	New
Road Transport Infrastructure Services	Installation of traffic lights and signs	-	1,000	1,100	New
Road Transport Infrastructure Services	Construction of low level bridges	2,000	2,200	2,420	New
Road Transport Infrastructure Services	Upgrading of arterial road Mamatsha	6,000	7,000	8,000	New
Road Transport Infrastructure Services	Upgrading of arterial road Makolopong	6,000	7,000	8,000	New
Road Transport Infrastructure Services	Upgrading of arterial road Khothoane	6,000	7,000	8,000	New
Road Transport Infrastructure Services	Upgrading of arterial road D3413 from D19 (Mamadila to Ramakgaphola:	6,000	7,000	8,000	New
Road Transport Infrastructure Services	Upgrading of Arterial road D977 (Silicon to Matobole 19km)	6,000	7,000	8,000	New
Road Transport Infrastructure Services	Upgrading of Arterial road D4030 & D1809 (Nobody to Laastehoop to Mot	6,000	7,000	8,000	New
Road Transport Infrastructure Services	Upgrading of arterial road Sebayeng to Mantheding	6,000	7,000	8,000	New
Road Transport Infrastructure Services	Upgrading of access road SDA 1 (Lethuli and Madiba Park)	6,000	7,000	8,000	New
Road Transport Infrastructure Services	upgrading of Arterial Road in Rampheri	6,000	7,000	8,000	New
Road Transport Infrastructure Services	NDPG Projects	20,000	24,000	30,000	New
Sanitation	Upgrading of laboratory	500	500	-	New
Sanitation	Extension 78 sewer reticulation	-	2,500	2,750	New
Water Supply and reticulation	Mmotong wa perikisi	8,000	10,000	15,000	New
Water Supply and reticulation	Upgrading pipe size from Dap Naude to PLK WWWTW	-	1,500	10,000	New
Water Supply and reticulation	Installation of water meters in Seshego	1,500	-	-	New
Water Supply and reticulation	Extension 78 bulk reticulation	7,000	20,000	20,000	New
Water Supply and reticulation	Upgrading of water reticulation in City/ Seshego cluster	8,500	2,000	2,000	Renewal
Water Supply and reticulation	Prepaid water meters	-	2,000	2,000	Renewal
Water Supply and reticulation	Roodepoort reservoir	-	2,000	2,000	Renewal
Water Supply and reticulation	Installation of CCTV for boreholes	-	2,000	2,200	Renewal
Water Supply and reticulation	Mothapo RWS	8,000	8,000	6,000	Renewal
Water Supply and reticulation	Molelje East RWS	8,000	11,000	15,000	Renewal
Water Supply and reticulation	Molelje North RWS	2,000	3,000	3,000	Renewal
Water Supply and reticulation	Sebayeng/Dikgale RWS	15,000	20,000	20,000	Renewal

