

2010/2011

MTREF BUDGET



[METSWEDING DISTRICT MUNICIPALITY]

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EXECUTIVE MAYOR'S REPORT

Presentation by the Honourable Executive Mayor of Metsweding District Municipality, Councillor Agnes Mlondobozi, on the Occasion of the State of the District Address (SODA) to a full Council Meeting held at Metsweding Council Chamber, on the 27th of May 2010.

Our Hon. Speaker, Councillor Jabu Mabona, I appreciate the opportunity afforded to me for the fourth time to deliver the State of the District Address. It would be appropriate to recognise the many important guests in our midst and extend our warm welcome to all of them. We have:

In terms of the Accreditation List of guests present:

We recognise the prominent presence of our fellow Councillors from District and our local municipalities of Kungwini and Nokeng Tsa Taemane and hope that they will welcome the brief report I have to present to them as a true reflection of the state of our district.

The last is saved for the best and it's a hearty welcome to our community and political representatives present here today. Metsweding recognises your strategic importance in the governance process as our conscience, helping to keep us within our Constitutional mandate with a great sense of accountability and passion.

Hon. Speaker, we meet at the most interesting times for our country and the African Continent. Two days ago we witnessed the 47th Anniversary of Africa Day that will be celebrated by our country two days later on the 29th May 2010 at Dries Niemandt Park, Kempton Park Ekurhuleni, hosted by the Department of Arts and Culture.

We are almost 15 days towards the greatest feat of all time on the African soil when our continent will, for the historic remarkable first time; host the soccer-loving global community in our country for the biggest soccer show-piece, the FIFA Soccer World Cup. Metsweding may not be the host city, but like all other South Africans, we "feel it, it is here". Africa feels it," it is here", and this is the grandest moment for us to abound with our ubuntu and shower the world with our warmest hospitality that will in future turn the fortunes of our country and continent. We need to mesmerise the world to come back beyond the World Cup and visit our lovely country and continent, and help boost Foreign Direct Investment (FDI).

Hon. Speaker, the outgoing year set itself clear targets, and this address should zoom into those with a purpose of assessing our performance as well as presenting our outlook for the 2010/11 financial year. For the latter, we recently held a Strategy session where we shaped our strategic thrust for the final year as the current term draws to a close, but also more so that Metsweding will be extending its boundaries to be part of the greater Tshwane region come the next



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local government elections. The strategy process considered the Local Government Turn-Around Strategy (LG TAS), and we also engaged in a process of fleshing out the Memorandum of Agreement we have with the Independent Development Trust (IDT), as well as examining the strategy implications like the policies, organisational structure, and budget. All these are factored in our Reviewed IDP that will in the coming week also fully include the final Reviewed IDPs of Kungwini and Nokeng Tsa Taemane.

Both the Cities of Tshwane and Ekurhuleni were participant in our Strategy Process. This was not only important because they are our neighbouring municipalities, but the fact that with the merger process between Metsweding municipalities and the City of Tshwane, and Ekurhuleni acquiring a number of farms, it becomes critical to begin to coordinate the alignment and integration around strategy and planning and on issues of policy, by-laws, etc.

However, from what we have so far, we can optimistically present our plans for 2010/11 and before the end of June 2010 I will deliver the budget speech that will attach concrete figures to our plans.

At the beginning of the current term in 2006, we set ourselves the following Strategic Priorities:

1. Co-operative governance and Transformation
2. Social and Environmental Sustainability
3. Advanced Economic Growth
4. Optimised Infrastructural Services
5. Organisational (organised) excellence

In addition, we sought to align these strategic objectives to our 2009 Manifesto Priorities that are also inclusive of the 2006 Local Government Manifesto Priorities, viz.:

1. Strengthening the developmental state and good governance
2. Promoting quality education and skills development
3. Better health care for all
4. Stimulating rural development and food security
5. Intensify fight against crime and corruption
6. Building cohesive and sustainable communities
7. Creating decent work and building a growing and inclusive economy



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It is important to caution that the above objectives and priorities are long term goals that will be realised over time but meant to be assessed and reviewed annually and after five years. We therefore give an account of how far we have moved in addressing unlimited needs that our people face with limited resources.

In the face of these priorities, we faced ever-mounting challenges that to a greater extent, limited our forward advance. These are and not limited to:

- Lack of funding – over-relying on grant funding
- Service delivery protests & looting in the process of such protests
- Insufficient capacity and Limited Human Resources both of our organisations, but for the needs of our local economy
- Huge service delivery backlogs with limited chances to address them in the immediate term
- Non spending of the grant funds and allocated budgets, especially on the HIV and AIDS program
- Poor participation by key stakeholders in the
 - IDP process.
 - Environment programmes
- Acquisition of land for Economic Development Program
- Lengthy tender processes

Despite these challenges, we managed to do much with little and achieved the following during the outgoing year:

ACHIEVEMENTS

- Consistent Unqualified Audit Reports for Metsweding and improvement in Nokeng Tsa Taemane
- All vendors paid within legislated 30 day period
- Successful ongoing 20PTP in Refilwe and Rethabiseng



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- Successful AAT Learnerships, ABET, Cooperative Support, SMME Support, Tourism Support and Emerging Farmers Capacity-Building and Development Programs
- Development of Komjekejeke Heritage Site
- Establishment of MEDA as a facilitating and enabling economic development vehicle
- Continuous support to indigent families to bury their loved ones with dignity
- Consistent response and support to informal settlements to address emergency incidents and provide urgent relief and temporary shelter
- Trained community members in basic fire fighting successfully addressing emergency incidents and extending Fire Awareness in schools – reaching over 2000 learners
- Hosting three successful Public Viewing Area events, sponsored by the Department of SACR, in preparation of 2010 FIFA World Cup
- Won the Bontle ke Botho Awards, 3 GDARD MmaTshepo Khumbane Awards (named after a prominent Metsweding Community Activist), Provincial Female Farmers' Awards (1st Runner-up: Top Producer for National Market and Top Producer Use/Backyard Gardening), National Land-care Awards,

THE FOLLOWING ARE OUR KEY REGIONAL TURN-AROUND PRIORITIES, INTENDED TO ADDRESS OUR CHALLENGES

- Water backlogs in almost informal settlements addressed – permanent solution dependent on formalisation of informal settlements
- Formalisation of Informal Settlements as a key towards sustainable human settlements for all
- Joint Municipal Action in Public Participation and Communication to build partnership with our community stakeholders
- Financial Recovery and Management Plans and Financial Management Support to Local Municipalities – Operation Clean Audits



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- Establishment of a Business Unit to Leverage external funding for Strategic Infrastructure Maintenance, Expansion and Investment and for unfunded projects
- Massive HIV and AIDS (VCT) Campaign to make contribution towards provincial target of halving new HIV infections by 2011 – mitigation action against rising child-headed families and poverty
- Skills Development Strategic thrust – Localising JIPSA and lobby for an FET College
- Campaign to establish a Regional Hospital to meet community health needs
- Extension of basic services to rural farming communities through partnership with land-owners and farmers
- Facilitate the speedy resolution and settlement of court cases impacting negatively on Local Municipality revenue collection
- Provincial acquisition, regeneration and developmental expansion of Ekandustria as regional economic catalyst against unemployment and poverty
- Coordination of the Integration and Alignment of Plans, policies and By-laws with those of COTMM to facilitate a seamless merger
- Consolidating support for MEDA within the District and to be embraced by CoT as a basis for a Developmental Agency in the new Merger Entity

Ladies and Gentlemen, it has been a great pleasure to address you, and thank you for your patience. I also would like to thank the Hon. Speaker for affording me this opportunity.

Moving Forward for a Better Future!!!

Working Together We Can Do More!!!

Councillor Agnes Mlondobozi

Executive Mayor

ITEM NO: MA49 – 2010/06/21



EXECUTIVE MAYOR'S REPORT

REFERENCE NUMBER: 5/1/1-2010/11
INITIATOR: E.V. SWEENEY
COUNCIL
21 JUNE 2010

FINANCE

APPROVAL: MTREF BUDGET FOR THE 2010/2011 FINANCIAL YEAR

Report of the Acting Municipal Manager**PURPOSE**

The purpose of this report is to **APPROVE** the Budget for the 2010/2011 Financial Year as stipulated in Section 24(1) of the MFMA and Section 16 of the Budget Regulations. The Budget must be approved before the start of the new financial year as stipulated in Section 24(2) of the MFMA.

INTRODUCTION

Administrative arrangements in respect of the budget process are set out in Sections 15 to 26 of the Local Government: Municipal Finance Management Act (MFMA), 2003 (Act No. 56 of 2003) and Sections 9-20 of the MFMA: Municipal Budget and Reporting Regulations, 2009 (General Notice No.393 of 2009). Section 69 of the MFMA also requires the preparation, submission and approval of Service Delivery and Budget Implementation Plans (SDBIP).

The budget process is also guided by National Treasury Circulars. In this regard, National Treasury has issued MFMA Circular No 13, dated 31 January 2005 on the compilation of Service Delivery and Budget Implementation Plans.

MFMA Circular No 28, dated 12 December 2005, mainly deals with the budget content and format to be complied with. It also emphasizes the importance of ensuring the compilation of a credible budget.

MFMA Circular No 41 dated 31 January 2007 deals with the 2007/08 Medium Term Revenue and Expenditure Framework (MTREF) Budget Process in detail.



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MFMA Circular No 42, dated 30 March 2007, deals with Funding a Municipal Budget and reiterates the importance of realistically anticipated revenue and sufficient cashflow planning.

MFMA Circular No 45, dated 08 February 2008, provides further guidance to municipalities and municipal entities on the preparation of their 2008/09 MTREF. It is informed by the 2007 Medium Term Budget Policy Statement (MTBPS), previous guidance issued to municipalities and other matters arising from engagements with municipalities.

MFMA Circular No 48, dated 02 March 2009, provides further guidance to municipalities and municipal entities for the preparation of their 2009/10 budgets and Medium Term Revenue and Expenditure Framework (MTREF). It is informed by the Budget Review 2009 and the 2009 Division of Revenue Bill, as well as previous guidance issued to municipalities and other issues arising from engagements between National Treasury, provincial treasuries, sector departments, municipalities and various stakeholders.

MFMA Circular No. 51, dated 19 February 2010, provides further guidance to municipalities and municipal entities for the preparation of their 2010/11 Budgets and Medium Term Revenue and Expenditure Framework (MTREF).

BACKGROUND**Principles applied in compiling the Budget**

- **General**

The national *Budget Review 2010* notes that the South African economy is slowly recovering with economic growth of 2.3 per cent projected for 2010. However, it will take some time for the economic upturn to flow through to increased municipal revenues and better cash flows. Consequently, municipal revenues and cash flows are expected to remain under pressure in 2010/11 and so municipalities should adopt a conservative approach when projecting their expected revenues and cash receipts. Municipalities should also pay particular attention to managing all revenue and cash streams effectively, especially debtors.



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Given the constraints on the revenue side, municipalities will again need to make some very tough decisions on the expenditure side this year. Priority ought to be given to:

- Ensuring that drinking water meets the required quality standards at all times;
- Protecting the poor from the worst impacts of the economic downturn;
- Supporting meaningful local economic development (LED) initiatives that foster micro and small business opportunities and job creation;
- Securing the health of their asset base (especially the municipality’s revenue generating assets) by increasing spending on repairs and maintenance; and
- Expediting spending on capital projects that are funded by conditional grants.

Municipalities must pay special attention to controlling unnecessary spending on nice-to-have items and non-essential activities, such as foreign travel, councillor and staff perks, advertising and public relations activities. Attention should also be given to ensuring value for money is obtained when using consultancy and other outsourced services.

Municipalities must also ensure that their capital budgets reflect consistent efforts to address the backlogs in basic services and the refurbishment of existing network services.

- In terms of MFMA Circular No. 51 the following headline inflation forecasts underpin the national 2010 Budget:

HEADLINE INFLATION FORECASTS					
Fiscal year	2008/09	2009/10	2010/11	2011/12	2012/13
	Actual	Estimate	Forecast		
Headline CPI Inflation	9.9%	6.7%	5.7%	6.2%	5.9%

The question does however remain regarding the reliability of these forecasts. Even when taking into consideration the global recession, markets and commodities could remain volatile as reflected by the Reserve Bank’s monetary policy committee’s decision to increase the frequency of their meetings. However, it will not be unwise to budget accordingly.



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- ❑ The guideline growth limits are only for self-generated revenue sources. It excludes the increased national allocations provided for the purposes of expanding infrastructure and providing basic services to more households.
- ❑ MFMA Circular No. 14 emphasizes the following important factors to be taken into account when compiling annual budgets:-

- *Municipalities are obliged to ensure that their budgets are balanced and all expenditure is fully funded.*
- *Municipalities must ensure that the IDP is revised and linked to resource allocations in the budget.*
- *On the operating side, it is important to continue to strive to achieve efficiency and productivity gains whilst being mindful of the implication that rapid growth in salaries & allowances will mean for service delivery.*
- *To achieve national objectives, municipalities should also strive to alter the composition of their budgets by spending more on capital and basic services and less on personnel and administration and improve the quality of spending. Municipalities are expected to maintain a clear focus on expanding infrastructure investments to encourage economic growth potential, adding impetus to the national priorities for improved spending in this area.*
- *When preparing the annual budget, the Mayor must take into account the national budget, the relevant provincial budget, the national governments fiscal and macro economic policy, the annual Division of Revenue Act and any agreements reached in the Budget Forum. This is in addition to consultation with the community and other stakeholders, including district and all local municipalities within the district.*

- ❑ MFMA Circular No. 28 mainly deals with the budget content and format to be complied with. However, an extract from the circular also emphasizes the following important aspects to ensure the compilation of a credible budget:-

“Amongst other things, a credible budget is a budget that:

- *Funds only activities consistent with the revised IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the municipality;*
- *Is achievable in terms of agreed service delivery and performance targets;*

- *Contains revenue and expenditure projections that are consistent with current and past performance and supported by documented evidence of future assumptions;*
- *Does not jeopardise the financial viability of the municipality (ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term); and*



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- *Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.*

A budget sets out certain service delivery levels and associated financial implications. Therefore the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications. Major under spending due to under collection of revenue or poor planning is a clear example of a budget that is not credible and unrealistic. Furthermore, budgets tabled for consultation at least 90 days prior to the start of the budget year should already be credible and fairly close to the final approved budget."

- **Revenue**

- The actual revenue for the 2008/2009 financial year, as well as the approved budget for the 2009/2010 financial year and the year to date results as at the end of February 2010 is used as basis for determination of projected revenue and any possible additions.
- Regional Services Council (RSC) Levies have been terminated as from the 1st of July 2006 by the Minister of Finance and has been replaced by the Equitable Share: RSC Levies Replacement Grant.
- Subsidies and Grants are based on the actual allocations as per the Division of Revenue Bill of 2010, and the Budget Statement tabled to the Gauteng Legislature by the MEC for Finance..

- **Expenditure**

- General growth parameters in terms of CPI are calculated at between 4% and 6% for the 2009/10 budget.
- The actual expenditure for the 2008/2009 financial year as well as the approved adjustments budget for the 2009/2010 financial year and the year to date results as at the end of February 2010 is used as basis for determination of projected expenditure.
- Salaries and Allowances for officials were calculated as set out below:
 - Current salaries were calculated according to all staff on the payroll as at the end of February 2010 and new appointments, in total numbering 70.
 - In addition, 7 of the approved 25 vacancies have been provided partially for at an amount of R2 million.



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- A general estimated cost of living increase in salaries of 13.8%, inclusive of a provision for the implementation of the TASK Job Evaluation and Grading was taken into account.

- ❑ In terms of Councillor Salaries, Allowances and Benefits, provision amounting to R2.82 million has been made, resulting in a budgeted salary increase of 8.5%.

- ❑ No Contributions have been made to Bad Debt Provision due to the replacement of the RSC Levies with a guaranteed grant, as from the 1st of July 2006.



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DISCUSSION

Details regarding the Operating Budget can be found in Annexure A, attached to this report. A summarised discussion of the operating budget is set out below:

- *Summary of Expenditure per Vote*

Vote	2009/10 Adj. Budget		2010/11 Tabled Budget		
	Amount (R)	% of Budget	Amount (R)	% of Budget	% INCR./ (DECR)
Executive Mayor and Speaker	7 403 435	15.8	8 436 461	15.9	7.6
Municipal Manager	3 282 605	7.0	3 011 349	5.7	5.4
Corporate and Legal Services	8 299 689	17.7	8 291 926	15.7	1.0
Development Planning and Environment	3 187 153	6.8	2 656 455	5.0	-23.5
Community Services	2 490 939	5.3	2 341 911	4.4	-20.9
Economic Development and Tourism	5 508 099	11.7	2 478 247	4.7	27.9
HIV and AIDS	3 502 244	7.5	1 632 099	3.1	-19.1
Finance	7 672 641	16.4	7 686 285	14.5	0.4
Infrastructure Services	5 579 625	11.9	16 423 782	31.0	164.3
TOTAL EXPENSES	46 926 430	100.0	52 958 515	100.0	12.9
TOTAL INCOME	38 522 053	82.1	48 333 000	91.3	25.5
Transfers To/From GGR	-471 702	-1.0	251 434	0.5	-150.8
Appropriation Accumulated Surplus	8 876 079	18.9	4 374 081	8.3	-50.7
NETT (SURPLUS)/ DEFICIT	-	-	-	-	-



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- Summary of Expenditure per GFS Classification

Consolidated Programme	2009/10 Adj. Budget		2010/11 Tabled Budget		
	Amount (R)	% of Budget	Amount (R)	% of Budget	% INCR./ (DECR)
Executive & Council	10 686 040	22.8	11 447 810	21.6	7.1
Finance & Admin	15 972 330	34.0	15 978 211	30.2	-
Planning & Development	8 695 252	18.5	5 134 702	9.7	-41.0
Health	3 502 244	7.5	1 632 099	3.1	-53.4
Community & Social Services	8 070 564	17.2	18 765 693	35.4	132.5
TOTAL EXPENSES	46 926 430	100.0	52 958 515	100.0	12.9
TOTAL INCOME	38 522 053	82.1	48 333 000	91.3	25.5
Transfers To/From GGR	-471 702	-1.0	251 434	0.5	-150.8
Appropriation Accumulated Surplus	8 876 079	18.9	4 374 081	8.3	-50.7
NETT (SURPLUS)/ DEFICIT	-	-	-	-	-



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• *Summary of Expenditure per Main Category*

Item	2009/10 Adj. Budget		2010/11 Tabled Budget		
	Amount (R)	% of Budget	Amount (R)	% of Budget	% INCR./ (DECR)
Salaries	20 188 162	43.0	22 975 981	43.3	13.8
Councillor Salaries	2 626 571	5.6	2 816 238	5.3	7.2
General Expenses	8 316 723	17.7	6 570 799	12.4	-21.0
Repairs and Maintenance	486 000	1.0	188 000	0.4	-61.3
Finance Cost	1 000	-	1 000	-	-
Depreciation	1 363 602	2.9	1 363 602	2.6	-
Loss with Disposal of Fixed Assets	50 000	0.1	1,000	-	-98.0
Contributions	0	-	0	-	-
Transfers to Local B's (CAPEX)	4 385 965	9.4	13 157 895	24.9	200.0
Transfers to Local B's (OPEX)	690 000	1.5	0	-	-100.0
Regional Services Expenditure	8 818 407	18.8	5 884 000	11.1	-33.3
TOTAL EXPENSES	46 926 430	100.0	52 958 515	100.0	12.9
TOTAL INCOME	38 522 053	82.1	48 333 000	91.3	25.5
Transfers To/From GGR	-471 702	-1.0	251 434	0.5	-150.8
Appropriation Accumulated Surplus	8 876 079	18.9	4 374 081	8.3	-50.7
NETT (SURPLUS)/ DEFICIT	-	-	-	-	-

From the above the following remarks:-

- The proposed expenditure framework above has been used in the current drafts and must be adopted as Budget Policy.
- The total operating expenditure budget shows an increase of 12.9%. This is mainly as a result of the substantial increase in grant funding.