DRAFT ANNUAL BUDGET 2015/16-2017/18

Municipal Vote/Capital project	Program/Project description	2015/16 Medium Term Revenue & Expenditure Framework			Project information
		Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	New or renewal
R thousand					
Parent municipality:					
Water Supply and reticulation	Molete South RWS	8,000	10,000	12,000	New
Water Supply and reticulation	Houtrivier RWS	8,000	10,000	10,000	New
Water Supply and reticulation	Chuene Maja RWS	20,000	11,364	15,000	New
Water Supply and reticulation	Molepo RWS	20,000	10,000	6,482	New
Water Supply and reticulation	Laastehoop RWS	6,000	3,000	3,000	New
Water Supply and reticulation	Mankweng RWS	10,000	5,000	5,000	New
Water Supply and reticulation	Boyne RWS	5,000	3,000	3,000	New
Water Supply and reticulation	Segwasi RWS	8,000	5,000	3,000	New
Water Supply and reticulation	Badimong RWS	10,000	10,000	10,000	New
Energy Services	Electrification of urban household	-	10,000	11,000	Renewal
Energy Services	Street Lights (Illumination of public areas)	1,500	3,000	5,000	Renewal
Energy Services	High mast Lights various villages (Illumination of public areas)	3,300	10,000	10,000	Renewal
Energy Services	Replacement of oil (RMU)	-	20,000	20,000	Renewal
Energy Services	Installation of quality of supplied meters	2,000	5,000	5,000	Renewal
Energy Services	SCADA RTU	2,000	5,000	8,000	New
Energy Services	Replacement overhead lines	-	4,000	4,000	New
Energy Services	Replacement fibre classes and closures	-	5,000	5,000	Renewal
Energy Services	Increase license area assets	-	5,000	5,000	New
Energy Services	Install fourth 185mm11KV cable from Beta to Voortrekker	-	2,000	2,000	New
Energy Services	Construction of new substation with 11KV switch gear at Tweefontein	-	-	-	New
Energy Services	Instal power factor corrections in various substations	-	3,000	3,300	New
Energy Services	Maintenance of electrical network				New
Energy Services	Maintenance of street lights				New
Energy Services	Instal 3 x 185mm cables from Sterkpark to IOTA	-	2,000	2,200	New
Energy Services	Insta 1 x 185mm cable from Delta to Bendor	-	2,000	2,200	New
Energy Services	Increase NMD from Eskom at Alpha 11KV	-	2,000	2,000	New
Energy Services	Constuct permanent distribution substation at Thornhikll	-	2,000	2,200	New
Energy Services	Upgrade 800A Busbars to 1200A in Alpha 66KV Distribution substation	2,000	2,000	3,000	New
Energy Services	Installation of 66 KV line from Bakone to IOTA substation	2,000	3,000	3,000	New
Energy Services	Build Bakone 66KV intake substation(PPP)			-	New
Energy Services	Install fourth 20MVA transformer in seshego	2,000	2,000	2,000	Renewal
Energy Services	Build 66KV/11KV double circuit line from balcore substation	-	800	800	Renewal
Sport & Recreation	Purchase of Grass Cutting equipment	-	500	550	New
Sport & Recreation	Upgrading of Seshego Stadium	2,000	2,200	2,420	Renewal
Sport & Recreation	Rehabilitation of Polokwane town pool	1,500	-	-	Renewal
Sport & Recreation	Upgrading of Ga- Manamela Sport Field	5,000	5,000	5,000	New
Sport & Recreation	Construction of Ga-Molepo Sport Complex	12,000	12,000	12,000	Renewal
Sport & Recreation	Construction Mankweng Sport Complex	17,000	20,000	20,000	New
Sport & Recreation	Outdoor Sport facilities in all clusters	1,000	1,887	3,000	New
Sport & Recreation	Extension 44/77 Sport and recreation facility	3,000	4,000	4,000	New
Sport & Recreation	Sport stadium in Ga-Maja	5,000	6,000	6,000	Renewal
Disaster and Fire	Acquisition of fire Equipment	1,000	1,500	2,000	Renewal
Disaster and Fire	6 flo to pumps	-	-	-	New

Table 53 MBRR SA37 - Projects delayed from previous financial year

Project name	Project number	Asset Class 3	Asset Sub-Class 3	Previous	Current Year 2014/15	
				target year to	Original	Full Year
				complete	Budget	Forecast
				Year		
Renovation of Offices Stadium		<i>Other Assets</i>	<i>Furniture and other office equipment</i>	2013/14	2,587	2,587
Arterial roads Makotpong Phase 3		<i>Infrastructure - Road transport</i>	<i>Roads, Pavements & Bridges</i>	2013/14	60	60
Ga - Mamphaka Phase 3		<i>Infrastructure - Road transport</i>	<i>Roads, Pavements & Bridges</i>	2013/14	1,285	1,285
Moletje Cluster Upgrading of arterial road		<i>Infrastructure - Road transport</i>	<i>Roads, Pavements & Bridges</i>	2013/14	2,047	2,047
Upgrading of arterial road Mamatsha		<i>Infrastructure - Road transport</i>	<i>Roads, Pavements & Bridges</i>	2013/14	2,230	2,230
Upgrading of arterial road Makotpong		<i>Infrastructure - Road transport</i>	<i>Roads, Pavements & Bridges</i>	2013/14	5,444	5,444
Upgrading of arterial road Khohloane		<i>Infrastructure - Road transport</i>	<i>Roads, Pavements & Bridges</i>	2013/14	6,669	6,669
Upgrading of arterial road D3413 from D19 (Mamadilla to Ramakgaphola: D3414 to Ga Manamela)		<i>Infrastructure - Road transport</i>	<i>Roads, Pavements & Bridges</i>	2013/14	3,654	3,654
Upgrading of Arterial road D977 (Silicon to Matobole 19km)		<i>Infrastructure - Road transport</i>	<i>Roads, Pavements & Bridges</i>	2013/14	6,067	6,067
Upgrading of arterial road Sebay eng to Mantheding		<i>Infrastructure - Road transport</i>	<i>Roads, Pavements & Bridges</i>	2013/14	7,891	7,891
Upgrading of access road SDA 1 (Lethuli and Madiba Park)		<i>Infrastructure - Sanitation</i>	<i>Water purification</i>	2013/14	259	259
Construction of low level bridges		<i>Infrastructure - Water</i>	<i>Reticulation</i>	2013/14	553	553
Upgrading of laboratory		<i>Infrastructure - Water</i>	<i>Reticulation</i>	2013/14	1,312	1,312
Mothapo RWS		<i>Infrastructure - Water</i>	<i>Reticulation</i>	2013/14	3,243	3,243
Moletje East RWS		<i>Infrastructure - Water</i>	<i>Reticulation</i>	2013/14	8,126	8,126
Moletje South RWS		<i>Infrastructure - Water</i>	<i>Reticulation</i>	2013/14	987	987
Houtrivier RWS		<i>Infrastructure - Water</i>	<i>Reticulation</i>	2013/14	345	345
Molepo RWS		<i>Infrastructure - Water</i>	<i>Reticulation</i>	2013/14	332	332
Laastehoop RWS		<i>Infrastructure - Water</i>	<i>Reticulation</i>	2013/14	6,253	6,253
Mmotong wa penikisi		<i>Infrastructure - Water</i>	<i>Reticulation</i>	2013/14	4,593	4,593
Boyne RWS		<i>Infrastructure - Water</i>	<i>Reticulation</i>	2013/14	52	52
Badimong RWS		<i>Infrastructure - Water</i>	<i>Reticulation</i>	2013/14	64	64
Sebay eng/Dikgale RWS		<i>Infrastructure - Water</i>	<i>Reticulation</i>	2013/14	5,106	5,106
Refurbishment of infrastructure		<i>Infrastructure - Water</i>	<i>Reticulation</i>	2013/14	7,731	7,731
Mothapo RWS		<i>Infrastructure - Water</i>	<i>Reticulation</i>	2013/14	2,650	2,650
Moletje East RWS		<i>Infrastructure - Water</i>	<i>Reticulation</i>	2013/14	4,241	4,241
Moletje North RWS		<i>Infrastructure - Electricity</i>	<i>Reticulation</i>	2013/14	26	26
Sebay eng/Dikgale RWS		<i>Community</i>	<i>Cemeteries</i>	2013/14	8,037	8,037
Moletje South RWS		<i>Community</i>	<i>Plant & equipment</i>	2013/14	1,719	1,719
Chuene Maja RWS		<i>Other Assets</i>	<i>Computers - software & programming</i>	2013/14	3,397	3,397
Molepo RWS		<i>Other Assets</i>	<i>Computers - software & programming</i>	2013/14	1,747	1,747
Laastehoop RWS		<i>Intangibles</i>	<i>Other</i>	2013/14	341	341
Mankweng RWS		<i>Intangibles</i>	<i>Other</i>	2013/14	6,752	6,752
Boyne RWS		<i>Intangibles</i>	<i>Other</i>	2013/14	1,762	1,762
Segwasi RWS		<i>Intangibles</i>	<i>Other</i>	2013/14	189	189
Badimong RWS		<i>Intangibles</i>	<i>Other</i>	2013/14	3,080	3,080
Demand Side Management Projects		<i>Other Assets</i>	<i>Other</i>	2013/14	4,057	4,057
Acquisition of fire Equipment		<i>Other Assets</i>	<i>Other</i>	2013/14	498	498
Development of Tom Naude Dam		<i>Other Assets</i>	<i>Other</i>	2013/14	923	923
Development of Ext 44/71 park		<i>Other Assets</i>	<i>Other</i>	2013/14	4,000	4,000
Grass cutting equipment		<i>Other Assets</i>	<i>Other</i>	2013/14	781	781
Waste 6m3 skip containers		<i>Other Assets</i>	<i>Other</i>	2013/14	600	600
Rural transfer station		<i>Other Assets</i>	<i>Other</i>	2013/14	7,213	7,213
Purchase of Grass Cutting equipment		<i>Other Assets</i>	<i>Other</i>	2013/14	255	255
Upgrading of Ga- Manamela Sport Field		<i>Other Assets</i>	<i>Other</i>	2013/14	2,239	2,239
Construction of Ga-Molepo/Maja Sport Complex		<i>Other Assets</i>	<i>Other</i>	2013/14	154	154
Construction Mankweng Sport Complex		<i>Other Assets</i>	<i>Other</i>	2013/14	5,783	5,783
Sebay eng Outdoor Sport facilities		<i>Other Assets</i>	<i>Other</i>	2013/14	2,400	2,400
IRPTS Project		<i>Other Assets</i>	<i>Other</i>	2013/14	111,918	111,918
Mankweng Taxi Rank and Hawkers Centre		<i>Other Assets</i>	<i>Other</i>	2013/14	109	109
					251,767	251,767

2.13 Legislation compliance status

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

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.
2. Internship programme
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2014/15 MTREF in June 2015 directly aligned and informed by the 2015/16 MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training
The MFMA training module in electronic format is presented at the Municipality's internal centre and training is ongoing.
8. Policies
An amendment of the Municipal Property Rates Regulations as published in Government Notice 363 of 27 March 2009, was announced in Government Gazette 33016 on 12 March 2010.