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- ❑ Salaries reflect a significant increase of 13.8% and represents 43.3% of budget. A general estimated cost of living increase in salaries of 13.8%, inclusive of a provision for the implementation of the TASK Job Evaluation and Grading was taken into account as agreed at the Local Government Bargaining Council. The budget provide for 77 posts, including 7 partially funded vacancies. Even without rendering bulk services with a high turnover such as electricity, water, sanitation and waste management, salaries are still too high. It is evident that the continuous rise in the wage bill is threatening solvency, and as such stringent measures such as the freezing of vacancies will have to be implemented.
- ❑ Councillors' Salaries, Allowances and Benefits reflect a 8.5% increase and represents 5.3% of the budget. Salaries are calculated in terms of the current gazetted upper limits, plus an 8.5% cost-of-living increase.
- ❑ General Expenses reflect a significant drop of 21% and represent 12.4% of budget. Firstly, the significant increase in salaries mentioned above resulted in a reduction in consultancy fees due to the enhanced capacity at organisational level. Secondly, the introduction of new cost saving measures with regard to telephones, fuel for vehicles and subsistence and travel resulted in a budget decrease. Thirdly, due to all grant funding having to be spent in the year of receipt, there will be fewer rollovers from previous years' allocations.
- ❑ Repairs and Maintenance drops by a substantial 61.3% and represent 0.4% of budget. The reduction of estimated expenditure is mainly due to the once-off expenditure with regard to the structural repairs to the roof of the premises at 43 Lanham Street..
- ❑ Transfers to Local B Municipalities (CAPEX) increases by 200% and represent 24.9% of budget. This expenditure is a welcome relief from the small budgets of previous years and reflects the first phase of the Neighbourhood Development Partnership Grant, funded by National Treasury. The total expenditure over the MTEF will amount to R59 million.
- ❑ Regional Services Expenditure reflects a drop of 33.3% and represents 11.1% of the budget. This huge reduction is mainly due to the withdrawal by the Department of Economic Development from the funding of the Metsweding Entrepreneurial Development Centre (MEDC).
- ❑ In terms of the Programme approach to budgeting, it is worrisome to note that 52% of the budget is allocated to the combined programmes of Council & Executive and Finance & Administration. Only 48% of the budget is allocated to Planning & Development, Health and Community & Social Services.
- **Sources of Revenue**



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The estimated sources of revenue are set out below and are indicative of the current revenue base.

Item	2009/10 Adj. Budget		2010/11 Tabled Budget		
	Amount (R)	% of Budget	Amount (R)	% of Budget	% INCR./ (DECR)
TOTAL EXPENSES	46 926 430	100.0	52 958 515	100.0	12.9
Sundry Income	262 944	0.7	2 318 000	4.8	781.6
Interest Received	1 500 000	3.9	1 000 000	2.1	-33.3
Provincial Grants and Subsidies	5 110 114	13.3	2 000 000	4.1	-60.9
Government Grants and Subsidies	31 648 995	82.2	43 015 000	89.0	35.9
TOTAL INCOME	38 522 053	82.1	48 333 000	91.3	25.5
Transfers To/From GGR	-471 702	-1.0	251 434	0.5	-150.8
Appropriation Accumulated Surplus	8 876 079	18.9	4 374 081	8.3	-50.7
NETT (SURPLUS)/ DEFICIT	-	-	-	-	-

From the above the following remarks:-

- The total current revenue budget increases by 25.5%. This is mainly as a result of an increase in grant funding.
- Sundry Income increases by 781.6% and represents 4.5% of the revenue budget. This is mainly as a result of the funding of the Electricity Master Plan by the DBSA.
- Interest Received drops by 33.3% and represents 2.1% of the revenue budget. The substantial drop can be attributed to a high net outflow of cash, as well as the lowest rates since the establishment of the municipality.
- Provincial Grants and Subsidies increases by 60.9% and represent 4.1% of the revenue budget. This grant comprises of R1 mil committed by GDARD for Environmental Management, as well as a possible rollover of R1 mil for HIV and AIDS. The substantial drop is mainly due to an amount of R7,2 million that



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has been included as part of the Budget Statement tabled to the Gauteng Legislature by the MEC for Finance, however none has been gazetted. A senior delegation from the municipality will request an audience with the MEC in an attempt to remedy this unfortunate situation.

- ❑ Government Grants and Subsidies increase by 35.9% and comprises 89% of the revenue budget. The municipality is fully dependent on grant funding.
- ❑ The deficit before Appropriations is funded through the Transfers from the Government Grant Reserve to offset depreciation charges of R251,434 and an additional Appropriation of the Accumulated Surplus of R4,374,081. Appropriations represents 90% of Reserves. Cashflow will remain positive, albeit with a net outflow over the short term.
- **Discussion of the Capital Budget**

In terms of MFMA Circular No. 14 only capital projects for which funding have been secured may be included in the Capital Budget. The Capital Budget for the 2010/11 financial year is funded from Available Cash (100%). The Capital Budget amounts to R260,000 as set out below:

CAPITAL FROM RESERVES	YEARS	2010/11 BUDGET	2010/11 DEPR.	2011/12 DEPR.	2012/13 DEPR.
Replacement: Office Furniture	7	10 000	21,429	21,429	21,429
Replacement: Office Equipment	3	50 000	30,000	30,000	30,000
Replacement: Other Furniture & Equipment	3	50 000	30,000	30,000	30,000
Replacement: Computers & Computer Equipment	3	100 000	254,497	254,497	254,497
Replacement: IT Network	5	50 000	10,000	10,000	10,000
TOTAL		260 000	78 096	78 096	78 096

- **Service Delivery and Budget Implementation Plans**



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MFMA Circular No. 13 emphasised the following important information with regards to the compilation of SDBIP's:-

The SDBIP gives effect to the Integrated Development Plan (IDP) and budget of the municipality and will be possible if the IDP and budget are fully aligned with each other, as required by the MFMA. The budget gives effect to the strategic priorities of the municipality and is not a management or implementation plan. The SDBIP therefore serves as a "contract" between the administration, council and community expressing the goals and objectives set by the council as quantifiable outcomes that can be implemented by the administration over the next twelve months. This provides the basis for measuring performance in service delivery against end-of-year targets and implementing the budget.

The SDBIP provides the vital link between the mayor, council (executive) and the administration, and facilitates the process for holding management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that will assist the mayor, councillors, municipal manager, senior managers and community. A properly formulated SDBIP will ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic objectives set by council. It enables the municipal manager to monitor the performance of senior managers, the mayor to monitor the performance of the municipal manager, and for the community to monitor the performance of the municipality.

The SDBIP should therefore determine (and be consistent with) the performance agreements between the mayor and the municipal manager and the municipal manager and senior managers determined at the start of every financial year and approved by the mayor. It must also be consistent with outsourced service delivery agreements such as municipal entities, public-private partnerships, service contracts and the like.

Being a management and implementation plan (and not a policy proposal), the SDBIP is not required to be approved by the council – it is however tabled before council and made public for information and for purposes of monitoring. The SDBIP should be seen as a dynamic document that may (at lower layers of the plan) be continually revised by the municipal manager and other top managers, as actual performance after each month or quarter is taken into account. However, the top-layer of the SDBIP and its targets cannot be revised without notifying the council, and if there is to be changes in service delivery targets and performance indicators, this must be with the approval of the council, following approval of an adjustments budget (section 54(1)(c) of MFMA). Thus council approval is necessary to ensure that the mayor or municipal manager do not revise service delivery targets downwards in the event where there is poor performance.

An extract from section 69 of the MFMA reads as follow:-



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*“(3) The accounting officer must no later than 14 days after the approval of an annual budget submit to the mayor-
 (a) a draft service delivery and budget implementation plan for the budget year, and
 (b) drafts of the annual performance agreements as required in terms of section 57(1)(b) of the Municipal Systems for the municipal manager and all senior managers.”*

Section 53(1)(c)(i) of the MFMA requires the Mayor to approve the SDBIP's within 28 days after the approval of the budget.

SDBIP's should be developed parallel to compilation of the Budget and still needs to be compiled and then finalised before submission to Council. This matter should be noted by Council. A Draft SDBIP is attached as part of the budget documents.

- **General Remarks**

It is our submission that the 2010/11 Tabled Budget complies with Section 18 of the MFMA and is fully funded in terms of known revenue sources and cash backed accumulated reserves. Please note the following:-

- The municipality may not budget for a deficit.
- The budget provides for realistic projected revenue.
- Serious attention should be given to the finalisation of the Service Delivery and Budget Implementation Plans (SDBIP) by all Heads of Departments before the 31st of March 2010.
- The Budget must be communicated to the general public, National Treasury and the MEC's responsible for Finance and Local Government.
- Copies of the Budget, after approval, must be submitted to National Treasury, Gauteng Provincial Treasury, Gauteng Department of Local Government, Kungwini Local Municipality and Nokeng Tsa Taemane Local Municipality.
- Council must consider approval of the Final Budget of the 2010/11 financial year not later than 31st of May 2010, and must approve the Budget before the start of the financial year, as stipulated in Section 24 of the MFMA.

ANNEXURES

A. MTREF Budget and Draft SDBIP for the 2010/11 Financial Year



EXECUTIVE MAYOR'S REPORT**RECOMMENDATION**

Recommended by the Acting Municipal Manager

BUDGET RESOLUTIONS FOR APPROVAL

1. That in terms of Section 24 of the Municipal Finance Management Act, 56 of 2003 the Annual Budget of the Metsweding District Municipality for the financial year 2010/2011, and indicative for the two projected outer years 2011/2012 and 2012/2013 be **APPROVED** as set-out in the following tables:-
 - 1.1 Budgeted Financial Performance, Revenue by Standard Classification, by Municipal Vote and by Source to the amount of R48,333,000-00;
 - 1.2 Budgeted Financial Performance, Expenditure by Standard Classification, by Municipal Vote and by Type to the amount of R52,958,515-00;
 - 1.3 Single Year Capital Appropriations by Municipal Vote, by Standard Classification and by Associated Funding by Source to the amount of R260,000-00;
 - 1.4 Capital by source of funding reflected in Schedule 4 to the amount of R260,000-00;.
2. That the Financial Position, Cash Flows, Cash Backed Accumulated Surplus and Asset Management be **ADOPTED** as set out in the following tables:-
 - 2.1 Budgeted Financial Position;
 - 2.2 Budgeted Cash Flows;
 - 2.3 Cash Backed Reserves and Accumulated Surplus Reconciliation;



EXECUTIVE MAYOR'S REPORT

2.4 Asset Management.

3. Council resolves that, due to the fact that the Regional Services Council Levies has been replaced by the Equitable Share: RSC Levies Replacement Grant with effect from 01 July 2006, no tariff be set for Regional Services and Regional Establishment Levies.
4. That in terms of section 24(2)(c)(iii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework as set out in Supporting Table SA7 be approved.
5. That in terms of section 24(2)(c)(v) of the Municipal Finance Management Act, 56 of 2003, the budget-related policies, including any amendments be approved for the budget year 2010/2011.

The Section 80 Portfolio Committee recommended to the Mayoral Committee as follows:**RECOMMENDATIONS****BUDGET RESOLUTIONS FOR APPROVAL**

1. That in terms of Section 24 of the Municipal Finance Management Act, 56 of 2003 the Annual Budget of the Metsweding District Municipality for the financial year 2010/2011, and indicative for the two projected outer years 2011/2012 and 2012/2013 be **APPROVED** as set-out in the following tables:-
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 - 1.2 Budgeted Financial Performance, Expenditure by Standard Classification, by Municipal Vote and by Type to the amount of R52,958,515-00;
 - 1.3 Single Year Capital Appropriations by Municipal Vote, by Standard Classification and by Associated Funding by Source to the amount of R260,000-00;



EXECUTIVE MAYOR'S REPORT

- 1.4 Capital by source of funding reflected in Schedule 4 to the amount of R260,000-00;.
2. That the Financial Position, Cash Flows, Cash Backed Accumulated Surplus and Asset Management be **ADOPTED** as set out in the following tables:-
 - 2.1 Budgeted Financial Position;
 - 2.2 Budgeted Cash Flows;
 - 2.3 Cash Backed Reserves and Accumulated Surplus Reconciliation;
 - 2.4 Asset Management.
3. Council resolves that, due to the fact that the Regional Services Council Levies has been replaced by the Equitable Share: RSC Levies Replacement Grant with effect from 01 July 2006, no tariff be set for Regional Services and Regional Establishment Levies.
4. That in terms of section 24(2)(c)(iii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework as set out in Supporting Table SA7 be approved.
5. That in terms of section 24(2)(c)(v) of the Municipal Finance Management Act, 56 of 2003, the budget-related policies, including any amendments be approved for the budget year 2010/2011.



EXECUTIVE MAYOR'S REPORT

The Mayoral Committee recommended to Council as follows:
RECOMMENDATIONS

BUDGET RESOLUTIONS FOR APPROVAL

1. That in terms of Section 24 of the Municipal Finance Management Act, 56 of 2003 the Annual Budget of the Metsweding District Municipality for the financial year 2010/2011, and indicative for the two projected outer years 2011/2012 and 2012/2013 be **APPROVED** as set-out in the following tables:-
 - 1.1 Budgeted Financial Performance, Revenue by Standard Classification, by Municipal Vote and by Source to the amount of R48,333,000-00;
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 - 1.3 Single Year Capital Appropriations by Municipal Vote, by Standard Classification and by Associated Funding by Source to the amount of R260,000-00;
 - 1.4 Capital by source of funding reflected in Schedule 4 to the amount of R260,000-00;.
2. That the Financial Position, Cash Flows, Cash Backed Accumulated Surplus and Asset Management be **ADOPTED** as set out in the following tables:-
 - 2.1 Budgeted Financial Position;
 - 2.2 Budgeted Cash Flows;
 - 2.3 Cash Backed Reserves and Accumulated Surplus Reconciliation;



EXECUTIVE MAYOR'S REPORT

2.4 Asset Management.

3. Council resolves that, due to the fact that the Regional Services Council Levies has been replaced by the Equitable Share: RSC Levies Replacement Grant with effect from 01 July 2006, no tariff be set for Regional Services and Regional Establishment Levies.
4. That in terms of section 24(2)(c)(iii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework as set out in Supporting Table SA7 be approved.
5. That in terms of section 24(2)(c)(v) of the Municipal Finance Management Act, 56 of 2003, the budget-related policies, including any amendments be approved for the budget year 2010/2011.



RESOLUTIONS

Attached are the following Budget, IDP and related resolutions of Council, adopted at the fifth ordinary Council meeting of the Metsweding District Municipality held on 21 June 2010:

- A. ITEM NO: MA44-2010/06/21
EXECUTIVE MAYOR'S OFFICE
COUNCIL DEBATE ON THE STATE OF THE DISTRICT ADDRESS (SODA)

- B. ITEM NO: MA46-2010/06/21
EXECUTIVE MAYOR'S OFFICE
2010 – 2013 FINAL DISTRICT STRATEGY

- C. ITEM NO: MA49-2010/06/21
FINANCE
FOR APPROVAL: MTREF BUDGET FOR THE 2010/2011 FINANCIAL YEAR
BUDGET RESOLUTIONS FOR APPROVAL

- D. ITEM NO: MA50-2010/06/21
DEVELOPMENT PLANNING AND ENVIRONMENT
METSWEDING DISTRICT MUNICIPALITY (MDM) INTEGRATED DEVELOPMENT PLAN (IDP) REVIEW FOR 2010/11



EXECUTIVE SUMMARY

1. Summary of Budgeted Financial Performance (Table A4)

DC46 Metsweding - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	2006/7	2007/8	2008/9	Current Year 2009/10				2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand										
Revenue By Source										
Service charges - other	95									
Interest earned - external investments	2 732	3 553	2 928	1 226	1 500	1 500	435	1 000	1 050	1 103
Interest earned - outstanding debtors	1									
Agency services	6 415									
Transfers recognised - operational	22 899	29 013	32 500	34 288	36 759	36 759	22 012	45 015	47 307	44 338
Other revenue	3 483	427	1 169	170	257	257	257	2 317	417	438
Total Revenue (excluding capital transfers and contributions)	35 625	32 992	36 674	35 685	38 522	38 522	22 710	48 333	48 775	45 879
Expenditure By Type										
Employee related costs	16 351	12 055	15 069	20 384	20 188	20 188	12 639	22 976	24 642	25 875
Remuneration of councillors	2 058	2 151	2 373	2 536	2 627	2 627	1 745	2 816	2 985	3 134
Debt impairment	0	10								
Depreciation & asset impairment	655	949	987	1 314	1 364	1 364	1 225	1 364	1 364	1 364
Finance charges			1		1	1	1	1		
Transfers and grants	1 528	2 891	62	4 386	5 076	5 076	730	13 158	8 772	8 772
Other expenditure	14 177	15 090	20 939	13 354	17 621	17 621	10 455	12 643	10 983	6 971
Loss on disposal of PPE		116	173	1	50	50		1	1	1
Total Expenditure	34 768	33 263	39 604	41 975	46 926	46 926	26 794	52 959	48 747	46 116
Surplus/(Deficit) for the year	857	(270)	(2 930)	(6 290)	(8 404)	(8 404)	(4 084)	(4 626)	28	(237)



EXECUTIVE SUMMARY***1(a) Summary of Expenditure by Type***

The total operating expenditure budget increase by 12.9%. This is mainly as a result of an increase in grant funding.

Salaries increase by 13.8% and represents 43.3% of budget. A general estimated cost of living increase in salaries of 13.8%, inclusive of a provision for the implementation of the TASK Job Evaluation and Grading was taken into account as agreed at the Local Government Bargaining Council. The budget provide for 77 posts, including 7 partially funded vacancies. Even without rendering bulk services with a high turnover such as electricity, water, sanitation and waste management, salaries are still too high. It is evident that the continuous rise in the wage bill is threatening solvency, and as such stringent measures such as the freezing of vacancies will have to be implemented. As can be viewed from the charts below, salaries continue to increase in relation to other expenditure types. This is mainly due to continuous negotiated salary agreements in excess of inflation.

Councillors' Salaries, Allowances and Benefits increase by 8.5% and represents 5.3% of the budget. Salaries are calculated in terms of the current gazetted upper limits, plus an 8.5% cost-of-living increase.

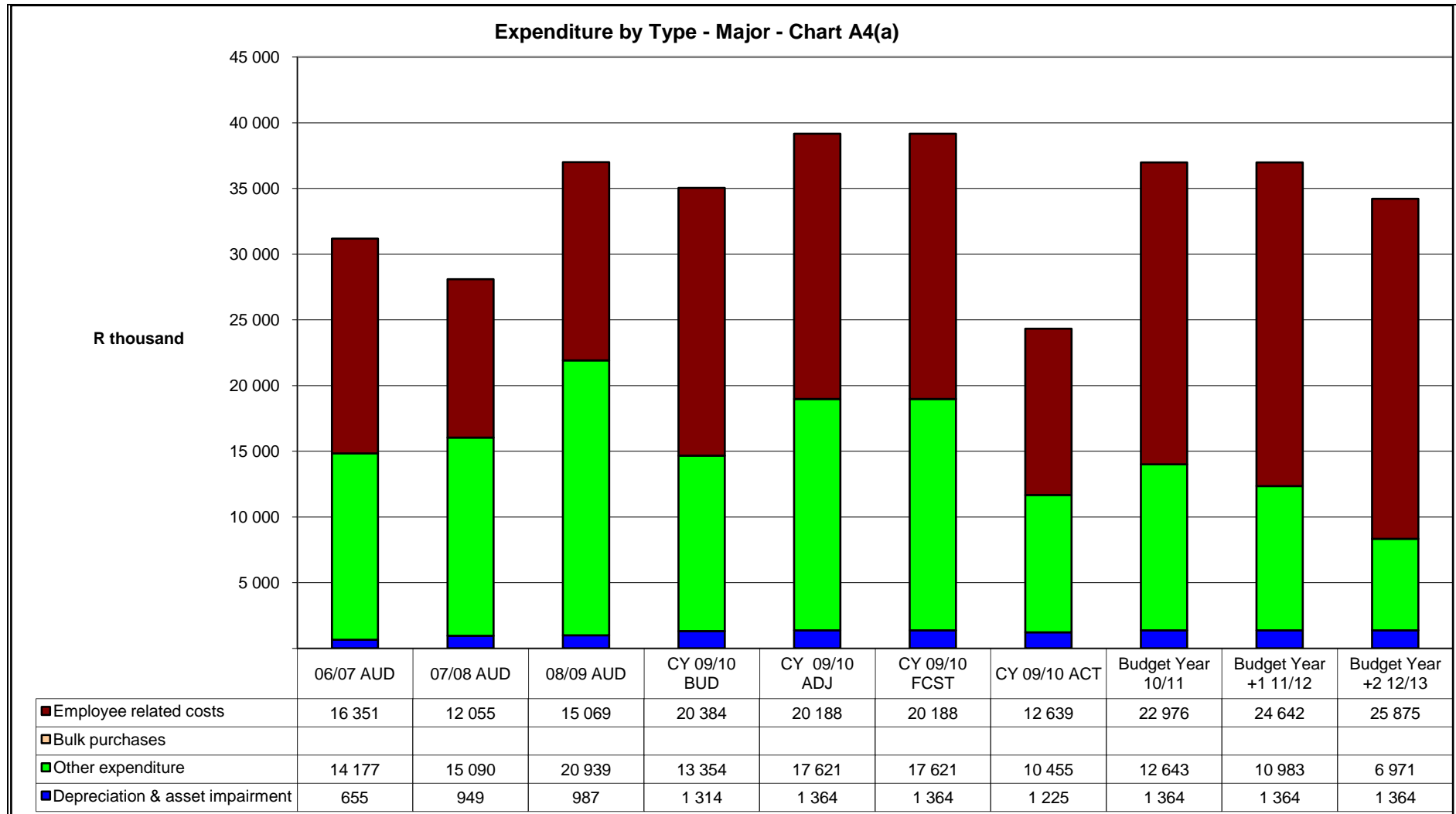
Other Expenditure includes:

- (a) General Expenses that drop by 21% and represent 12.4% of budget;
- (b) Repairs and Maintenance that drop by a substantial 61.3% and represent 0.4% of budget;
- (c) Transfers to Local B Municipalities (CAPEX) that increase by 200% and represent 24.9% of budget; and
- (d) Regional Services Expenditure drop by 33.3% and represent 11.1% of the budget.

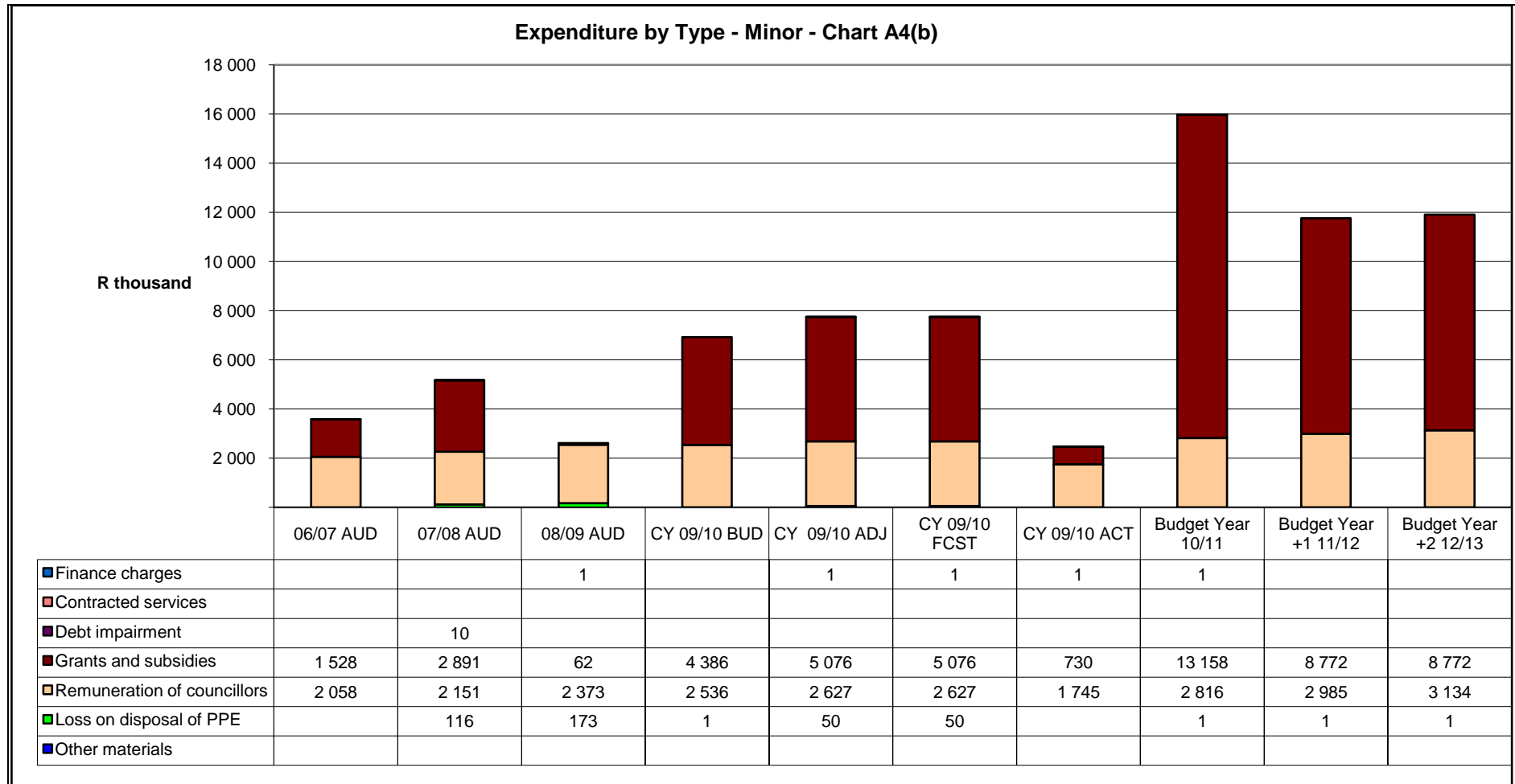
Firstly, the significant increase in salaries mentioned above resulted in a reduction in consultancy fees due to the enhanced capacity at organisational level. Secondly, the introduction of new cost saving measures with regard to telephones, fuel for vehicles and subsistence and travel resulted in a budget decrease. Thirdly, due to all grant funding having to be spent in the year of receipt, there will be fewer rollovers from previous years' allocations. Fourthly, the reduction of Repairs and Maintenance is mainly due to the once-off expenditure with regard to the structural repairs to the roof of the premises at 43 Lanham Street. Fifthly, the increase in Transfers is a welcome relief from the small budgets of previous years and reflects the first phase of the Neighbourhood Development Partnership Grant, funded by National Treasury. The total expenditure over the MTEF will amount to R59 million. Finally, the reduction of Regional Services is mainly due to the withdrawal by the Department of Economic Development from the funding of the Metsweding Entrepreneurial Development Centre (MEDC).



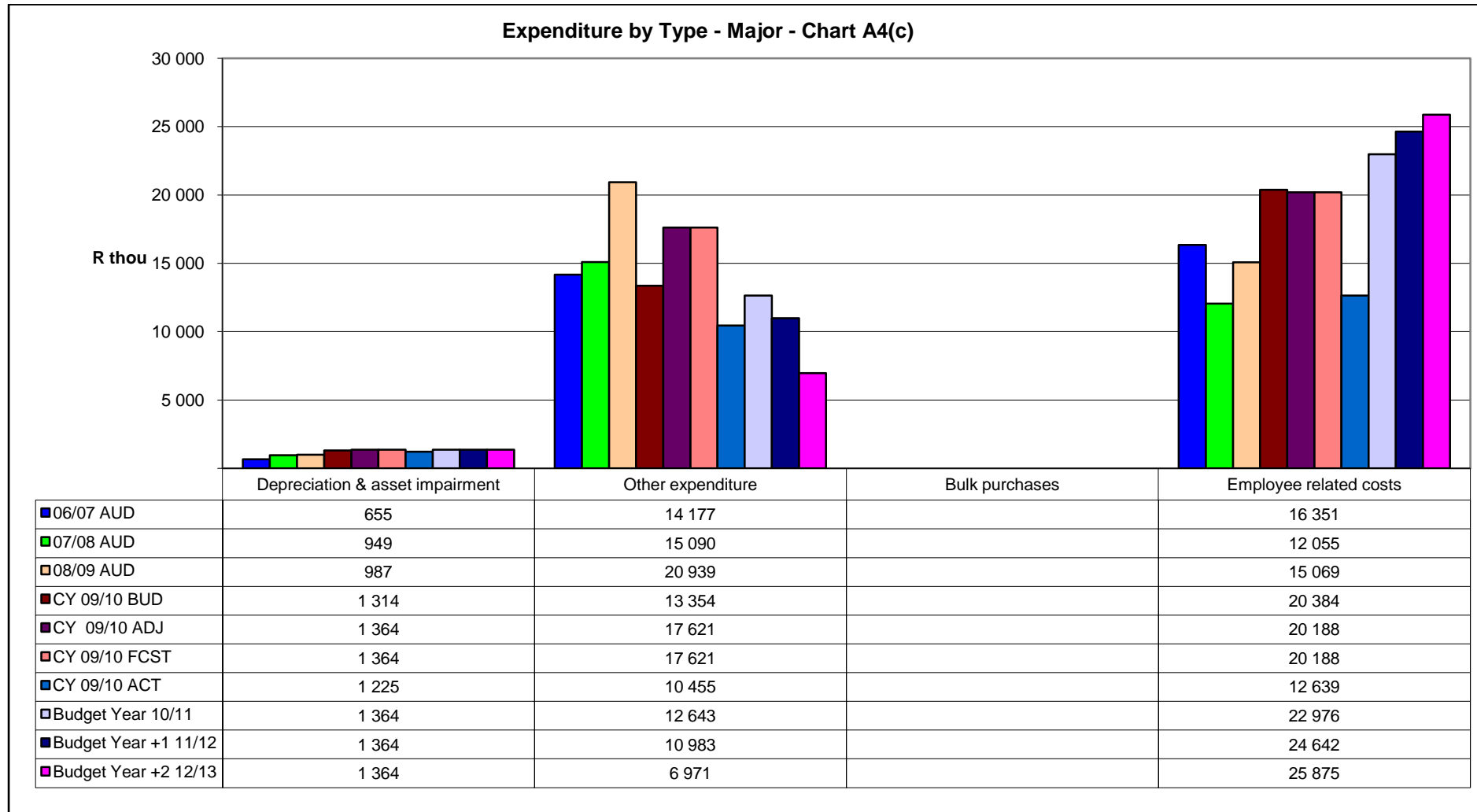
EXECUTIVE SUMMARY



EXECUTIVE SUMMARY



EXECUTIVE SUMMARY



EXECUTIVE SUMMARY***1(b) Summary of Revenue by Source***

The total current revenue budget increases by 25.5%. This is mainly as a result of an increase in grant funding.

Other Income increases by 781.6% and represents 4.5% of the revenue budget. This is mainly as a result of the joint funding of the Electricity Master Plan by the DBSA.

Interest Received drops by 33.3% and represents 2.1% of the revenue budget. The substantial drop can be attributed to a high net outflow of cash, as well as the lowest rates since the establishment of the municipality.

Transfers include:

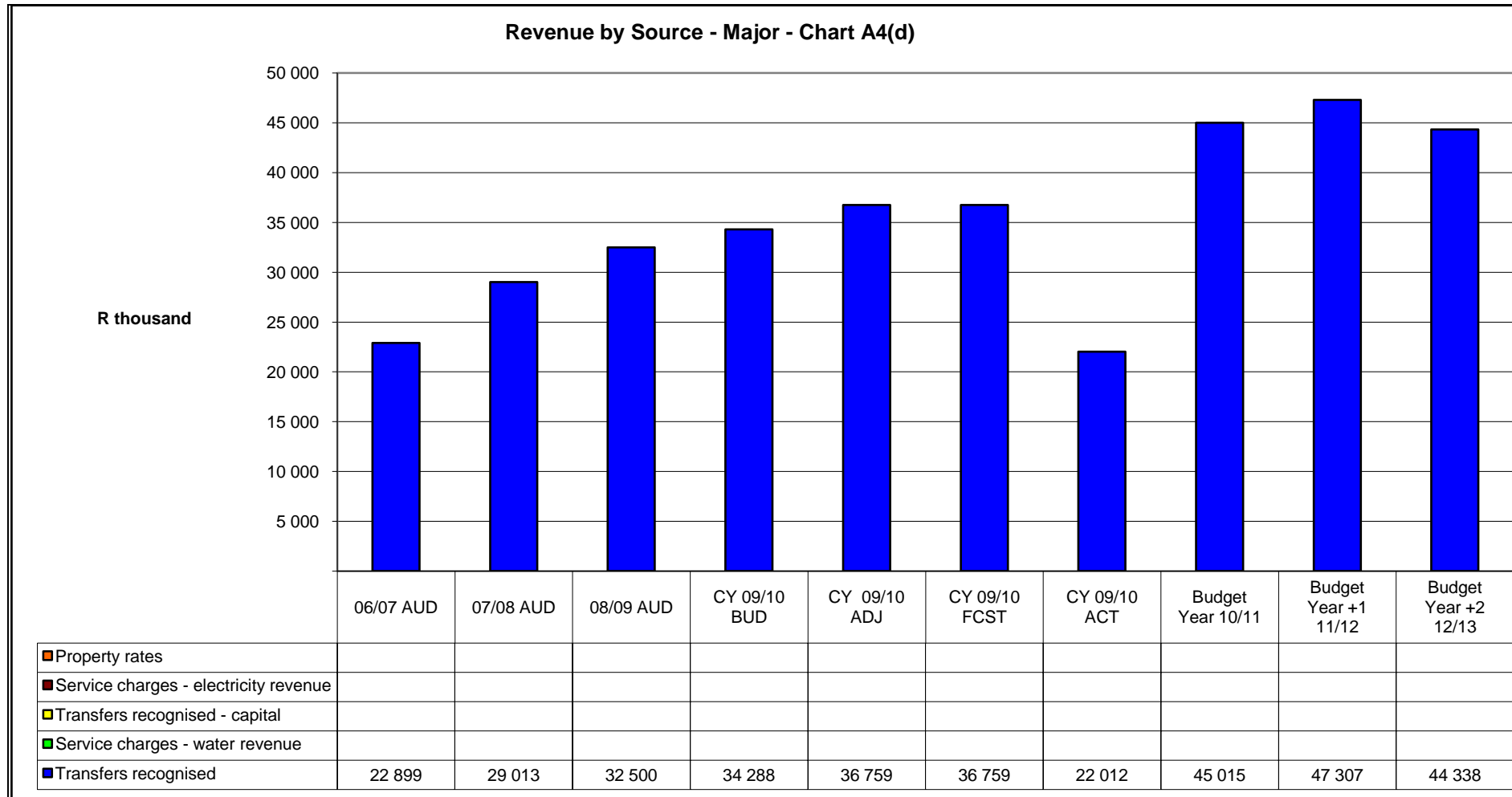
- (b) Provincial Grants and Subsidies that increase by 60.9% and represent 4.1% of the revenue budget; and
- (c) Government Grants and Subsidies that increase by 35.9% and comprises 89% of the revenue budget.

Provincial Grants and Subsidies comprises of R1 mil committed by GDARD for Environmental Management in writing, as well as the rollover of R1 mil for HIV and AIDS due to the fact that the Department has pulled out of the programme due to lack of funding. The substantial drop is mainly due to an amount of R7,2 million that has been included as part of the Budget Statement tabled to the Gauteng Legislature by the MEC for Finance, however none has been gazetted. A senior delegation from the municipality will request an audience with the MEC in an attempt to remedy this unfortunate situation. The increase in Government Grants is mainly due to an increase in the Neighbourhood Development Partnership Grant. The municipality is fully dependent on grant funding.

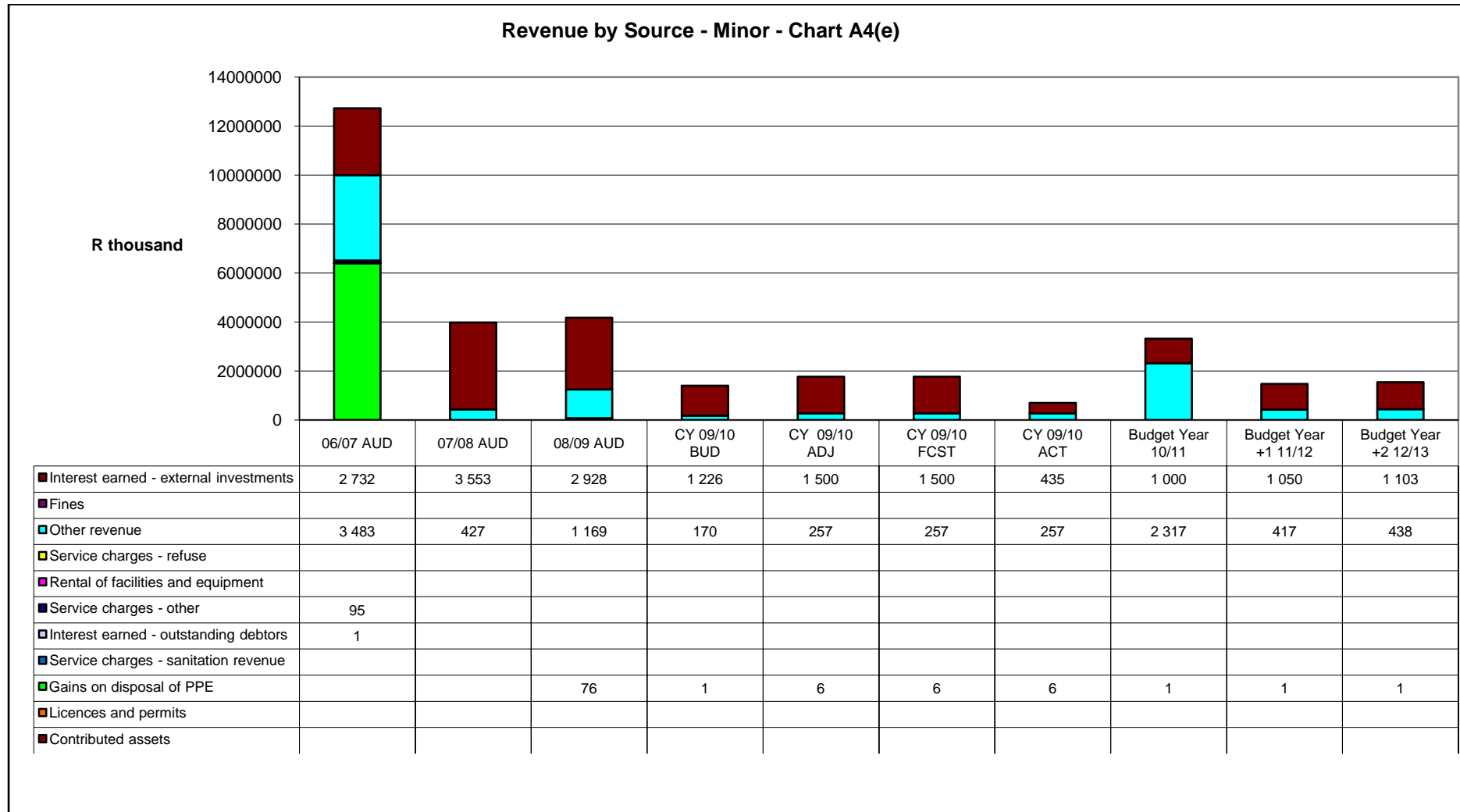
The above trends are clearly illustrated in the charts below.



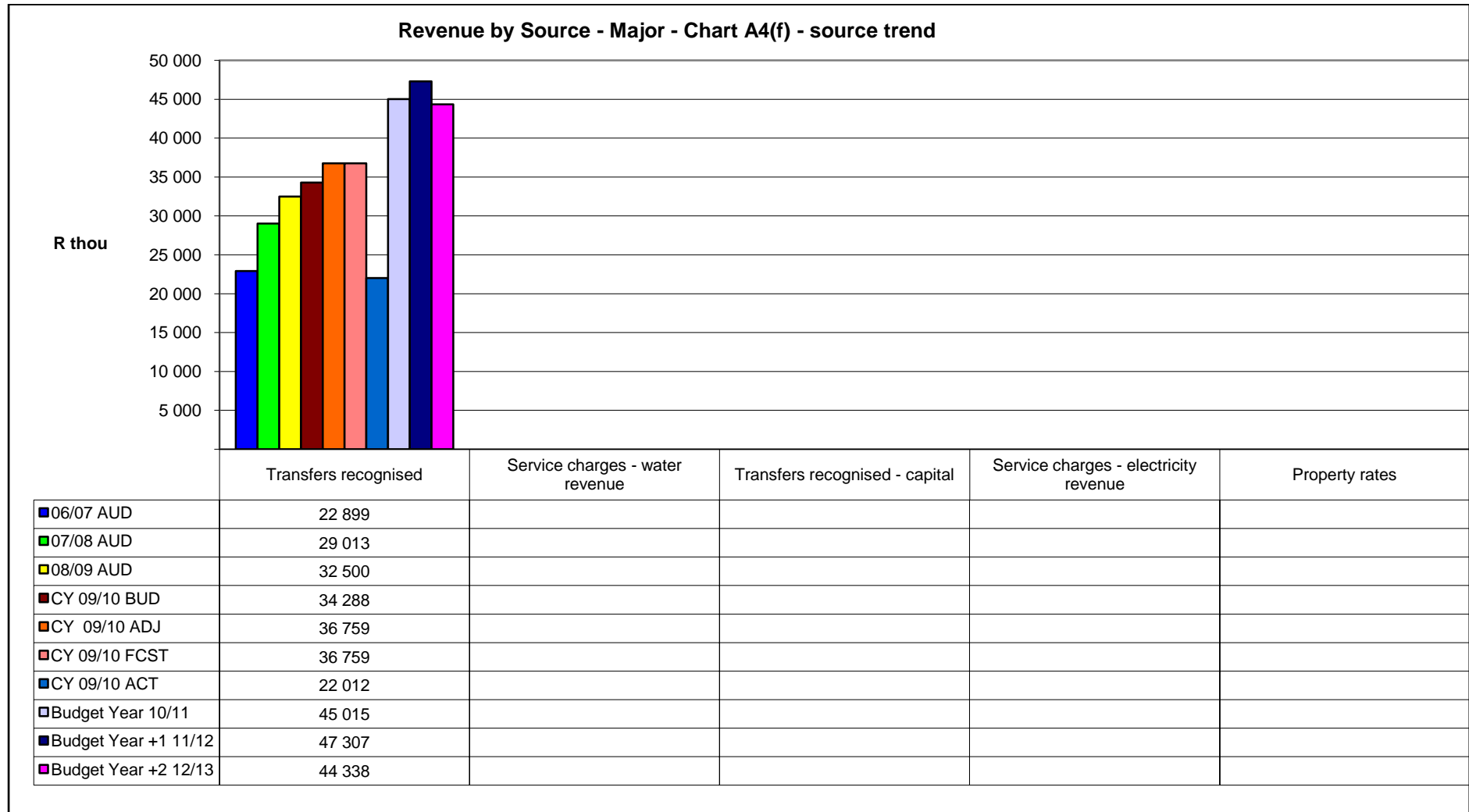
EXECUTIVE SUMMARY



EXECUTIVE SUMMARY



EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

2. Summary of Budgeted Financial Performance by Standard Classification (Table A2)

DC46 Metsweding - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description R thousand	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Revenue - Standard									
Governance and administration	23 276	26 255	28 478	26 749	27 857	27 857	29 413	31 175	32 979
Executive and council	636	536	617	744	744	744	834	886	930
Budget and treasury office	22 640	25 719	27 861	26 005	27 113	27 113	28 579	30 289	32 049
Community and public safety	7 332	1 991	3 907	8 786	9 589	9 589	17 920	10 000	10 000
Community and social services	-	-	736	5 786	6 589	6 589	16 920	10 000	10 000
Health	7 332	1 991	3 171	3 000	3 000	3 000	1 000	-	-
Economic and environmental services	5 017	4 747	4 289	150	1 075	1 075	1 000	7 600	2 900
Planning and development	5 017	4 747	4 289	150	1 075	1 075	1 000	7 600	2 900
Total Revenue - Standard	35 625	32 992	36 674	35 685	38 522	38 522	48 333	48 775	45 879
Expenditure - Standard									
Governance and administration	17 834	18 747	23 957	23 556	26 658	26 658	27 426	24 648	25 707
Executive and council	7 237	7 993	8 917	10 502	10 686	10 686	11 448	11 275	11 719
Budget and treasury office	5 754	4 835	7 005	6 637	7 673	7 673	7 686	7 219	7 626
Corporate services	4 843	5 919	8 036	6 417	8 300	8 300	8 292	6 155	6 362
Community and public safety	10 676	6 920	5 670	10 512	11 573	11 573	20 398	13 628	13 870
Community and social services	2 668	4 929	2 499	7 512	8 071	8 071	18 766	12 682	12 877
Health	8 008	1 991	3 171	3 000	3 502	3 502	1 632	946	993
Economic and environmental services	6 259	7 596	9 977	7 907	8 695	8 695	5 135	10 471	6 539
Planning and development	6 259	7 596	9 977	7 907	8 695	8 695	5 135	10 471	6 539
Total Expenditure - Standard	34 768	33 263	39 604	41 975	46 926	46 926	52 959	48 747	46 116
Surplus/(Deficit) for the year	857	(270)	(2 930)	(6 290)	(8 404)	(8 404)	(4 626)	28	(237)

It is worrisome to note that 52% of the budget is allocated to Governance and Administration, whilst only 48% of the budget is allocated to Planning & Development, Health and Community & Social Services.