2.12 Other supporting documents

Table 54 MBRR Table SA1 - Supporting detail to budgeted financial performance

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
REVENUE ITEMS:									
Property rates									
Total Property Rates	229,423	254,721	285,392	302,252	302,252	302,252	372,585	396,602	421,461
less Revenue Foregone							40,108	42,514	45,065
Net Property Rates	229,423	254,721	285,392	302,252	302,252	302,252	332,477	354,088	376,396
Service charges - electricity revenue									
Total Service charges - electricity revenue	556,892	605,486	616,926	775,071	703,000	703,000	809,165	861,682	915,919
less Revenue Foregone							15,642	16,580	17,575
Net Service charges - electricity revenue	556,892	605,486	616,926	775,071	703,000	703,000	793,523	845,102	898,344
Service charges - water revenue									
Total Service charges - water revenue	165,503	221,060	211,680	279,546	234,000	234,000	266,138	283,401	301,232
less Revenue Foregone							7,143	7,571	8,025
Net Service charges - water revenue	165,503	221,060	211,680	279,546	234,000	234,000	258,995	275,830	293,207
Service charges - sanitation revenue									
Total Service charges - sanitation revenue	39,311	46,449	48,588	66,163	50,000	50,000	64,743	68,904	73,214
less Revenue Foregone							9,417	9,982	10,580
Net Service charges - sanitation revenue	39,311	46,449	48,588	66,163	50,000	50,000	55,326	58,922	62,634
Service charges - refuse revenue									
Total refuse removal revenue	46,795	51,305	54,773	60,959	58,000	58,000	66,553	70,862	75,316
Total landfill revenue									
less Revenue Foregone	-	-	-	-	-	-	3,291	3,488	3,697
Net Service charges - refuse revenue	46,795	51,305	54,773	60,959	58,000	58,000	63,262	67,374	71,619
Other Revenue by source									
Other Revenue by source	68,781	23,430	36,474	26,963	163,788	163,788	28,581	30,296	32,113
Total 'Other' Revenue	68,781	23,430	36,474	26,963	163,788	163,788	28,581	30,296	32,113
EXPENDITURE ITEMS:									
Employee related costs									
Basic Salaries and Wages	219,944	236,354	270,852	320,671	320,671	320,671	369,872	384,481	398,677
Pension and UIF Contributions	43,292	45,377	50,045	65,153	65,153	65,153	77,967	81,816	85,673
Medical Aid Contributions	15,610	16,994	18,581	13,964	13,964	13,964	16,436	17,260	18,089
Overtime	50,881	34,238	38,580	37,875	37,875	37,875	31,582	33,635	35,754
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	26,016	28,681	31,732	31,381	31,381	31,381	36,624	37,663	38,609
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	3,771	3,810	2,503	3,950	3,950	3,950	3,794	4,041	4,295
Other benefits and allowances	25,426	26,606	28,650	31,006	31,006	31,006	30,833	45,155	60,998
sub-total	384,940	392,060	440,943	504,000	504,000	504,000	567,108	604,050	642,095
Less: Employees costs capitalised to PPE	-	-	-	-	-	-	-	-	-
Total Employee related costs	384,940	392,060	440,943	504,000	504,000	504,000	567,108	604,050	642,095
Depreciation & asset impairment									
Depreciation of Property, Plant & Equipment	231,254	265,100	449,617	266,000	205,000	205,000	450,000	476,000	505,000
Lease amortisation									
Capital asset impairment									
Depreciation resulting from revaluation of PPE							245,000	259,000	275,000
Total Depreciation & asset impairment	231,254	265,100	449,617	266,000	205,000	205,000	205,000	217,000	230,000

DRAFT ANNUAL BUDGET 2015/16-2017/18

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
Bulk purchases									
Electricity Bulk Purchases	402,772	455,813	477,745	540,000	540,000	540,000	602,000	641,130	681,521
Water Bulk Purchases	116,025	125,488	141,408	158,000	158,000	158,000	165,000	175,725	186,796
Total bulk purchases	518,797	581,301	619,153	698,000	698,000	698,000	767,000	816,855	868,317
Transfers and grants									
Cash transfers and grants	6,122	5,540	6,940	5,240	6,740	6,740	6,480	6,901	7,336
Non-cash transfers and grants	-	-	-	-	-	-	-	-	-
Total transfers and grants	6,122	5,540	6,940	5,240	6,740	6,740	6,480	6,901	7,336
<i>Contracted services</i>	39,935	56,380	66,780	75,854	75,754	75,754	74,275	79,103	84,086
<i>sub-total</i>	39,935	56,380	66,780	75,854	75,754	75,754	74,275	79,103	84,086
Total contracted services	39,935	56,380	66,780	75,854	75,754	75,754	74,275	79,103	84,086
Other Expenditure By Type									
Collection costs	-	-	-	-	-	-	-	-	-
Contributions to 'other' provisions	33,591	14,269	6,671	6,671	6,671	6,671	-	-	-
Consultant fees	-	-	-	-	-	-	-	-	-
Audit fees	2,303	3,247	4,898	3,700	3,700	3,700	-	-	-
General expenses	-	-	-	-	-	-	-	-	-
RURAL HOUSEHOLD SANITATION	-	37,634	23,973	40,000	56,142	56,142	37,000	39,405	41,888
FLEET MANAGEMENT	-	20,234	15,093	46,000	46,000	46,000	5,000	5,325	5,660
RURAL HOUSEHOLD ELECTRIFICATIO	-	23,009	38,170	25,000	31,000	31,000	77,000	82,005	87,171
CONTRIBUTION: MEDICAL AID - CO	24,573	15,458	(3,991)	16,000	16,000	16,000	6,000	6,390	6,793
PROTECTIVE CLOTHING	1,738	6,410	7,712	4,500	4,500	4,500	4,356	4,639	4,931
FREE BASIC SERVICES	9,967	7,625	7,278	8,000	8,000	8,000	22,260	23,707	25,200
SPECIAL EVENTS	9,924	1,210	11,986	8,630	8,630	8,630	8,354	8,897	9,457
FUEL AND OIL	7,922	7,113	7,706	9,500	9,500	9,500	20,000	21,300	22,642
PROMOTIONS	2,037	1,186	3,961	4,590	4,590	4,590	4,443	3,804	4,044
REBATE - ASSESSMENT RATES	1,530	9,415	-	8,000	8,000	8,000	2,000	2,130	2,264
LEGAL EXPENSES	7,032	5,615	6,375	10,500	13,500	13,500	9,920	10,565	11,230
WARD COMMITTEE MEETINGS	3,261	5,109	4,915	4,560	4,560	4,560	6,000	6,390	6,793
RENTAL - EQUIPMENT	8,388	7,474	3,821	6,427	6,412	6,412	6,628	6,993	7,364
TRAINING	2,556	7,353	7,327	9,885	9,485	9,485	11,584	12,337	13,114
FUEL AND OIL	-	-	-	-	-	-	-	-	-
SUBSCRIPTION FEES	3,478	3,993	4,628	5,046	5,046	5,046	5,747	6,063	6,385
PRINTING & STATIONARY	4,315	4,166	6,250	5,825	5,835	5,835	6,015	6,345	6,682
INSURANCE	8,451	9,172	7,275	9,722	9,727	9,727	10,291	10,857	11,433
TELEPHONE	4,913	7,174	8,929	8,209	8,209	8,209	5,694	6,007	6,325
DEPARTMENTAL CHARGES	9,891	9,862	7,221	10,810	10,810	10,810	11,436	12,065	12,704
OTHER EXPENDITURE ITEMS	78,754	162,344	135,384	75,886	77,360	77,360	82,328	90,191	96,970
Total 'Other' Expenditure	224,623	369,073	315,582	327,460	353,676	353,676	342,056	365,416	389,050
Repairs and Maintenance									
Employee related costs									
Other materials	96,881	119,343	124,975	170,000	170,600	170,600	177,210	188,728	200,618
Contracted Services									
Other Expenditure									
Total Repairs and Maintenance Expenditure	96,881	119,343	124,975	170,000	170,600	170,600	177,210	188,728	200,618