EXECUTIVE SUMMARY

3. Summary of Budgeted Financial Performance by Municipal Vote (Table A3)

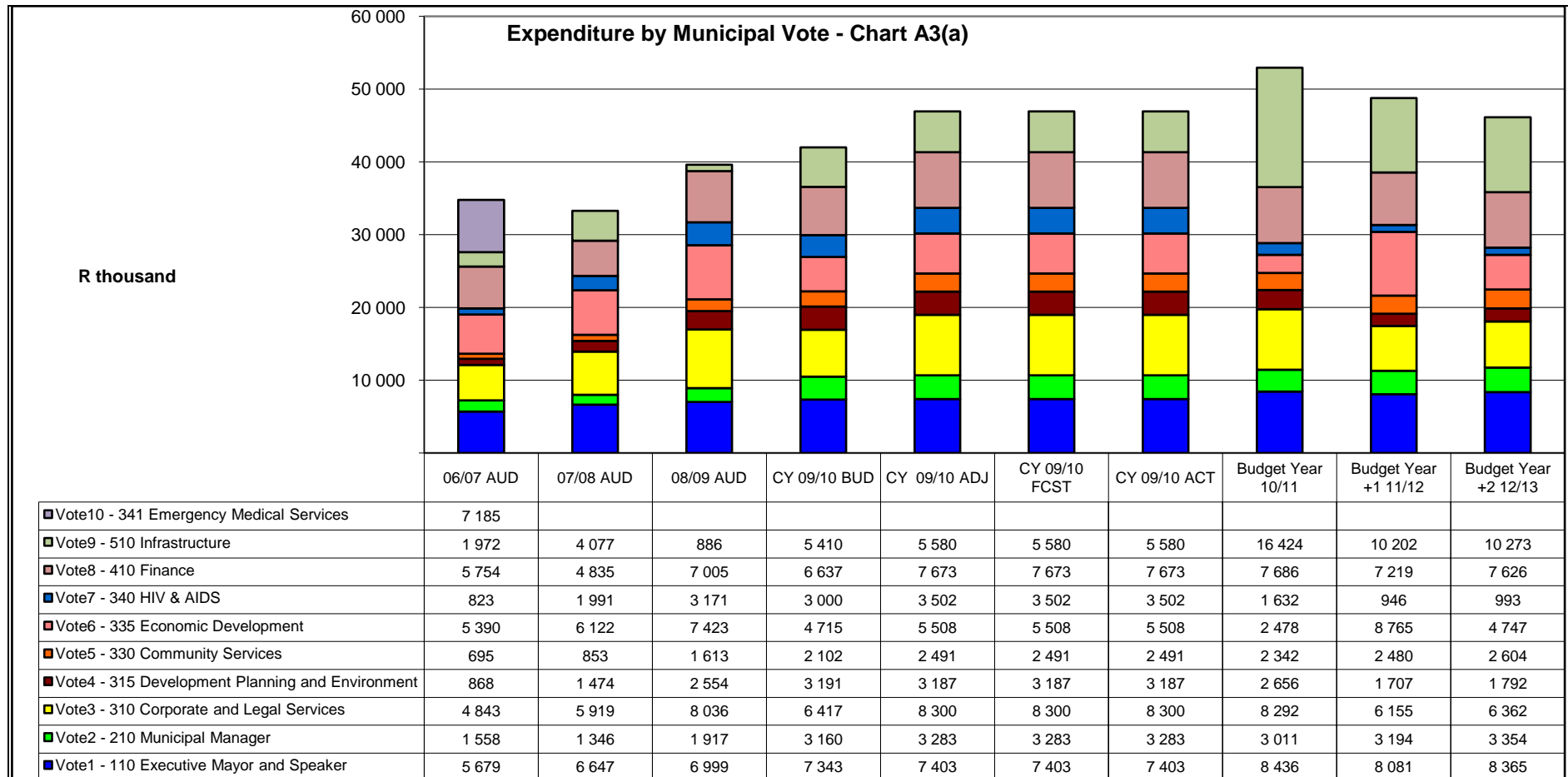
DC46 Metsweding - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Revenue by Vote									
Vote1 - 110 Executive Mayor and Speaker	636	536	617	744	744	744	834	886	930
Vote2 - 210 Municipal Manager	-	-	-	-	-	-	-	-	-
Vote3 - 310 Corporate and Legal Services	-	-	-	-	-	-	-	-	-
Vote4 - 315 Development Planning and Environment	868	625	1 781	-	925	925	1 000	-	-
Vote5 - 330 Community Services	-	-	580	-	750	750	-	-	-
Vote6 - 335 Economic Development	4 149	4 122	2 508	150	150	150	-	7 600	2 900
Vote7 - 340 HIV & AIDS	823	1 991	3 171	3 000	3 000	3 000	1 000	-	-
Vote8 - 410 Finance	22 640	25 719	27 861	26 005	27 113	27 113	28 579	30 289	32 049
Vote9 - 510 Infrastructure	-	-	156	5 786	5 839	5 839	16 920	10 000	10 000
Vote10 - 341 Emergency Medical Services	6 509	-	-	-	-	-	-	-	-
Total Revenue by Vote	35 625	32 992	36 674	35 685	38 522	38 522	48 333	48 775	45 879
Expenditure by Vote to be appropriated									
Vote1 - 110 Executive Mayor and Speaker	5 679	6 647	6 999	7 343	7 403	7 403	8 436	8 081	8 365
Vote2 - 210 Municipal Manager	1 558	1 346	1 917	3 160	3 283	3 283	3 011	3 194	3 354
Vote3 - 310 Corporate and Legal Services	4 843	5 919	8 036	6 417	8 300	8 300	8 292	6 155	6 362
Vote4 - 315 Development Planning and Environment	868	1 474	2 554	3 191	3 187	3 187	2 656	1 707	1 792
Vote5 - 330 Community Services	695	853	1 613	2 102	2 491	2 491	2 342	2 480	2 604
Vote6 - 335 Economic Development	5 390	6 122	7 423	4 715	5 508	5 508	2 478	8 765	4 747
Vote7 - 340 HIV & AIDS	823	1 991	3 171	3 000	3 502	3 502	1 632	946	993
Vote8 - 410 Finance	5 754	4 835	7 005	6 637	7 673	7 673	7 686	7 219	7 626
Vote9 - 510 Infrastructure	1 972	4 077	886	5 410	5 580	5 580	16 424	10 202	10 273
Vote10 - 341 Emergency Medical Services	7 185	-	-	-	-	-	-	-	-
Total Expenditure by Vote	34 768	33 263	39 604	41 975	46 926	46 926	52 959	48 747	46 116
Surplus/(Deficit) for the year	857	(270)	(2 930)	(6 290)	(8 404)	(8 404)	(4 626)	28	(237)



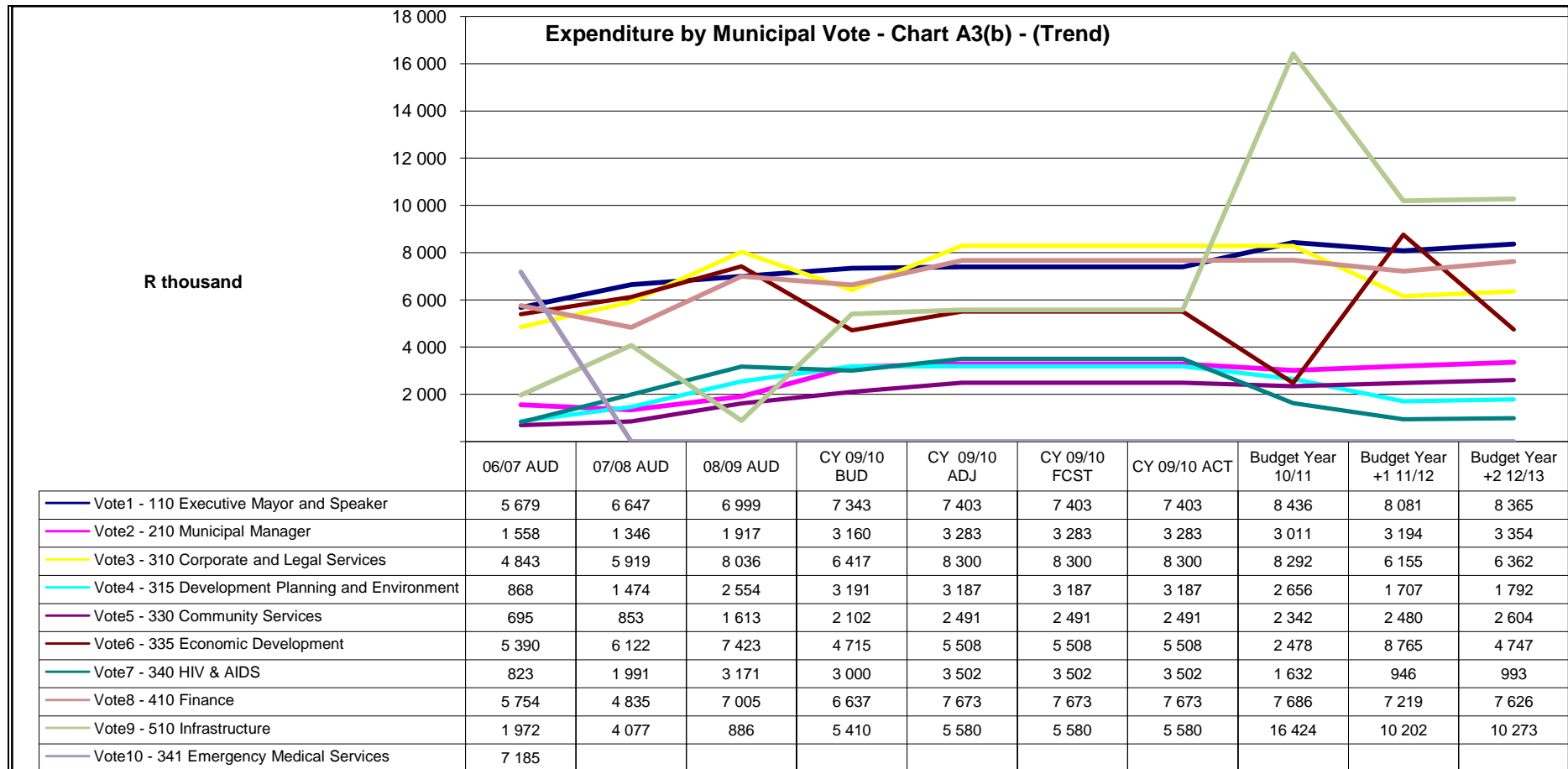
EXECUTIVE SUMMARY

The bulk of funding will go to Infrastructure and Economic Development over the medium term, whilst the ever increasing costs of Governance and Corporate Services remains of great concern, as can be viewed by the charts below.



EXECUTIVE SUMMARY

The increase in the costs of support services and governance over the 7 year is illustrated clearly by the chart below. There are also increases in spending on infrastructure and economic development, however sporadic.



EXECUTIVE SUMMARY

4. Summary of Capital Expenditure by Class (Supporting Table SA34 a)

DC46 Metsweding - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand									
Capital expenditure on new assets by Asset Class/Sub-class									
Other assets	1 611	1 523	841	2 143	2 125	2 125	260	-	-
General vehicles	869			-	1 000	1 000	-	-	-
Computers - hardware/equipment	200	1 181	354	813	925	925	150	-	-
Furniture and other office equipment	542	342	486	330	200	200	110	-	-
Civic Land and Buildings				1 000	-	-	-	-	-
Other									
Total Capital Expenditure on new assets	1 611	1 523	841	2 143	2 125	2 125	260	-	-

The bulk of expenditure is allocated to Computers and related equipment, clearly reflecting the nature of the municipality. Future expenditure beyond the budget year is reflective of the merger with the City of Tshwane Metropolitan Municipality.



EXECUTIVE SUMMARY

5. Summary of Financial Position (Table A6)

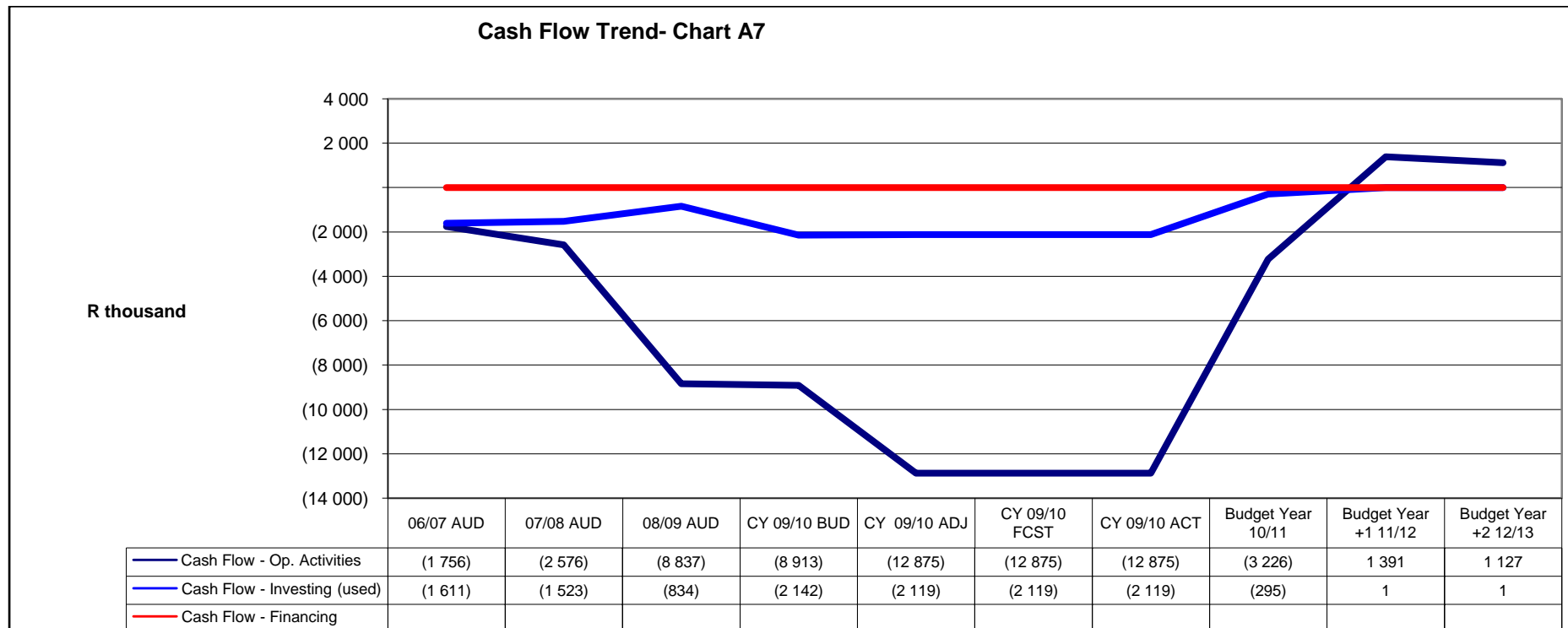
DC46 Metsweding - Table A6 Budgeted Financial Position

Description	2006/7	2007/8	2008/9	Current Year 2009/10				2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand										
ASSETS										
Current assets										
Cash	34 227	30 129	20 457	9 401	5 463	5 463	9 784	1 942	3 334	4 462
Consumer debtors	214	-	-	-	-	-	-	-	-	-
Other debtors	518	669	1 193	250	565	565	565	565	565	565
Total current assets	34 960	30 798	21 650	9 651	6 028	6 028	10 349	2 507	3 899	5 027
Non current assets										
Property, plant and equipment	3 067	3 574	5 907	6 737	6 669	6 669	6 669	5 565	4 201	2 838
Intangible			62							
Total non current assets	3 067	3 574	5 969	6 737	6 669	6 669	6 669	5 565	4 201	2 838
TOTAL ASSETS	38 027	34 372	27 619	16 388	12 697	12 697	17 017	8 072	8 101	7 865
LIABILITIES										
Current liabilities										
Trade and other payables	20 143	16 907	10 432	3 053	3 971	3 971	3 971	3 972	3 973	3 974
Provisions	323	57	57	-	-	-	-	-	-	-
Total current liabilities	20 466	16 964	10 489	3 053	3 971	3 971	3 971	3 972	3 973	3 974
Non current liabilities										
Total non current liabilities	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	20 466	16 964	10 489	3 053	3 971	3 971	3 971	3 972	3 973	3 974
NET ASSETS	17 561	17 408	17 130	13 335	8 726	8 726	13 046	4 100	4 128	3 891
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)	17 217	17 297	14 414	8 440	5 515	5 515	9 835	1 141	1 409	1 231
Reserves	344	110	2 716	2 653	3 211	3 211	3 211	2 960	2 719	2 660
TOTAL COMMUNITY WEALTH/EQUITY	17 561	17 408	17 130	11 092	8 726	8 726	13 046	4 100	4 128	3 891



EXECUTIVE SUMMARY

The continuous improvement in the spending of conditional grants is evidenced by the drop in trade and other payables, as well as the net outflow of cash. The influence of the recent economic crisis has resulted in the utilisation of the accumulated surplus. From the future budgeted financial position, it is clear that a holding strategy is being followed, due to the merger with the City of Tshwane. This is necessary so as to ensure a smooth transfer of operations. Although liquidity has been severely compromised, the future financial position indicates a return to acceptable ratios by 2011/12 as illustrated by the chart below. Current shortfalls will be marginal but manageable. Debt coverage remains positive. Debtors are reflective of deposits made, as well as the net estimated value of VAT. Trade payables have a turnover of less than 31 days, as required by statute.