Table 55 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

Description	Vote 1 - Council	Vote 2 - Office of the Municipal Manager	Vote 3 - Strategic Planning Monitoring	Vote 4 - Engineering Services	Vote 5 - Community Services	Vote 6 - Community Development	Vote 7 - Corporate and Shared Services	Vote 8 - Planning and Economic Development	Vote 9 - Budget and Treasury	Vote 10 - Transport Operations	Total
R thousand											
Revenue By Source											
Property rates	-	-	-	-	-	-	-	-	332,477	-	332,477
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	793,523	-	-	-	-	-	-	793,523
Service charges - water revenue	-	-	-	258,995	-	-	-	-	-	-	258,995
Service charges - sanitation revenue	-	-	-	55,326	-	-	-	-	-	-	55,326
Service charges - refuse revenue	-	-	-	-	63,262	-	-	-	-	-	63,262
Service charges - other	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	1,538	14,711	-	4,972	-	-	21,221
Interest earned - external investments	-	-	-	-	-	-	-	-	31,000	-	31,000
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	31,800	-	31,800
Dividends received	-	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	64	13,602	114	-	-	-	-	13,780
Licences and permits	-	-	-	-	9,348	-	-	119	102	-	9,569
Agency services	-	-	-	-	16,596	-	-	-	-	-	16,596
Other revenue	-	-	-	366	7,844	2,489	4,479	9,518	3,885	-	28,581
Transfers recognised - operational	-	-	-	-	-	-	-	-	666,316	-	666,316
Gains on disposal of PPE	-	-	-	-	-	-	-	30,000	200	-	30,200
Total Revenue (excluding capital transfers and contributions)	-	-	-	1,108,274	112,190	17,314	4,479	44,608	1,065,780	-	2,352,645
Expenditure By Type											
Employee related costs	12,134	15,057	16,478	127,570	182,122	55,755	53,522	38,313	50,068	11,837	562,855
Remuneration of councillors	25,780	-	-	-	-	-	-	-	-	-	25,780
Debt impairment	50,000	-	-	-	-	-	-	-	-	-	50,000
Depreciation & asset impairment	309	1,469	2,380	95,129	6,707	59,450	6,174	31,962	1,052	368	205,000
Finance charges	-	-	-	-	-	-	-	-	37,000	-	37,000
Bulk purchases	-	-	-	767,000	-	-	-	-	-	-	767,000
Other materials	-	51	37	89,618	41,346	28,397	17,716	25	20	-	177,210
Contracted services	-	3,100	1,250	6,433	32,200	3,661	50	1,500	26,081	-	74,275
Transfers and grants	6,480	-	-	-	-	-	-	-	-	-	6,480
Other expenditure	30,755	4,147	2,890	140,776	20,897	29,377	72,493	7,321	33,006	276	341,936
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	125,457	23,823	23,035	1,226,525	283,272	176,640	149,954	79,121	147,227	12,481	2,247,535
Surplus/(Deficit)	(125,457)	(23,823)	(23,035)	(118,251)	(171,083)	(159,326)	(145,475)	(34,512)	918,553	(12,481)	105,110
Transfers recognised - capital	-	-	-	253,000	-	-	-	-	-	173,189	426,189
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(125,457)	(23,823)	(23,035)	134,749	(171,083)	(159,326)	(145,475)	(34,512)	918,553	160,708	531,299

Table 56 MBRR Table SA3 – Supporting detail to Statement of Financial Position

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand									
ASSETS									
Call investment deposits									
Call deposits < 90 days	220,000	220,000	110,000	220,000	220,000	220,000	330,000	300,000	295,000
Other current investments > 90 days	-	-	-	-	-	-	-	-	-
Total Call investment deposits	220,000	220,000	110,000	220,000	220,000	220,000	330,000	300,000	295,000
Consumer debtors									
Consumer debtors	604,204	604,204	574,957	624,000	624,000	624,000	634,957	683,000	763,000
Less: Provision for debt impairment	(220,759)	(220,759)	(220,759)	(310,759)	(310,759)	(310,759)	(270,759)	(360,759)	(410,759)
Total Consumer debtors	383,445	383,445	354,198	313,241	313,241	313,241	364,198	322,241	352,241
Debt impairment provision									
Balance at the beginning of the year	168,347	168,347	168,347	260,759	260,759	260,759	220,759	310,759	360,759
Contributions to the provision	52,412	52,412	52,412	50,000	50,000	50,000	50,000	50,000	50,000
Bad debts written off	-	-	-	-	-	-	-	-	-
Balance at end of year	220,759	220,759	220,759	310,759	310,759	310,759	270,759	360,759	410,759
Property, plant and equipment (PPE)									
PPE at cost/v valuation (excl. finance leases)	6,416,308	6,416,308	8,044,181	8,017,266	8,286,194	8,286,194	8,548,088	9,180,706	9,860,437
Leases recognised as PPE	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation	751,528	751,528	751,528	1,250,228	1,250,228	1,250,228	956,528	1,173,528	1,403,528
Total Property, plant and equipment (PPE)	5,664,780	5,664,780	7,292,652	6,767,038	7,035,966	7,035,966	7,591,559	8,007,177	8,456,908
LIABILITIES									
Current liabilities - Borrowing									
Short term loans (other than bank overdraft)	2,499	2,499	2,499	-	-	-	2,499	2,499	2,499
Current portion of long-term liabilities	36,385	36,385	69,294	36,806	36,806	36,806	69,294	68,794	68,794
Total Current liabilities - Borrowing	38,884	38,884	71,792	36,806	36,806	36,806	71,792	71,292	71,292
Trade and other payables									
Trade and other creditors	288,469	288,469	314,181	300,000	300,000	300,000	390,000	360,000	370,000
Unspent conditional transfers	194,553	194,553	274,579	107,662	107,662	107,662	330,000	300,000	295,000
VAT	-	-	-	-	-	-	-	-	-
Total Trade and other payables	483,022	483,022	588,760	407,662	407,662	407,662	720,000	660,000	665,000
Non current liabilities - Borrowing									
Borrowing	262,203	262,203	235,591	188,591	188,591	188,591	237,296	166,004	94,711
Finance leases (including PPP asset element)	21,269	21,269	73,498	-	-	-	-	-	-
Total Non current liabilities - Borrowing	283,472	283,472	309,088	188,591	188,591	188,591	237,296	166,004	94,711
Provisions - non-current									
Retirement benefits	160,387	160,387	186,197	175,208	175,208	175,208	186,247	204,889	246,121
List other major provision items	-	-	-	-	-	-	-	-	-
Refuse landfill site rehabilitation	3,686	3,686	4,055	4,055	4,055	4,055	4,055	4,461	4,907
Other	30,314	30,314	14,537	33,211	33,211	33,211	14,537	36,722	40,438
Total Provisions - non-current	194,387	194,387	204,789	212,474	212,474	212,474	204,839	246,071	291,466
CHANGES IN NET ASSETS									
Accumulated Surplus/(Deficit)									
Accumulated Surplus/(Deficit) - opening balance	4,664,641	4,887,043	5,717,791	5,596,321	5,459,815	5,459,815	5,569,125	5,938,346	7,297,776
GRAP adjustments	-	-	-	-	-	-	-	-	-
Restated balance	4,664,641	4,887,043	5,717,791	5,596,321	5,459,815	5,459,815	5,569,125	5,938,346	7,297,776
Surplus/(Deficit)	175,030	44,016	(36,449)	519,187	787,870	787,870	531,299	501,563	527,791
Appropriations to Reserves	-	-	-	-	136,751	136,751	-	-	-
Transfers from Reserves	-	-	-	-	-	-	-	-	-
Depreciation offsets	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	4,839,672	4,931,059	5,681,343	6,115,508	6,384,436	6,384,436	6,100,425	6,439,909	7,825,567
Reserves									
Housing Development Fund	10,755	10,755	10,444	10,848	10,848	10,848	10,394	10,344	10,294
Capital replacement	-	-	-	-	-	-	-	-	-
Self-insurance	-	-	-	-	-	-	-	-	-
Other reserves	-	-	-	-	-	-	-	-	-
Revaluation	770,839	770,839	1,918,739	770,839	770,839	770,839	1,718,739	1,518,739	570,839
Total Reserves	781,594	781,594	1,929,184	781,687	781,687	781,687	1,729,134	1,529,084	581,133
TOTAL COMMUNITY WEALTH/EQUITY	5,621,265	5,712,652	7,610,526	6,897,195	7,166,123	7,166,123	7,829,558	7,968,993	8,406,700

Table 57 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2011/12	2012/13	2013/14	Current Year	2015/16 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics											
Population	Stats SA Estimates	508	-	629	629	629	465	638	640	641	642
Females aged 5 - 14	Stats SA Estimates	47		58	58	58	66	59	59	60	60
Males aged 5 - 14	Stats SA Estimates	48		60	60	60	66	61	61	61	61
Females aged 15 - 34	Stats SA Estimates	100		123	123	123	60	125	125	126	126
Males aged 15 - 34	Stats SA Estimates	100		123	123	123	60	125	125	126	126
Unemployment	Stats SA Estimates	211		204	204	204	151	207			
Monthly household income (no. of households)											
No income	Stats SA	21,485		24,585	24,585	24,585	24,585	24,585	24,585	24,585	24,585
R1 - R4 800	Stats SA	7,473		8,551	8,551	8,551	8,551	8,551	8,551	8,551	8,551
R4801 - R9600	Stats SA	13,234		15,051	15,051	15,051	15,051	15,051	15,051	15,051	15,051
R9601 - R19600	Stats SA	30,048		34,367	34,367	34,367	34,367	34,367	34,367	34,367	34,367
R19601 - R38200	Stats SA	30,671		35,053	35,053	35,053	35,053	35,053	35,053	35,053	35,053
R38201 - R76400	Stats SA	18,216		20,794	20,794	20,794	20,794	20,794	20,794	20,794	20,794
R76401 - R153800	Stats SA	12,611		14,454	14,454	14,454	14,454	14,454	14,454	14,454	14,454
R153801 - R307600	Stats SA	11,210		12,900	12,900	12,900	12,900	12,900	12,900	12,900	12,900
R307 601- R614400	Stats SA	7,162		8,201	8,201	8,201	8,201	8,201	8,201	8,201	8,201
R614 001 - R 1 228 800	Stats SA	2,491		2,834	2,834	2,834	2,834	2,834	2,834	2,834	2,834
R1228801- R2 457 600	Stats SA	623		691	691	691	691	691	691	691	691
> R2457601	Stats SA	467		510	510	510	510	510	510	510	510
Household/demographics (000)											
Number of people in municipal area		508,277		628,999	579	638	629	638	629	629	629
Number of households in municipal area		124,978		130,361	130	130	178	157	178	178	178
Housing statistics											
Formal		99,107		110,285	110,285	110,285	171,539	135,688	171,539	171,539	171,539
Informal		25,871		20,076	20,076	20,076	6,462	20,878	6,462	6,462	6,462
Total number of households		124,978	-	130,361	130,361	130,361	178,001	156,566	178,001	178,001	178,001
Economic											
Inflation/inflation outlook (CPIX)					5.4%	6.0%	6.0%	5.1%	6.2%	5.9%	5.5%
Interest rate - borrowing					17.0%	8.8%	8.8%	9.0%	9.0%	9.0%	9.0%
Interest rate - investment					8.5%	7.5%	5.0%	5.0%	5.0%	5.0%	5.0%
Remuneration increases					8.5%	6.0%	6.0%	6.2%	6.8%	6.4%	6.4%
Consumption growth (electricity)					1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Consumption growth (water)					1.5%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Collection rates											
Property tax/service charges					95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Rental of facilities & equipment					95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Interest - external investments					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors					95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Revenue from agency services					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 58 MBRR PHA Budget