EXECUTIVE SUMMARY

6. *Municipal Priorities and Links to the IDP (Supporting Table SA5)*

DC46 Metsweding - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Good Governance	Cooperative Governance and Transformation	5 679	6 647	6 999	7 343	7 403	7 403	8 436	8 081	8 365
Good Governance	Cooperative Governance and Transformation	1 558	1 346	1 917	3 160	3 283	3 283	3 011	3 194	3 354
Safe, Healthy and Secure Environment	Social and Environmental Sustainability	868	1 474	2 554	3 191	3 187	3 187	2 656	1 707	1 792
Safe, Healthy and Secure Environment	Social and Environmental Sustainability	695	853	1 613	2 102	2 491	2 491	2 342	2 480	2 604
Safe, Healthy and Secure Environment	Social and Environmental Sustainability	823	1 991	3 171	3 000	3 502	3 502	1 632	946	993
Safe, Healthy and Secure Environment	Social and Environmental Sustainability	7 185								
Economic Development and Job Creation	Advanced Economic Growth	5 390	6 122	7 423	4 715	5 508	5 508	2 478	8 765	4 747
Quality Living Environment	Optimised Infrastructural Services	1 972	4 077	886	5 410	5 580	5 580	16 424	10 202	10 273
Operations and Support Services	Organisational Excellence	4 843	5 919	8 036	6 417	8 300	8 300	8 292	6 155	6 362
Financial Viability and Sustainability	Organisational Excellence	5 754	4 835	7 005	6 637	7 673	7 673	7 686	7 219	7 626
		34 768	33 263	39 604	41 975	46 926	46 926	52 959	48 747	46 116



EXECUTIVE SUMMARY

The priorities set in the Gauteng Development Plan, as indicated below, were measured and aligned against the identified priorities of the IDP (detail of the alignment is set out in the IDP).

- Deepening democracy and realising the constitutional rights of our people.
- Enacting faster economic growth and job creation.
- Fighting poverty and building safe, secure and sustainable communities.
- Developing healthy, skilled and productive people.
- Building an effective and caring government.

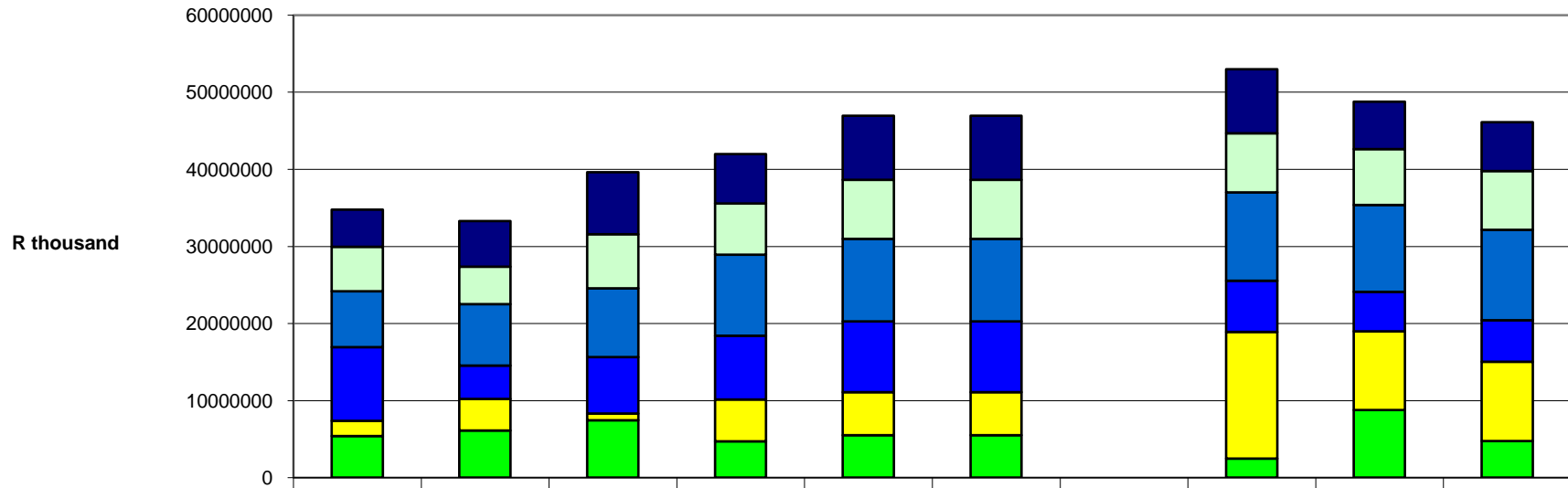
The general key performance indicators, set out below, as regulated by the Municipal Systems Act were measured against the identified priorities of the IDP (detail of the alignment is set out in the IDP).

- Co-operative governance and transformation.
- Social and environmental sustainability.
- Advanced economic growth.
- Optimised infrastructure services.
- Organisational excellence.



EXECUTIVE SUMMARY

IDP Strategic Objectives - Expenditure - Chart SA6



	06/07 AUD	07/08 AUD	08/09 AUD	CY 09/10 BUD	CY 09/10 ADJ	CY 09/10 FCST	CY 09/10 ACT	Budget Year 10/11	Budget Year +1 11/12	Budget Year +2 12/13
■ Operations and Support Services	4 843	5 919	8 036	6 417	8 300	8 300		8 292	6 155	6 362
□ Financial Viability and Sustainability	5 754	4 835	7 005	6 637	7 673	7 673		7 686	7 219	7 626
■ Good Governance	7 237	7 993	8 917	10 502	10 686	10 686		11 448	11 275	11 719
■ Embracing our Cultural Diversity										
■ Empowering our Citizens										
■ Safe, Healthy and Secure Environment	9 572	4 317	7 338	8 293	9 180	9 180		6 630	5 132	5 389
■ Quality Living Environment	1 972	4 077	886	5 410	5 580	5 580		16 424	10 202	10 273
■ Economic Development and Job Creation	5 390	6 122	7 423	4 715	5 508	5 508		2 478	8 765	4 747
■ Sustaining the Natural and Built Environment										



BUDGET TABLES – Table A1 Budget Summary

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	95	-	-	-	-	-	-	-	-
Investment revenue	2 732	3 553	2 928	1 226	1 500	1 500	1 000	1 050	1 103
Transfers recognised - operational	22 899	29 013	32 500	34 288	36 759	36 759	45 015	47 307	44 338
Other own revenue	9 899	427	1 246	171	263	263	2 318	418	439
Total Revenue (excluding capital transfers and contributions)	35 625	32 992	36 674	35 685	38 522	38 522	48 333	48 775	45 879
Employee costs	16 351	12 055	15 069	20 384	20 188	20 188	22 976	24 642	25 875
Remuneration of councillors	2 058	2 151	2 373	2 536	2 627	2 627	2 816	2 985	3 134
Depreciation & asset impairment	655	949	987	1 314	1 364	1 364	1 364	1 364	1 364
Finance charges	-	-	1	-	1	1	1	-	-
Materials and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	1 528	2 891	62	4 386	5 076	5 076	13 158	8 772	8 772
Other expenditure	14 177	15 216	21 112	13 355	17 671	17 671	12 644	10 984	6 972
Total Expenditure	34 768	33 263	39 604	41 975	46 926	46 926	52 959	48 747	46 116
Surplus/(Deficit)	857	(270)	(2 930)	(6 290)	(8 404)	(8 404)	(4 626)	28	(237)
Transfers recognised - capital	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	857	(270)	(2 930)	(6 290)	(8 404)	(8 404)	(4 626)	28	(237)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	857	(270)	(2 930)	(6 290)	(8 404)	(8 404)	(4 626)	28	(237)



BUDGET TABLES – Table A1 Budget Summary

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousands									
Capital expenditure & funds sources									
Capital expenditure	1 611	1 523	841	2 143	2 125	2 125	260	-	-
Transfers recognised - capital	-	-	-	-	703	703	-	-	-
Internally generated funds	1 611	1 523	841	2 143	1 422	1 422	260	-	-
Total sources of capital funds	1 611	1 523	841	2 143	2 125	2 125	260	-	-
Financial position									
Total current assets	34 960	30 798	21 650	9 651	6 028	6 028	2 507	3 899	5 027
Total non current assets	3 067	3 574	5 969	6 737	6 669	6 669	5 565	4 201	2 838
Total current liabilities	20 466	16 964	10 489	3 053	3 971	3 971	3 972	3 973	3 974
Total non current liabilities	-	-	-	-	-	-	-	-	-
Community wealth/Equity	17 561	17 408	17 130	11 092	8 726	8 726	4 100	4 128	3 891
Cash flows									
Net cash from (used) operating	(1 756)	(2 576)	(8 837)	(8 913)	(12 875)	(12 875)	(3 226)	1 391	1 127
Net cash from (used) investing	(1 611)	(1 523)	(834)	(2 142)	(2 119)	(2 119)	(295)	1	1
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	34 227	30 129	20 457	9 401	5 463	5 463	1 942	3 334	4 462
Cash backing/surplus reconciliation									
Cash and investments available	34 227	30 129	20 457	9 401	5 463	5 463	1 942	3 334	4 462
Application of cash and investments	19 537	16 238	9 239	2 803	3 406	3 406	3 407	3 408	3 409
Balance - surplus (shortfall)	14 690	13 891	11 218	6 598	2 057	2 057	(1 465)	(74)	1 053
Asset management									
Asset register summary (WDV)	3 067	3 574	5 969	6 737	6 669	6 669	5 565	4 201	2 838
Depreciation & asset impairment	655	949	987	1 314	1 364	1 364	1 364	1 364	1 364
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	513	674	898	225	486	486	188	142	53



BUDGET TABLES – Table A2 Budgeted Financial Performance (revenue & expenditure by standard classification)

Standard Classification Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand									
Revenue - Standard									
<i>Governance and administration</i>	23 276	26 255	28 478	26 749	27 857	27 857	29 413	31 175	32 979
Executive and council	636	536	617	744	744	744	834	886	930
Budget and treasury office	22 640	25 719	27 861	26 005	27 113	27 113	28 579	30 289	32 049
<i>Community and public safety</i>	7 332	1 991	3 907	8 786	9 589	9 589	17 920	10 000	10 000
Community and social services	-	-	736	5 786	6 589	6 589	16 920	10 000	10 000
Health	7 332	1 991	3 171	3 000	3 000	3 000	1 000	-	-
<i>Economic and environmental services</i>	5 017	4 747	4 289	150	1 075	1 075	1 000	7 600	2 900
Planning and development	5 017	4 747	4 289	150	1 075	1 075	1 000	7 600	2 900
<i>Trading services</i>	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	35 625	32 992	36 674	35 685	38 522	38 522	48 333	48 775	45 879
Expenditure - Standard									
<i>Governance and administration</i>	17 834	18 747	23 957	23 556	26 658	26 658	27 426	24 648	25 707
Executive and council	7 237	7 993	8 917	10 502	10 686	10 686	11 448	11 275	11 719
Budget and treasury office	5 754	4 835	7 005	6 637	7 673	7 673	7 686	7 219	7 626
Corporate services	4 843	5 919	8 036	6 417	8 300	8 300	8 292	6 155	6 362
<i>Community and public safety</i>	10 676	6 920	5 670	10 512	11 573	11 573	20 398	13 628	13 870
Community and social services	2 668	4 929	2 499	7 512	8 071	8 071	18 766	12 682	12 877
Health	8 008	1 991	3 171	3 000	3 502	3 502	1 632	946	993
<i>Economic and environmental services</i>	6 259	7 596	9 977	7 907	8 695	8 695	5 135	10 471	6 539
Planning and development	6 259	7 596	9 977	7 907	8 695	8 695	5 135	10 471	6 539
<i>Trading services</i>	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	34 768	33 263	39 604	41 975	46 926	46 926	52 959	48 747	46 116
Surplus/(Deficit) for the year	857	(270)	(2 930)	(6 290)	(8 404)	(8 404)	(4 626)	28	(237)



BUDGET TABLES – Table A3 Budgeted Financial Performance (revenue & expenditure by municipal vote)

Vote Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand									
Revenue by Vote									
Vote1 - 110 Executive Mayor and Speaker	636	536	617	744	744	744	834	886	930
Vote2 - 210 Municipal Manager	-	-	-	-	-	-	-	-	-
Vote3 - 310 Corporate and Legal Services	-	-	-	-	-	-	-	-	-
Vote4 - 315 Development Planning and Environment	868	625	1 781	-	925	925	1 000	-	-
Vote5 - 330 Community Services	-	-	580	-	750	750	-	-	-
Vote6 - 335 Economic Development	4 149	4 122	2 508	150	150	150	-	7 600	2 900
Vote7 - 340 HIV & AIDS	823	1 991	3 171	3 000	3 000	3 000	1 000	-	-
Vote8 - 410 Finance	22 640	25 719	27 861	26 005	27 113	27 113	28 579	30 289	32 049
Vote9 - 510 Infrastructure	-	-	156	5 786	5 839	5 839	16 920	10 000	10 000
Vote10 - 341 Emergency Medical Services	6 509	-	-	-	-	-	-	-	-
Total Revenue by Vote	35 625	32 992	36 674	35 685	38 522	38 522	48 333	48 775	45 879
Expenditure by Vote to be appropriated									
Vote1 - 110 Executive Mayor and Speaker	5 679	6 647	6 999	7 343	7 403	7 403	8 436	8 081	8 365
Vote2 - 210 Municipal Manager	1 558	1 346	1 917	3 160	3 283	3 283	3 011	3 194	3 354
Vote3 - 310 Corporate and Legal Services	4 843	5 919	8 036	6 417	8 300	8 300	8 292	6 155	6 362
Vote4 - 315 Development Planning and Environment	868	1 474	2 554	3 191	3 187	3 187	2 656	1 707	1 792
Vote5 - 330 Community Services	695	853	1 613	2 102	2 491	2 491	2 342	2 480	2 604
Vote6 - 335 Economic Development	5 390	6 122	7 423	4 715	5 508	5 508	2 478	8 765	4 747
Vote7 - 340 HIV & AIDS	823	1 991	3 171	3 000	3 502	3 502	1 632	946	993
Vote8 - 410 Finance	5 754	4 835	7 005	6 637	7 673	7 673	7 686	7 219	7 626
Vote9 - 510 Infrastructure	1 972	4 077	886	5 410	5 580	5 580	16 424	10 202	10 273
Vote10 - 341 Emergency Medical Services	7 185	-	-	-	-	-	-	-	-
Total Expenditure by Vote	34 768	33 263	39 604	41 975	46 926	46 926	52 959	48 747	46 116
Surplus/(Deficit) for the year	857	(270)	(2 930)	(6 290)	(8 404)	(8 404)	(4 626)	28	(237)



BUDGET TABLES – Table A4 Budgeted Financial Performance (revenue & expenditure)

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand									
Revenue By Source									
Service charges - other	95								
Interest earned - external investments	2 732	3 553	2 928	1 226	1 500	1 500	1 000	1 050	1 103
Interest earned - outstanding debtors	1								
Agency services	6 415								
Transfers recognised - operational	22 899	29 013	32 500	34 288	36 759	36 759	45 015	47 307	44 338
Other revenue	3 483	427	1 169	170	257	257	2 317	417	438
Gains on disposal of PPE			76	1	6	6	1	1	1
Total Revenue (excluding capital transfers and contributions)	35 625	32 992	36 674	35 685	38 522	38 522	48 333	48 775	45 879
Expenditure By Type									
Employee related costs	16 351	12 055	15 069	20 384	20 188	20 188	22 976	24 642	25 875
Remuneration of councillors	2 058	2 151	2 373	2 536	2 627	2 627	2 816	2 985	3 134
Debt impairment		10		-	-	-	-	-	-
Depreciation & asset impairment	655	949	987	1 314	1 364	1 364	1 364	1 364	1 364
Finance charges			1	-	1	1	1	-	-
Transfers and grants	1 528	2 891	62	4 386	5 076	5 076	13 158	8 772	8 772
Other expenditure	14 177	15 090	20 939	13 354	17 621	17 621	12 643	10 983	6 971
Loss on disposal of PPE		116	173	1	50	50	1	1	1
Total Expenditure	34 768	33 263	39 604	41 975	46 926	46 926	52 959	48 747	46 116
Surplus/(Deficit) for the year	857	(270)	(2 930)	(6 290)	(8 404)	(8 404)	(4 626)	28	(237)



BUDGET TABLES – Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand									
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote5 - 330 Community Services	-	-	-	1 000	-	-	-	-	-
Vote8 - 410 Finance	1 611	1 523	841	1 143	2 125	2 125	260	-	-
Capital multi-year expenditure sub-total	1 611	1 523	841	2 143	2 125	2 125	260	-	-
Total Capital Expenditure - Vote	1 611	1 523	841	2 143	2 125	2 125	260	-	-
Capital Expenditure - Standard									
Governance and administration	1 611	1 523	841	1 143	2 125	2 125	260	-	-
Budget and treasury office	1 611	1 523	841	1 143	2 125	2 125	260	-	-
Community and public safety	-	-	-	1 000	-	-	-	-	-
Community and social services	-	-	-	1 000	-	-	-	-	-
Economic and environmental services	-	-	-	-	-	-	-	-	-
Trading services	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	1 611	1 523	841	2 143	2 125	2 125	260	-	-
Funded by:									
National Government									
Provincial Government					703	703			
District Municipality									
Other transfers and grants									
Transfers recognised - capital	-	-	-	-	703	703	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	1 611	1 523	841	2 143	1 422	1 422	260	-	-
Total Capital Funding	1 611	1 523	841	2 143	2 125	2 125	260	-	-



BUDGET TABLES – Table A6 Budgeted Financial Position

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand									
ASSETS									
Current assets									
Cash	34 227	30 129	20 457	9 401	5 463	5 463	1 942	3 334	4 462
Consumer debtors	214	–	–	–	–	–	–	–	–
Other debtors	518	669	1 193	250	565	565	565	565	565
Total current assets	34 960	30 798	21 650	9 651	6 028	6 028	2 507	3 899	5 027
Non current assets									
Property, plant and equipment	3 067	3 574	5 907	6 737	6 669	6 669	5 565	4 201	2 838
Intangible			62						
Total non current assets	3 067	3 574	5 969	6 737	6 669	6 669	5 565	4 201	2 838
TOTAL ASSETS	38 027	34 372	27 619	16 388	12 697	12 697	8 072	8 101	7 865
LIABILITIES									
Current liabilities									
Trade and other payables	20 143	16 907	10 432	3 053	3 971	3 971	3 972	3 973	3 974
Provisions	323	57	57	–	–	–	–	–	–
Total current liabilities	20 466	16 964	10 489	3 053	3 971	3 971	3 972	3 973	3 974
TOTAL LIABILITIES	20 466	16 964	10 489	3 053	3 971	3 971	3 972	3 973	3 974
NET ASSETS	17 561	17 408	17 130	13 335	8 726	8 726	4 100	4 128	3 891
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	17 217	17 297	14 414	8 440	5 515	5 515	1 141	1 409	1 231
Reserves	344	110	2 716	2 653	3 211	3 211	2 960	2 719	2 660
TOTAL COMMUNITY WEALTH/EQUITY	17 561	17 408	17 130	11 092	8 726	8 726	4 100	4 128	3 891



BUDGET TABLES – Table A7 Budgeted Cash Flows

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	4 216	490	1 226	170	837	837	5 965	3 183	2 642
Government - operating	30 825	25 517	23 371	30 352	30 352	30 352	45 015	47 307	44 338
Interest	2 733	3 553	2 928	1 226	1 500	1 500	1 000	1 050	1 103
Payments									
Suppliers and employees	(38 002)	(29 245)	(36 299)	(36 275)	(40 487)	(40 487)	(40 205)	(40 148)	(36 955)
Finance charges			(1)	-	(1)	(1)	(1)	-	-
Transfers and Grants	(1 528)	(2 891)	(62)	(4 386)	(5 076)	(5 076)	(15 000)	(10 000)	(10 000)
NET CASH FROM/(USED) OPERATING ACTIVITIES	(1 756)	(2 576)	(8 837)	(8 913)	(12 875)	(12 875)	(3 226)	1 391	1 127
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE			76	1	6	6	1	1	1
Payments									
Capital assets	(1 611)	(1 523)	(911)	(2 143)	(2 125)	(2 125)	(296)	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES	(1 611)	(1 523)	(834)	(2 142)	(2 119)	(2 119)	(295)	1	1
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Payments									
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	(3 367)	(4 099)	(9 672)	(11 056)	(14 994)	(14 994)	(3 521)	1 392	1 128
Cash/cash equivalents at the year begin:	37 594	34 227	30 129	20 457	20 457	20 457	5 463	1 942	3 334
Cash/cash equivalents at the year end:	34 227	30 129	20 457	9 401	5 463	5 463	1 942	3 334	4 462



BUDGET TABLES – Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand									
<u>Cash and investments available</u>									
Cash/cash equivalents at the year end	34 227	30 129	20 457	9 401	5 463	5 463	1 942	3 334	4 462
Other current investments > 90 days									
Non current assets - Investments									
Cash and investments available:	34 227	30 129	20 457	9 401	5 463	5 463	1 942	3 334	4 462
<u>Application of cash and investments</u>									
Unspent conditional transfers	18 204	14 709	6 159	2 953	1 293	1 293	1 293	1 293	1 293
Unspent borrowing									
Statutory requirements									
Other working capital requirements	1 333	1 529	3 080	-150	2 113	2 113	2 114	2 115	2 116
Other provisions									
Long term investments committed									
Reserves to be backed by cash/investments									
Total Application of cash and investments:	19 537	16 238	9 239	2 803	3 406	3 406	3 407	3 408	3 409
Surplus(shortfall)	14 690	13 891	11 218	6 598	2 057	2 057	(1 465)	(74)	1 053



BUDGET TABLES – Table A9 Asset Management

R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
CAPITAL EXPENDITURE									
<u>Total New Assets</u>	1 611	1 523	841	2 143	2 125	2 125	260	-	-
Other assets	1 611	1 523	841	2 143	2 125	2 125	260	-	-
<u>Total Capital Expenditure</u>									
Other assets	1 611	1 523	841	2 143	2 125	2 125	260	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	1 611	1 523	841	2 143	2 125	2 125	260	-	-
ASSET REGISTER SUMMARY - PPE (WDV)									
Other assets	3 067	3 574	5 907	6 737	6 669	6 669	5 565	4 201	2 838
Intangibles	-	-	62	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	3 067	3 574	5 969	6 737	6 669	6 669	5 565	4 201	2 838
EXPENDITURE OTHER ITEMS									
<u>Depreciation & asset impairment</u>	655	949	987	1 314	1 364	1 364	1 364	1 364	1 364
<u>Repairs and Maintenance by Asset Class</u>	513	674	898	225	486	486	188	142	53
Other assets	513	674	898	225	486	486	188	142	53
TOTAL EXPENDITURE OTHER ITEMS	1 168	1 623	1 885	1 539	1 850	1 850	1 552	1 506	1 416
<i>% of capital exp on renewal of assets</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal of Existing Assets as % of deprecn"</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>R&M as a % of PPE</i>	16.7%	18.9%	15.2%	3.3%	7.3%	7.3%	3.4%	3.4%	1.9%
<i>Renewal and R&M as a % of PPE</i>	17.0%	19.0%	15.0%	3.0%	7.0%	7.0%	3.0%	3.0%	2.0%

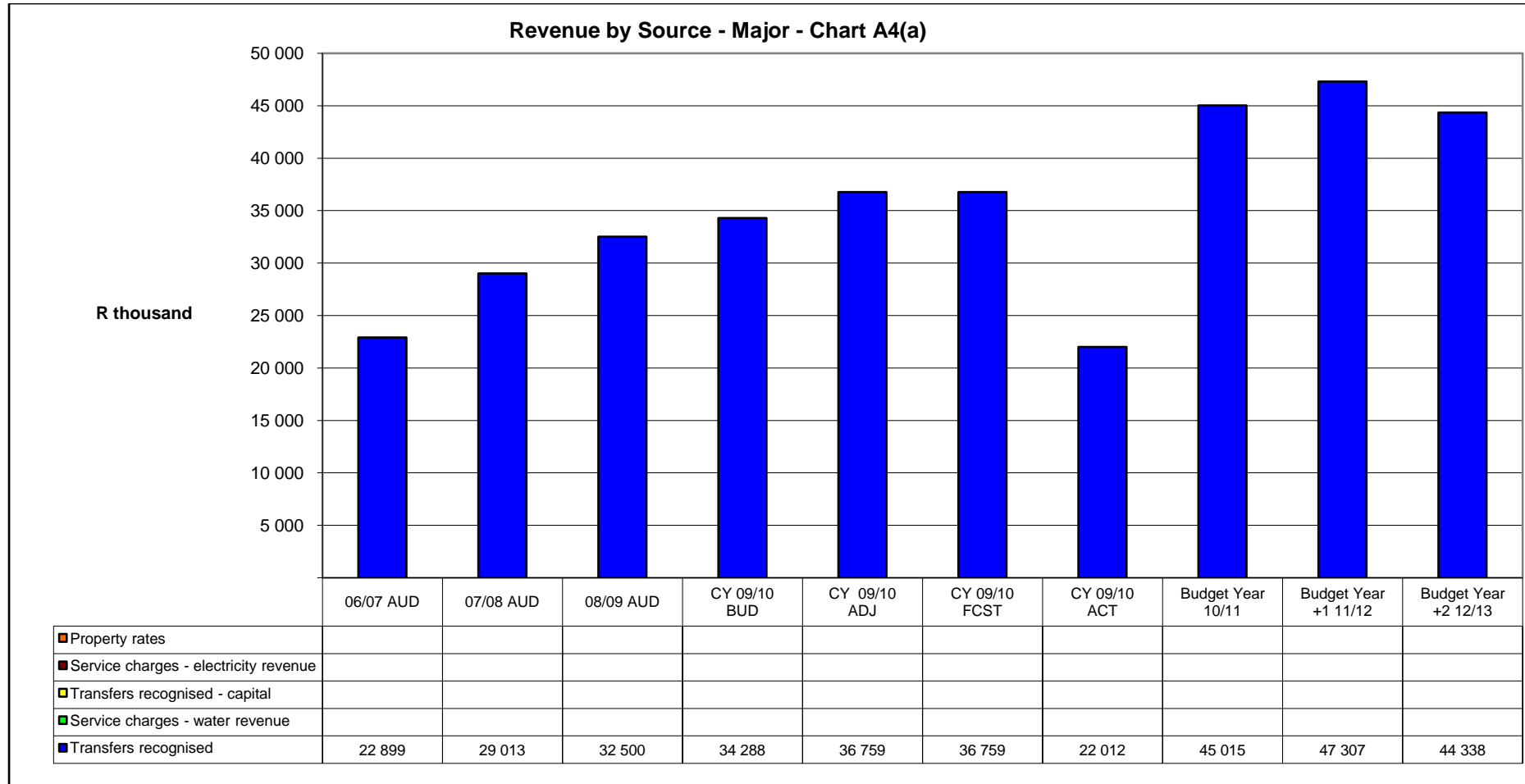


BUDGET TABLES – Table A10 Basic Service Delivery Measurement

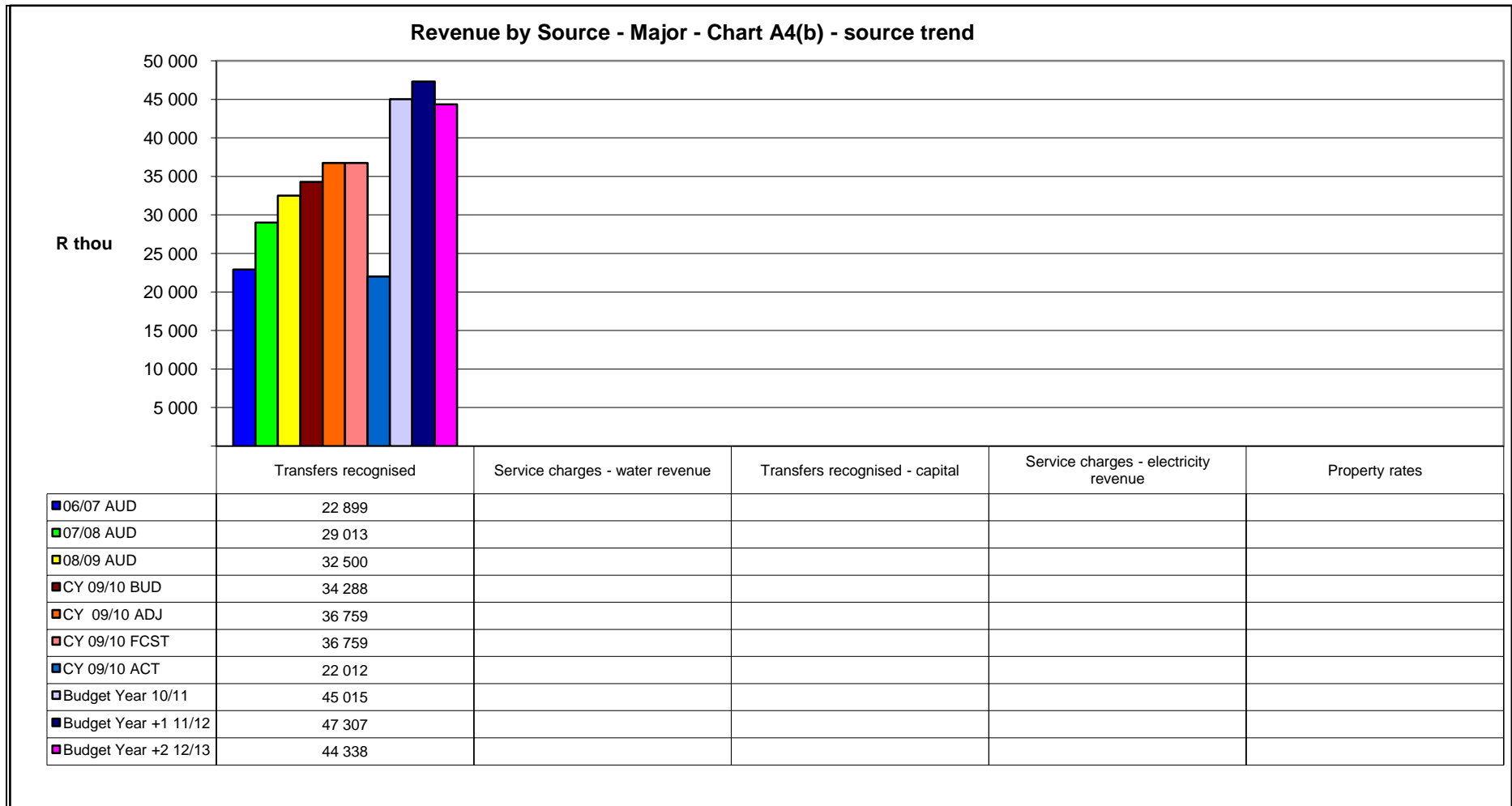
Please be advised that the Metsweding District Municipality does not render any basic services, as these services are rendered by the Kungwini Local Municipality and the Nokeng tsa Taemane Local Municipality.



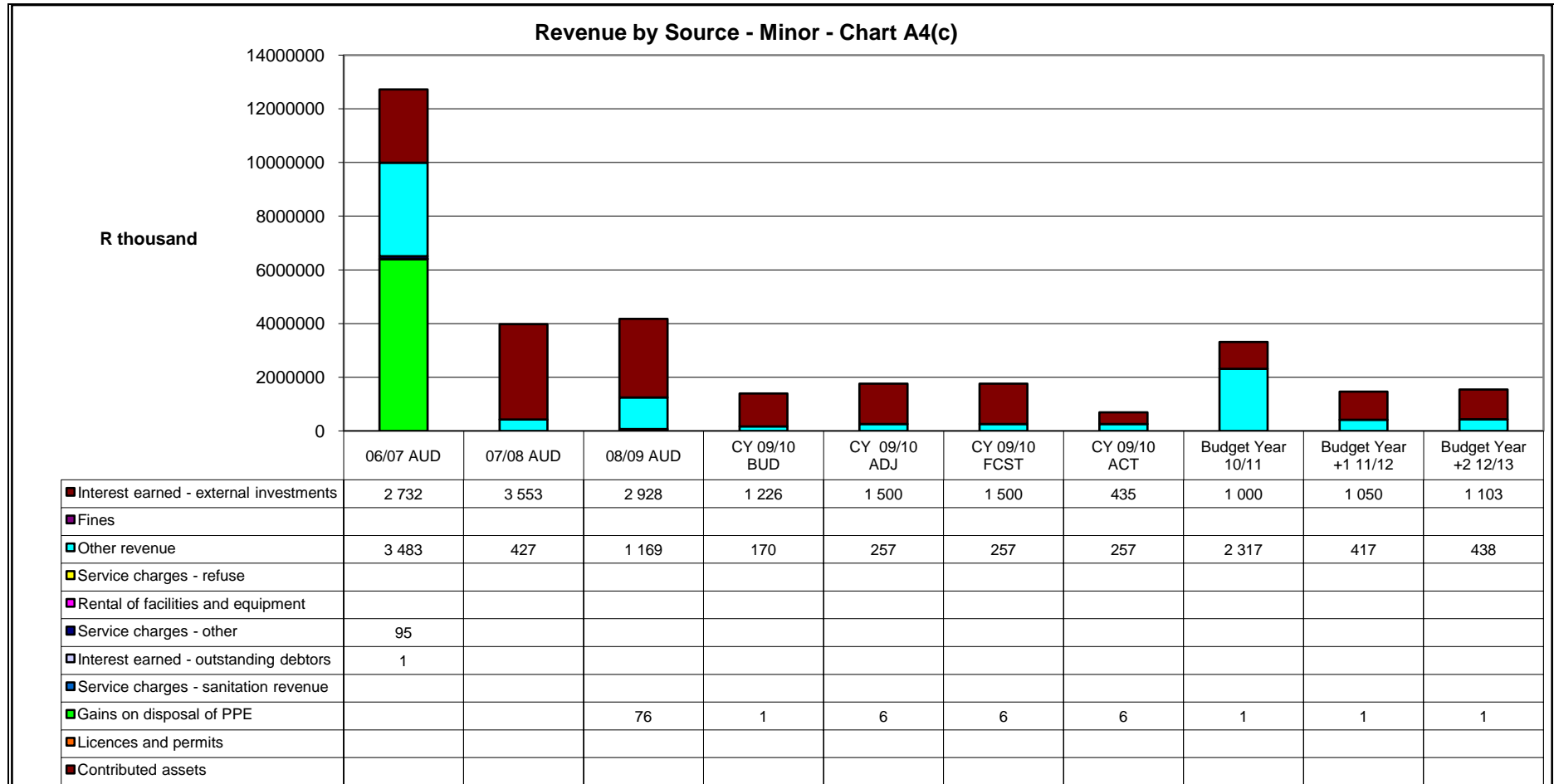
BUDGET TABLES – Chart A4(a) Revenue by Source – Major



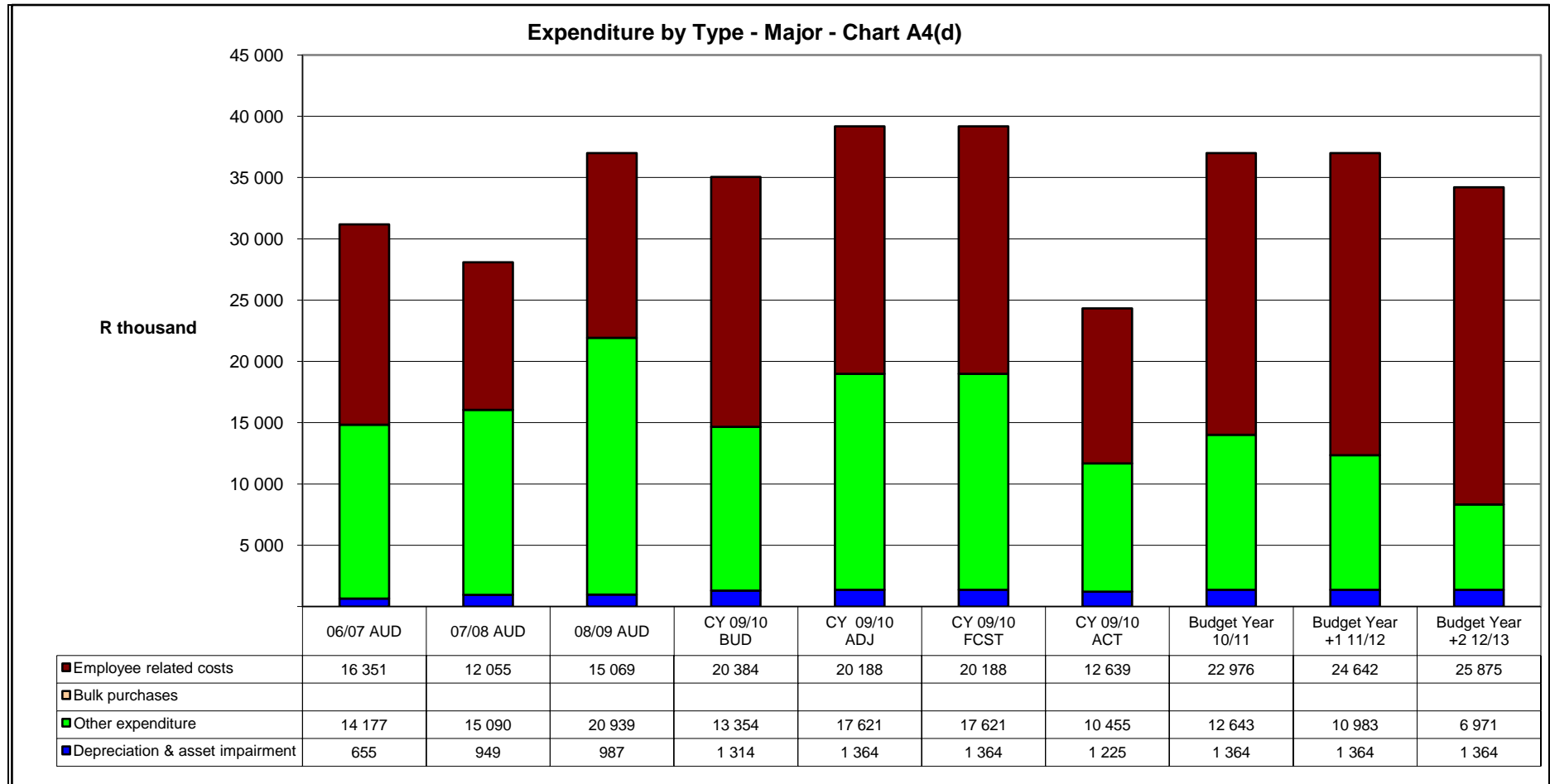
BUDGET TABLES – Chart A4(b) Revenue by Source – Major – source trend



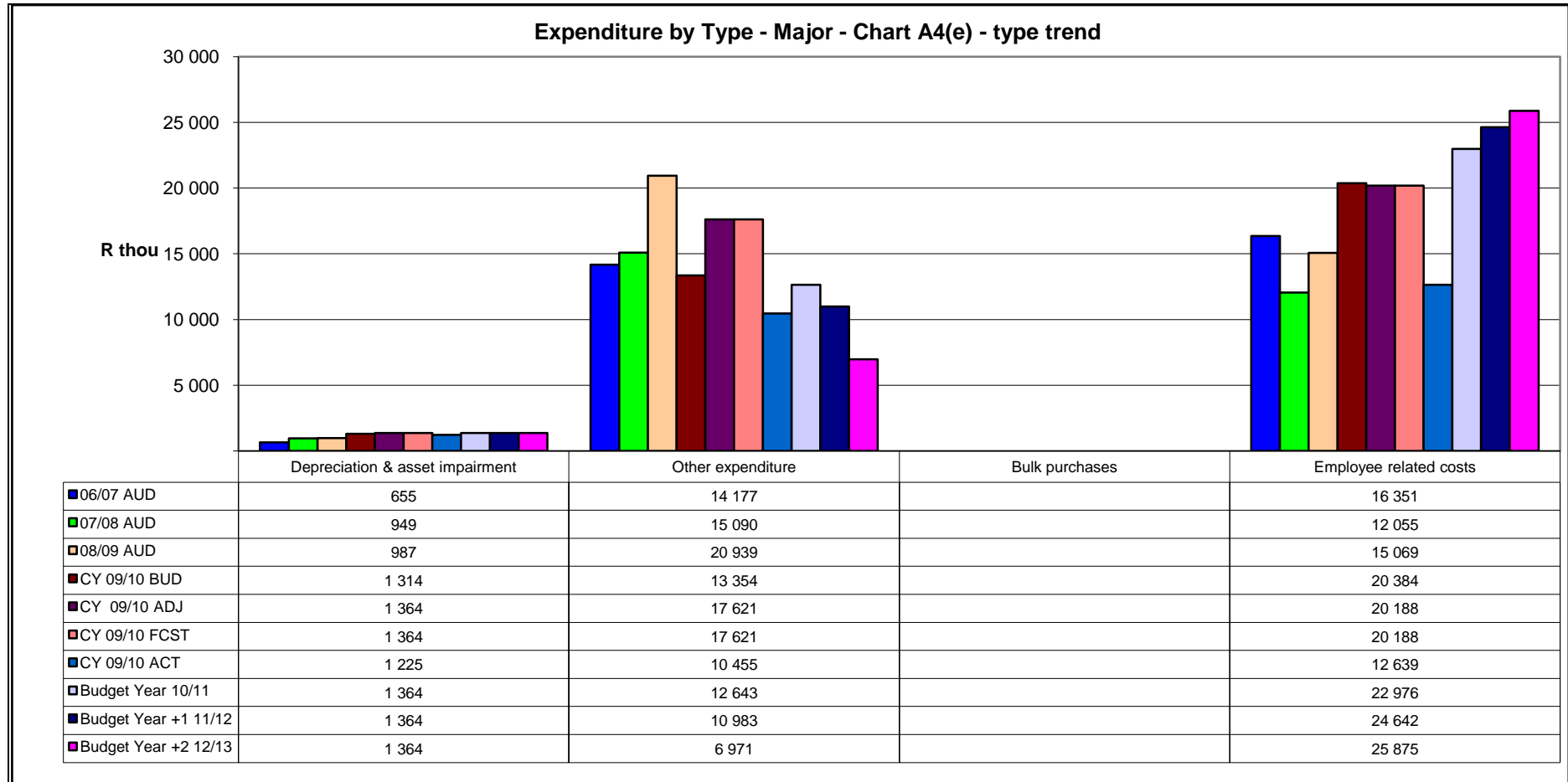
BUDGET TABLES – Chart A4(c) Revenue by Source – Minor