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R million									
Financial Performance									
Property rates									
Service charges									
Investment revenue	10,344	10,393	10,455	12,308	10,975	10,975	12,308	12,380	12,308
Transfers recognised - operational	5,882	5,300	6,700	5,340	6,500	6,500	6,700	7,370	8,107
Other own revenue	44	2,400	4,043	135	41	41	59	1	1
Contributions recognised - capital & contributed assets									
Total Revenue (excluding capital transfers and contributions)	16,270	18,094	21,198	17,783	17,516	17,516	19,067	19,751	20,416
Employee costs	3,325	3,003	3,521	5,244	5,415	5,415	5,443	5,770	6,116
Remuneration of Board Members	1,141	1,209	1,097	1,350	1,539	1,539	1,422	1,493	1,568
Depreciation & asset impairment	4,282	3,586	4,632	3,000	3,857	3,857	4,900	4,900	4,320
Finance charges	2,950	3,519	3,265	2,700	2,200	2,200	2,200	2,200	2,310
Materials and bulk purchases									
Transfers and grants									
Other expenditure	7,246	3,334	9,887	5,416	4,486	4,486	5,050	5,270	5,534
Total Expenditure	18,944	14,651	22,402	17,709	17,497	17,497	19,015	19,633	19,848
Surplus/(Deficit)	(2,674)	3,443	(1,204)	74	18	18	52	118	568
Capital expenditure & funds sources									
Capital expenditure									
Transfers recognised - operational									
Public contributions & donations									
Borrowing									
Internally generated funds									
Total sources	-	-	-	-	-	-	-	-	-
Financial position									
Total current assets	4,679	9,586	5,154	6,132	5,900	5,900	6,300	6,350	7,000
Total non current assets	131,274	163,507	160,235	260,235	260,235	260,235	255,000	253,000	250,000
Total current liabilities	13,415	14,002	9,630	8,241	8,250	8,250	8,150	8,000	8,500
Total non current liabilities	55,901	54,508	52,380	50,480	50,480	50,480	43,000	43,500	42,150
Equity	66,637	104,583	103,379	207,646	207,405	207,405	209,850	207,850	206,350
Cash flows									
Net cash from (used) operating	3,836	2,484	2,656	3,542	3,242	3,242	2,546	3,546	4,543
Net cash from (used) investing	(596)	813	(1,360)	812	812	812	1,356	820	856
Net cash from (used) financing	(3,143)	(3,534)	(2,128)	(2,000)	(2,150)	(2,150)	(2,554)	(2,500)	(4,000)
Cash/cash equivalents at the year end	2,330	2,093	1,262	48	58	58	100	150	123

Municipal manager's quality certificate



Office of the Municipal Manager

I, Constance T. Mametja, Municipal Manager of Polokwane Municipality, hereby certify that the 2015/16 - 2017/18 Draft Annual Budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

PRINT NAME CONSTANCE T. MAMETJA

MUNICIPAL MANAGER OF POLOKWANE MUNICIPALITY (LIM354)

SIGNATURE _____

DATE 30 MAY 2015