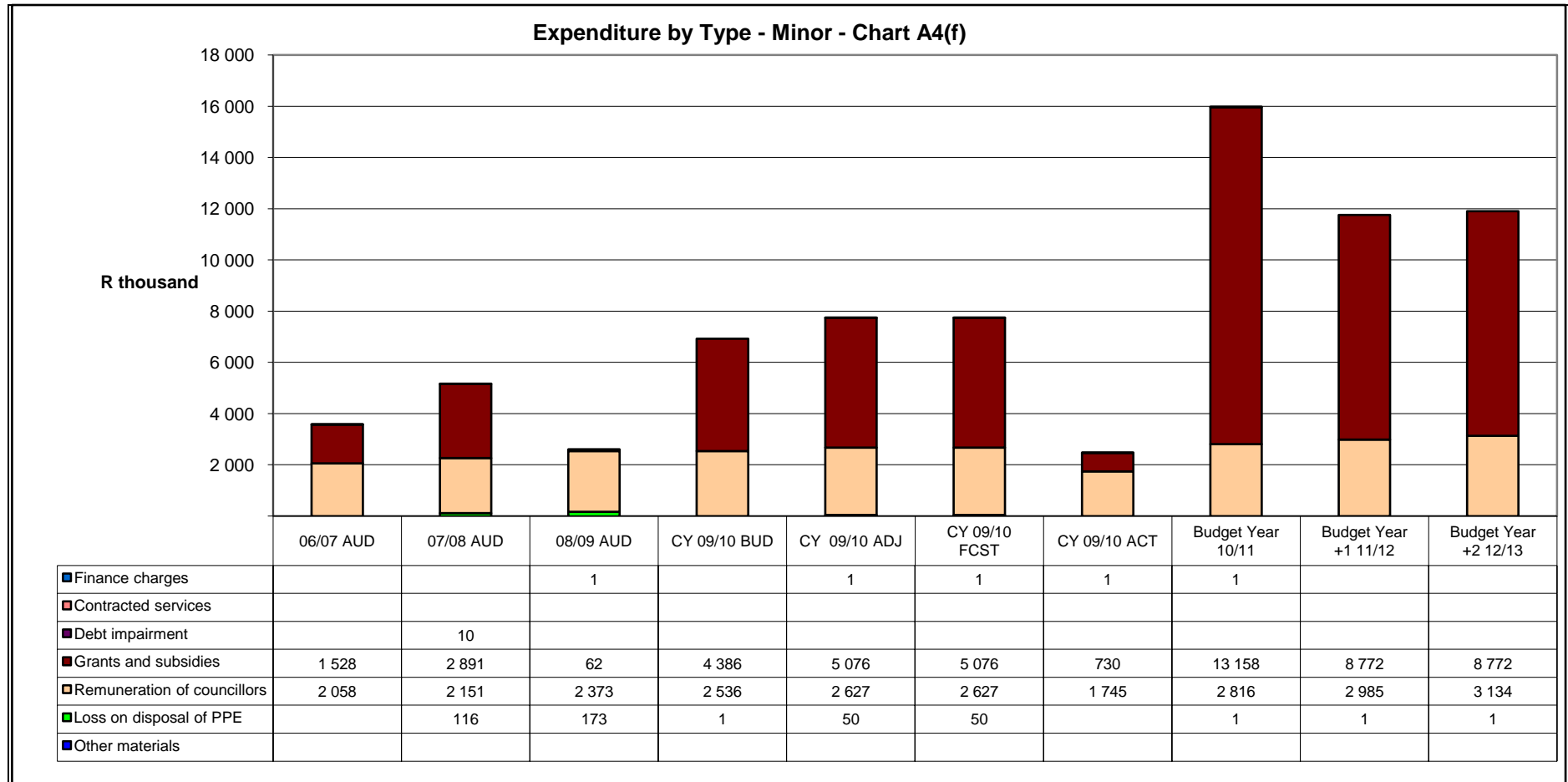
BUDGET TABLES – Chart A4(d) Expenditure by Type – Major



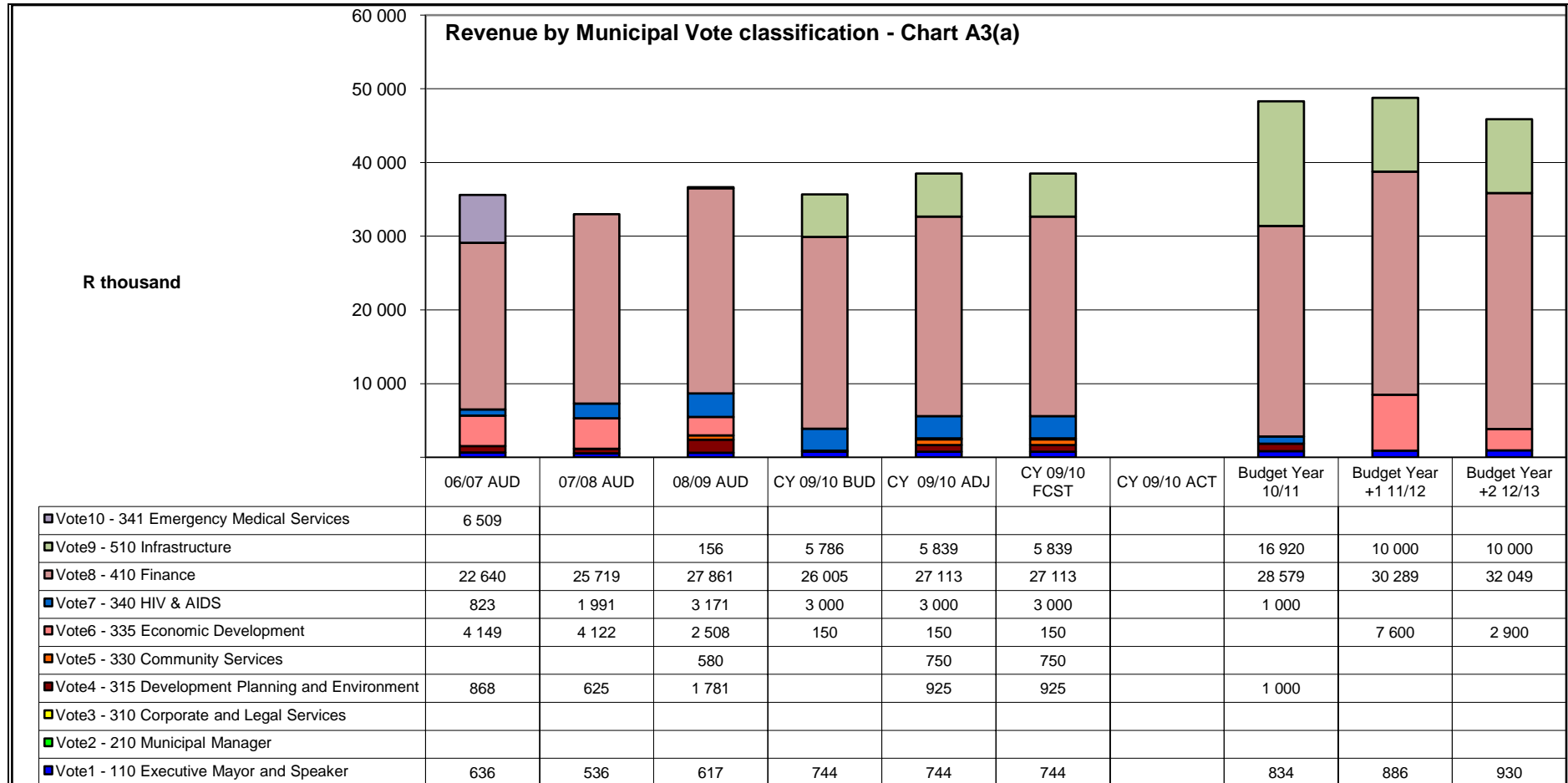
BUDGET TABLES – Chart A4(e) Expenditure by Type – Major – type trend



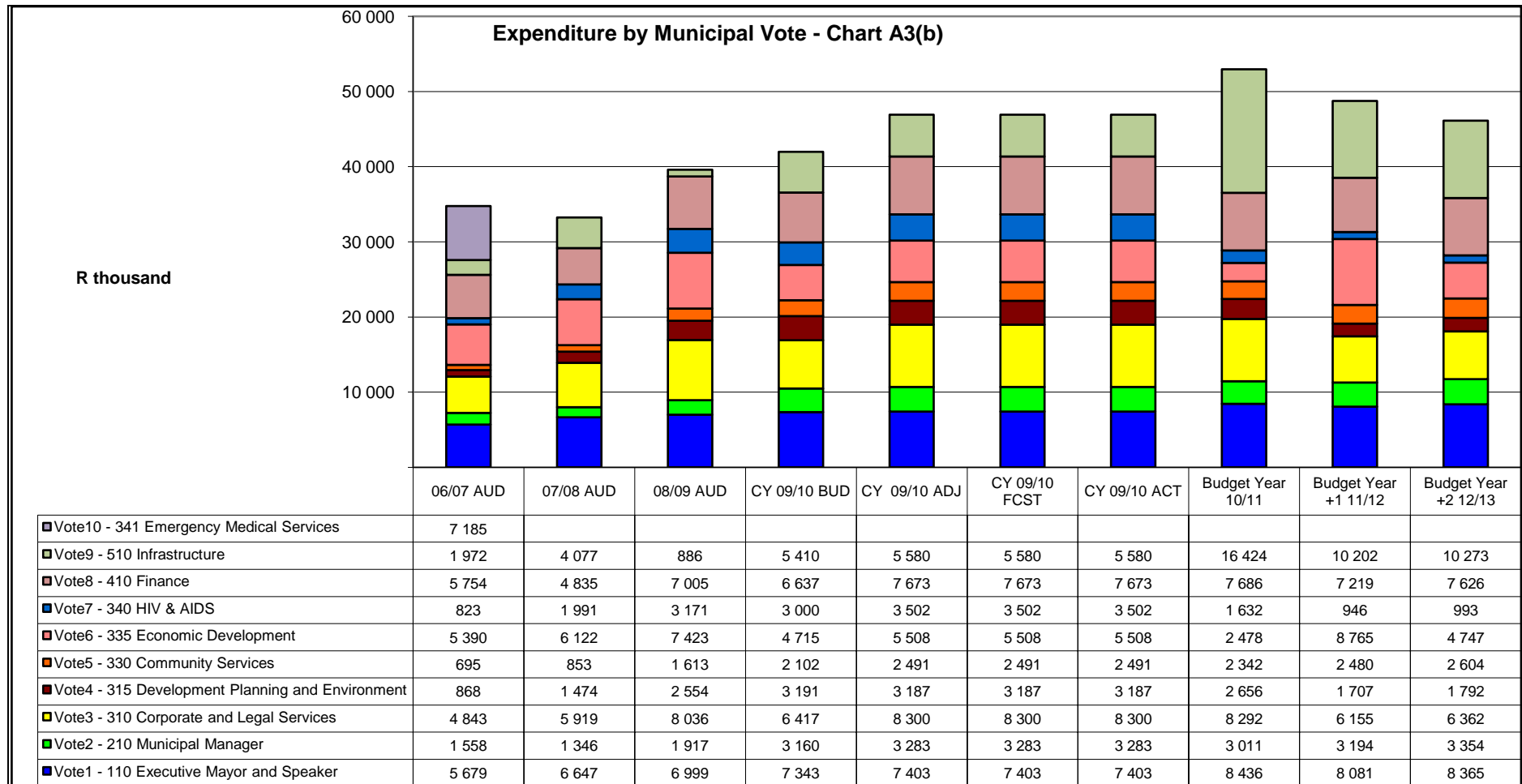
BUDGET TABLES – Chart A4(f) Expenditure by Type – Minor



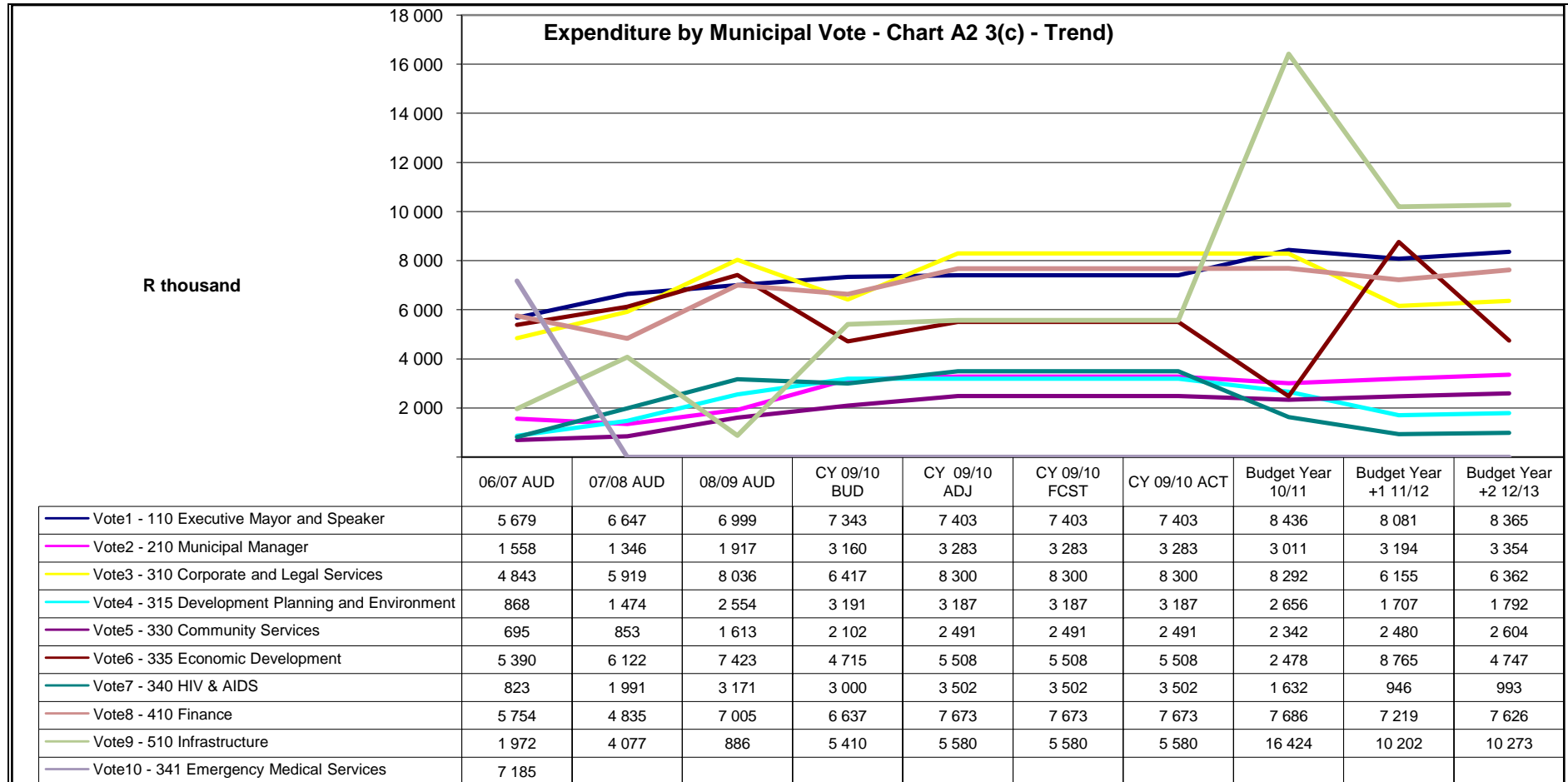
BUDGET TABLES – Chart A3(a) Revenue by Municipal Vote



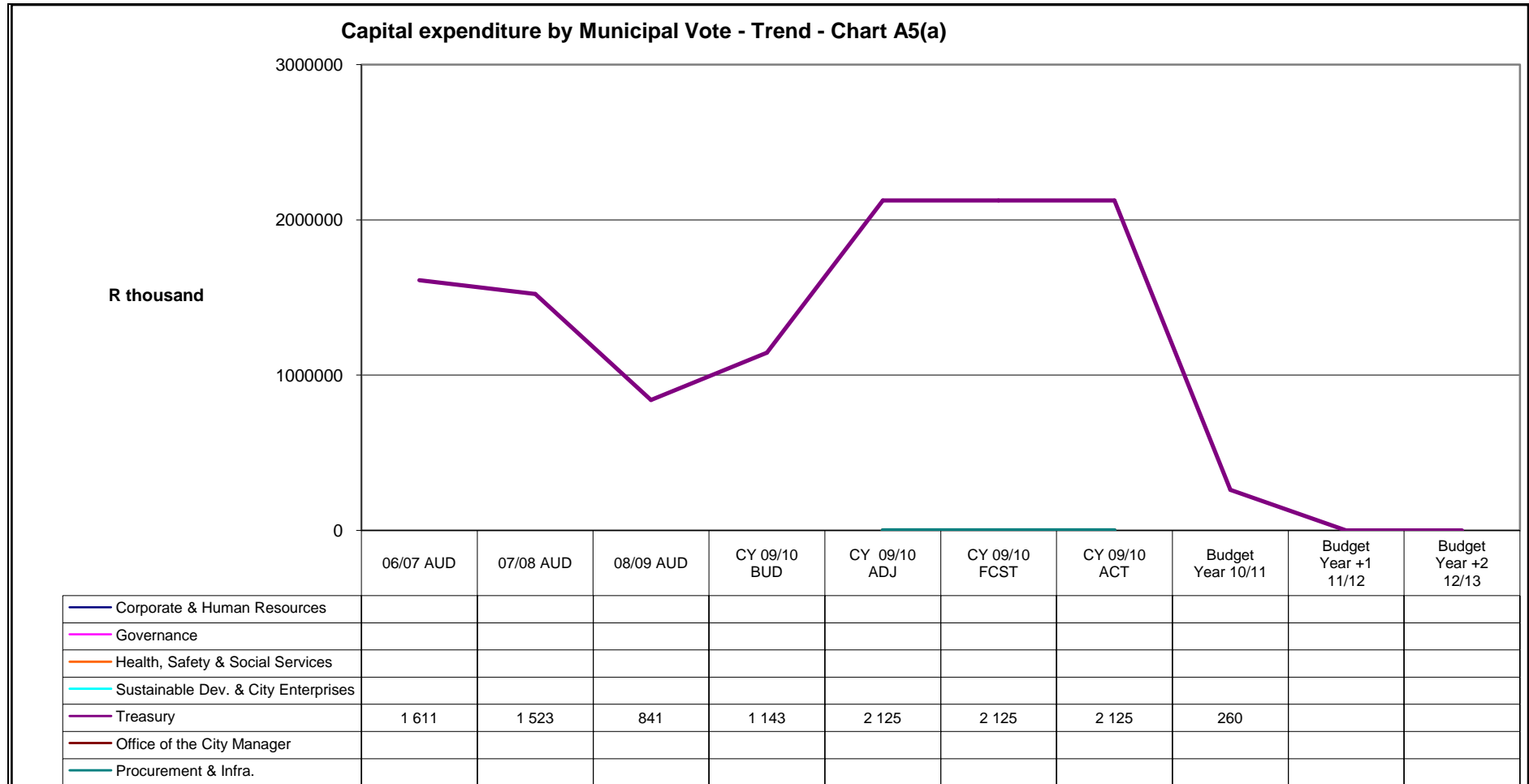
BUDGET TABLES – Chart A3(b) Expenditure by Municipal Vote



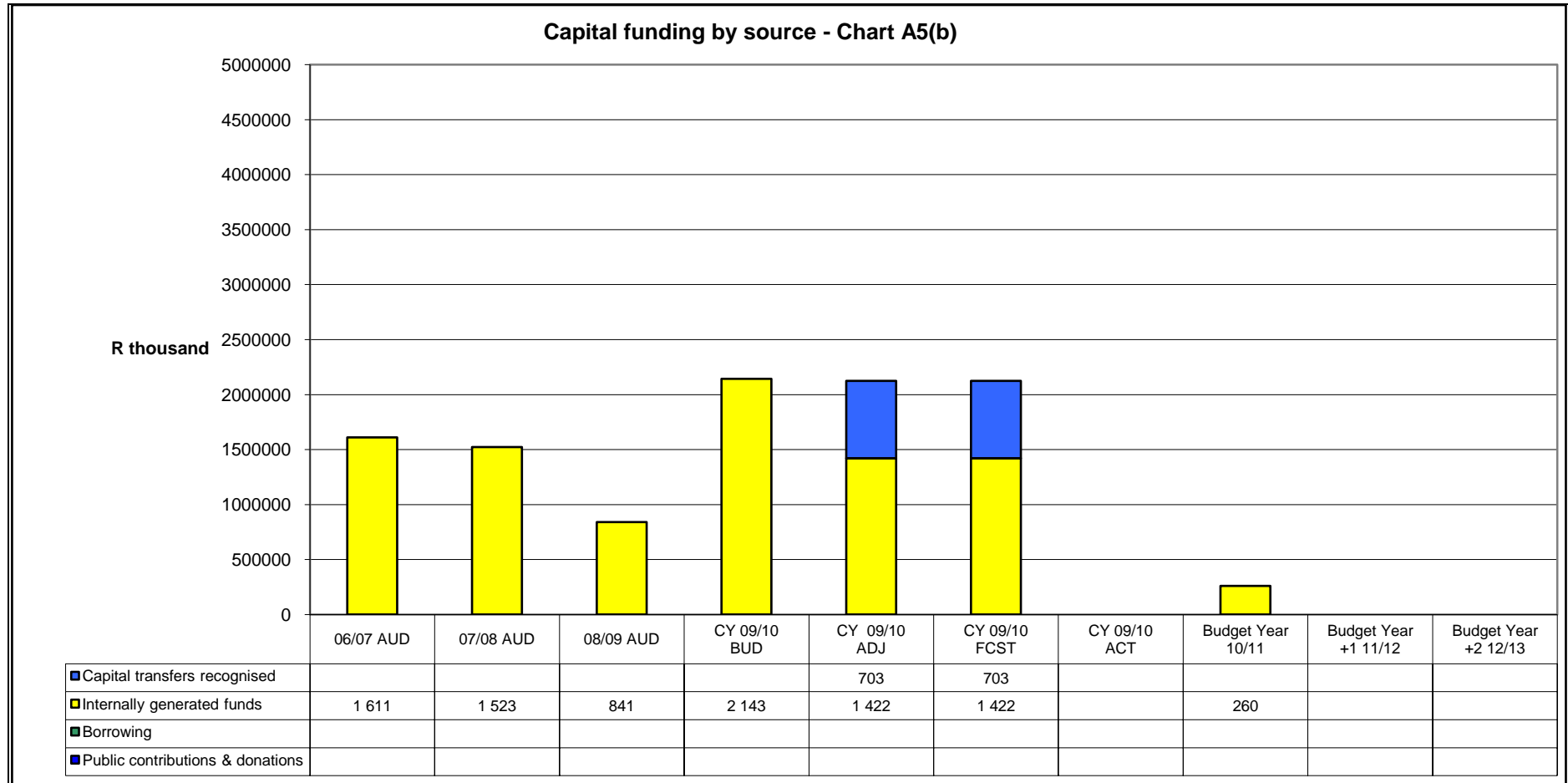
BUDGET TABLES – Chart A3(c) Expenditure by Municipal Vote – trend



BUDGET TABLES – Chart A5(a) Capital Expenditure by Municipal Vote – trend



BUDGET TABLES – Chart A5(b) Capital Funding by source



OVERVIEW OF ANNUAL BUDGET PROCESS

It is important to highlight that the following important developments have influenced the compilation of the 2010/11 Integrated Development Plan Review and Budget Process;

- Metsweding Strategic Workshop (17-19 March 2010)
- The proposed merger process with City of Tshwane (CoT)
- Municipal Turn Around Strategy
- The Local Government elections during 2011
- 2010 FIFA World cup

Our primary key external stakeholders are:

- Local Communities of Metsweding District
- Traditional Leaders and their Institutions
- Local Municipalities namely
 - i. Nokeng tsa Taemane
 - ii. Kungwini
- The Provincial Department of Local Government and Housing (DLG&H)
- Other Government Departments
- Our Suppliers, Businesses and Investors
- Donors, Community Based Organisations (CBOs) and Non-Governmental Organisations (NGOs)
- Organized Labour
- Organized Local Government (e.g. SALGA)

Our primary key internal stakeholders are:

- Our staff
- Our Councillors
- Our Internal Departments
- Our Internal committees
- Internal Service delivery stakeholders



OVERVIEW OF ANNUAL BUDGET PROCESS

The Department of Development Planning and Environmental Management, together with Kungwini and Nokeng tsa Taemane Local Municipalities, in consultation with the Department of Local Government and Housing developed the IDP Review for 2010/11.

The IDP and Budget process started in August 2009 where council adopted the District IDP Framework and Process Plan in consultation with the two local municipalities. A district IDP technical committee, as well as a local budget steering committee was established to drive the whole process. The first round of public participation for Nokeng tsa Taemane LM took place during October and November 2009. The first round of public participation for Kungwini LM took place during November 2009. The second round of public participation took place during April and May 2010, after the tabling of the IDP Review and Budget to Council during March 2010.

The original schedule of key deadlines was as follows:



OVERVIEW OF ANNUAL BUDGET PROCESS

SCHEDULE OF KEY DEADLINES - 2010/11 OPERATING/CAPITAL BUDGET

TIMEFRAME		OBJECTIVE	ACTIVITY	RESPONSIBILITY	TARGET DATE
(A)	August 2009	Compilation and approval of a proposed budget timetable in line with the budget reforms from National Treasury.	▪ Compilation of a proposed budget timetable.	CFO	13 August 2009
			▪ Approval of proposed budget timetable by Executive Mayor.	EXEC MAYOR	20 August 2009
			▪ Approval of proposed budget timetable by Council.	COUNCIL	27 October 2009
(B)	July 2009 – February 2010	Integrated Development Plan to be reviewed.	▪ The last IDP as approved by Council will be used as the base for the compilation of the budget.	MM IDP MANAGER	25 February 2010
(C)	November 2009	Strategic Alignment Workshop	▪ Completion of a Strategic Alignment Workshop to determine objectives for the 2010/11 Budget Process.	MM IDP MANAGER	Not later than 27 November 2009
(D)	November 2009 – January 2010	Compilation and approval of Operational Plans, a Budget Policy/ Guidelines and Tariff Policy in line with the Integrated Development Plan as mentioned in (C) above.	▪ Workshop on the compilation of Operational Plans.	CFO IDP MANAGER	13 November 2009
			▪ Compilation of operational plans by departments.	HOD'S	30 November 2009
			▪ Review budget policy/ guidelines and tariff policy.	MM / CFO / HOD'S	30 November 2009
			▪ Submission of operational plans, budget policy/ guidelines and tariff policy to and approval by the Executive Mayor.	MM / CFO / HOD'S	30 November 2009



OVERVIEW OF ANNUAL BUDGET PROCESS

TIMEFRAME		OBJECTIVE	ACTIVITY	RESPONSIBILITY	TARGET DATE
(E)	December 2009 – January 2010	Draft operating and capital budgets in line with approved operational plans, budget guidelines and secured financing sources.	<ul style="list-style-type: none"> ▪ Heads of Departments to prepare and submit draft operating and capital budgets in line with the approved operational plans, budget guidelines and secured financing sources. 	MM / HOD'S	15 January 2010
(F)	January – February 2010	Revision of and approval by Council of the 2009/10 -adjustment budget.	<ul style="list-style-type: none"> ▪ Revision of the 2009/10 operational and capital budget. ▪ Approval of 2009/10 adjustment budget by Executive Mayor. ▪ Approval of 2009/10 adjustment budget by Council. 	MM / CFO / HOD'S EXEC MAYOR COUNCIL	29 January 2010 18 February 2010 25 February 2010
(G)	January 2010	First draft of the operational and capital budget for the 2010/11 to 2012/13 financial years consolidated and submitted to the Executive Mayor for discussion.	<ul style="list-style-type: none"> ▪ Finance Department to consolidate and prepare the first draft capital and operating budget in the following formats: <ul style="list-style-type: none"> • High level consolidated format; • Line item budget; and • Proposed Tariffs. ▪ Evaluation of and discussions on first draft by Finance Portfolio Committee in line with operational plans, budget guidelines and IDP. 	CFO MMC FINANCE / CFO / IDP MANAGER	15 January 2010 22 January 2010



OVERVIEW OF ANNUAL BUDGET PROCESS

TIMEFRAME		OBJECTIVE	ACTIVITY	RESPONSIBILITY	TARGET DATE
(H)	February 2010	Second draft of the operational and capital budget for the 2010/11 to 2012/13 financial years consolidated and submitted to the MMC Finance for discussion.	<ul style="list-style-type: none"> Finance Department to consolidate and prepare the second draft capital and operating budget. 	CFO	5 February 2010
			<ul style="list-style-type: none"> Evaluation of and discussions on second draft by Executive Mayor. 	MMC FINANCE	5 February 2010
(I)	February 2010	Second draft budget circulated to the different Portfolio Committees for comments.	<ul style="list-style-type: none"> Evaluation of and discussions on second draft by Portfolio Committees. 	MMC FINANCE	12 February 2010
(J)	February 2010	Evaluation and discussions of proposals from Portfolio Committees by the Executive Mayor.	<ul style="list-style-type: none"> Evaluation and discussions of proposals from Portfolio Committees by the Executive Mayor. 	EXEC MAYOR	19 February 2010
(K)	March 2010	Draft of the operational and capital budget for the 2010/11 to 2012/13 financial years consolidated and submitted to the Executive Mayor for discussion.	<ul style="list-style-type: none"> Finance Department to consolidate and prepare the draft capital and operating budget. 	CFO	12 March 2010
			<ul style="list-style-type: none"> Submission of the draft capital and operating budget to Executive Mayor. 	MMC FINANCE	19 March 2010



OVERVIEW OF ANNUAL BUDGET PROCESS

TIMEFRAME		OBJECTIVE	ACTIVITY	RESPONSIBILITY	TARGET DATE
(L)	March 2010	Draft of the operational and capital budget for the 2010/11 to 2012/13 financial years consolidated and tabled to the Council.	<ul style="list-style-type: none"> Finance Department to consolidate and prepare the draft capital and operating budget. 	CFO	19 March 2010
			<ul style="list-style-type: none"> Draft capital and operating budget tabled to Council. 	EXEC MAYOR	26 March 2010
(M)	April 2010	Tabled budget to be consulted with the Community, Stakeholders, District Municipality, Provincial and National Government.	<ul style="list-style-type: none"> Consultation on tabled budget through formal meetings with all possible stakeholders. 	IDP MANAGER MMC FINANCE EXEC MAYOR	30 April 2010
(N)	May 2010	Comments on the tabled budget for the 2010/11 to 2012/13 financial years consolidated and submitted to the Executive Mayor for discussion.	<ul style="list-style-type: none"> Finance Department to consolidate and prepare the final draft capital and operating budget. 	CFO	6 May 2010
			<ul style="list-style-type: none"> Evaluation of and discussions on final draft by Executive Mayor. 	MMC FINANCE EXEC MAYOR	20 May 2010
(O)	May – June 2010	Final draft of the operational and capital budget for the 2010/11 to 2012/13 financial years consolidated and submitted to the Council for approval.	<ul style="list-style-type: none"> Finance Unit to consolidate and prepare the final draft capital and operating budget. 	CFO	20 May 2010
			<ul style="list-style-type: none"> Consideration of the 2010/11 - 2012/13 budget by Council. 	COUNCIL	29 May 2010
			<ul style="list-style-type: none"> Approval of the 2010/11 - 2012/13 budget by Council. 	COUNCIL	24 June 2010



OVERVIEW OF ANNUAL BUDGET PROCESS

TIMEFRAME		OBJECTIVE	ACTIVITY	RESPONSIBILITY	TARGET DATE
(P)	June 2010	Submission of approved operational and capital budget for the 2010/11 to 2012/13 financial years to National Treasury.	<ul style="list-style-type: none"> Finance Department to submit approved budget to National Treasury. 	CFO	30 June 2010
(Q)	June – July 2010	Preparations for implementation of the approved Budget.	<ul style="list-style-type: none"> Finance Department to finalise all preparations to ensure proper and timeous implementation of budget, including promulgation of tariffs. Municipal Manager to submit service delivery and budget implementation plans and performance agreements of all section 57 personnel to Executive Mayor. Executive Mayor to approve service delivery and budget implementation plans and performance agreements. 	CFO	30 June 2010
				MM	8 July 2010
				EXEC MAYOR	22 July 2010



OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

The details of the alignment of the Annual Budget with the Integrated Development Plan are found in Chapter 4 of the IDP, Projects Phase. The details are linked with the SDBIP through IDP Codes as follows:

SDBIP ACCOUNT DESCRIPTION AND IDP PROJECT CODE		RAND
VOTE 1: 110 – Executive Mayor and Speaker		
010057	Training - Councillors (MDM/SP/2010/99)	100 000
010116	Entertainment: Year-end Function (MDM/SP/2010/101)	20 000
010126	Intergovernmental Relations (IGR)	30 000
010132	State of the District Address (MDM/SP/2010/97)	50 000
070039	Ward Committees: Capacity Building (MDM/SP/2010/100)	85 000
070056	Public Education: Energy Savings (MDM/SP/2010/102)	30 000
070078	Career Expo (MDM/EM/2010/01)	35 000
070079	Golf Day (MDM/EM/2010/02)	50 000
070080	Women in Econ Dev Seminar (MDM/EM/2010/03)	30 000
070081	Celebrating Cultural Diversity (MDM/EM/2010/04)	30 000
070082	Creating Health Clubs - Elderly (MDM/EM/2010/05)	30 000
070083	Commemorative - HIV & AIDS Day (MDM/EM/2010/06)	30 000
070084	Mayoral Awards (MDM/EM/2010/07)	100 000
070085	Matric Awards (MDM/EM/2010/08)	40 000
070086	Commemorative - Human Rights (MDM/EM/2010/09)	30 000
070087	Mayoral Sports Tournament (MDM/EM/2010/10)	50 000
070088	Community Outreach (MDM/SP/2010/96)	90 000
070098	MPAC (MDM/SP/2010/103)	24 000
070099	Public Education: Petitions Awareness (MDM/SP/2010/98)	30 000
VOTE 3: 310 – Corporate and Legal Services		
010058	Training - Officials LG SETA (MDM/CL/2010/41)	250 000
010140	Training - ABET LGSETA (MDM/CL/2010/40)	45 000
010141	EAP LGSETA (MDM/CL/2010/42)	100 000



OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

SDBIP ACCOUNT DESCRIPTION AND IDP PROJECT CODE		RAND
010142	PAIA (MDM/CL/2010/43)	25 000
010143	Disaster Recovery Site (MDM/CL/2010/44)	30 000
010144	ICT Strategy (MDM/CL/2010/45)	25 000
010145	Fleet Management (MDM/CL/2010/47)	25 000
010146	OHS (MDM/CL/2010/48)	12 000
VOTE 4: 315 – Development Planning and Environment		
010038	Planning - I.D.P. (MDM/DP/2010/11)	25 000
070020	Environmental Management Framework Policy (MDM/DP/2010/17)	300 000
070087	Air Quality Management (MDM/DP/2010/18)	400 000
070088	Strategic Environmental Assessment (MDM/DP/2010/20)	300 000
VOTE 5: 330 – Community Services		
070010	Disaster Management (MDM/CS/2010/65)	20 000
070043	Early Childhood Development (MDM/CS/2010/51)	40 000
070057	DM Advisory Forum (MDM/CS/2010/63)	10 000
070058	Training of Volunteers on basic fire fighting (MDM/CS/2010/66)	20 000
070060	Support for FPA's (MDM/CS/2010/67&68)	30 000
070090	Social Dev Strategy (MDM/CS/2010/51)	30 000
070091	Audit of Households below Bread Line (MDM/CS/2010/52)	50 000
070092	Sports & Recreation (MDM/CS/2010/53)	50 000
070093	Arts & Culture (MDM/CS/2010/54)	50 000
070094	Sports Council (MDM/CS/2010/55)	5 000
070095	OR Tambo Games (MDM/CS/2010/56)	50 000
070096	Education Indaba (MDM/CS/2010/57)	50 000
070097	Schools Safety (MDM/CS/2010/58)	50 000
070080	Com Safety Forum (MDM/CS/2010/59)	5 000
070081	Com Safety Plans (MDM/CS/2010/60)	50 000
070082	Com Safety Aware (MDM/CS/2010/61)	30 000



OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

SDBIP ACCOUNT DESCRIPTION AND IDP PROJECT CODE		RAND
070083	Disaster Risk Assess (MDM/CS/2010/62)	30 000
070084	Disaster Management Awareness (MDM/CS/2010/64)	20 000
VOTE 6: 335 – Economic Development and Tourism		
070002	LED: Entrepreneurial Development Centre (EDC)	500 000
070019	LED: Community Projects - Support (MDM/ED/2010/93)	30 000
070024	Tourism - Heritage Day Komjekejeke (MDM/ED/2010/92)	30 000
070037	LED: Enterprise Development (MDM/ED/2010/94)	20 000
070054	Regional Tourism Organisation Marketing (MDM/ED/2010/86)	50 000
070073	AGRIC: Support Emerging Farmers / Agric Cooperatives (MDM/ED/2010/79)	60 000
VOTE 7: 340 – HIV & Aids		
070027	Workplace Programme (MDM/CS/2010/77)	50 000
070029	Indigent Burials (MDM/CS/2010/71)	90 000
070061	Rural / Farm Communities Programme (MDM/CS/2010/70)	600 000
070063	Child Protection (MDM/CS/2010/74)	100 000
070066	HIV: Events (MDM/CS/2010/76)	60 000
070100	Child Headed Households (MDM/CS/2010/72)	100 000
VOTE 9: 510 – Infrastructure		
060003	Neighbourhood Development Partnership (MDM/IN/2010/33)	13 157 895
070089	Electricity Master Plan - DBSA (MDM/IN/2010/25)	1 920 000

The reconciliation with the IDP Strategic Objectives is illustrated by the following supporting budget tables:



OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

DC46 Metsweding - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective R thousand	Goal	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Good Governance	Cooperative Governance and Transformation	636	536	617	744	744	744	834	886	930
Safe, Healthy and Secure Environment	Social and Environmental Sustainability	868	625	1 781		925	925	1 000		
Safe, Healthy and Secure Environment	Social and Environmental Sustainability			580		750	750			
Safe, Healthy and Secure Environment	Social and Environmental Sustainability	823	1 991	3 171	3 000	3 000	3 000	1 000		
Safe, Healthy and Secure Environment	Social and Environmental Sustainability	6 509								
Economic Development and Job Creation	Advanced Economic Growth	4 149	4 122	2 508	150	150	150		7 600	2 900
Quality Living Environment	Optimised Infrastructural Services			156	5 786	5 839	5 839	16 920	10 000	10 000
Financial Viability and Sustainability	Organisational Excellence	22 640	25 719	27 861	26 005	27 113	27 113	28 579	30 289	32 049
Total Revenue (excluding capital transfers and contributions)		35 625	32 992	36 674	35 685	38 522	38 522	48 333	48 775	45 879



OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

DC46 Metsweding - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand										
Good Governance	Cooperative Governance and Transformation	5 679	6 647	6 999	7 343	7 403	7 403	8 436	8 081	8 365
Good Governance	Cooperative Governance and Transformation	1 558	1 346	1 917	3 160	3 283	3 283	3 011	3 194	3 354
Safe, Healthy and Secure Environment	Social and Environmental Sustainability	868	1 474	2 554	3 191	3 187	3 187	2 656	1 707	1 792
Safe, Healthy and Secure Environment	Social and Environmental Sustainability	695	853	1 613	2 102	2 491	2 491	2 342	2 480	2 604
Safe, Healthy and Secure Environment	Social and Environmental Sustainability	823	1 991	3 171	3 000	3 502	3 502	1 632	946	993
Safe, Healthy and Secure Environment	Social and Environmental Sustainability	7 185								
Economic Development and Job Creation	Advanced Economic Growth	5 390	6 122	7 423	4 715	5 508	5 508	2 478	8 765	4 747
Quality Living Environment	Optimised Infrastructural Services	1 972	4 077	886	5 410	5 580	5 580	16 424	10 202	10 273
Operations and Support Services	Organisational Excellence	4 843	5 919	8 036	6 417	8 300	8 300	8 292	6 155	6 362
Financial Viability and Sustainability	Organisational Excellence	5 754	4 835	7 005	6 637	7 673	7 673	7 686	7 219	7 626
		34 768	33 263	39 604	41 975	46 926	46 926	52 959	48 747	46 116



OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

DC46 Metsweding - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand											
Quality Living Environment	Optimised Infrastructural Services	A				1 000					
Operations and Support Services	Organisational Excellence	B	1 611	1 523	841	1 143	2 125	2 125	260		
			1 611	1 523	841	2 143	2 125	2 125	260	-	-



MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

DC46 Metsweding - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2010/11 Medium Term Revenue & Expenditure Framework		
		Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Vote 1 - 110 Executive Mayor and Speaker				
<i>Insert measure/s description</i>				
<i>Budget Control</i>	Rand	R 8 436 461	R 8 081 069	R 8 365 122
<i>State of the District Address</i>	No. Of Events	1	0	0
<i>Community Outreach Programmes</i>	No. Of Events	4	4	4
<i>Training for Councillors</i>	No. Of Trained	15	0	0
<i>Year-end Function</i>	No. Of Events	1	0	0
<i>IGR</i>	No. Of Events	4	0	0
<i>Ward Committees Capacity Building</i>	No. Of Events	4	4	4
<i>Public Education - Energy Savings</i>	No. Of Events	6	0	0
<i>Career Expo</i>	No. Of Events	1	1	1
<i>Golf Day</i>	No. Of Events	1	1	1
<i>Women in Econ Dev Seminar</i>	No. Of Events	1	1	1
<i>Celebrating Cultural Diversity</i>	No. Of Events	1	1	1
<i>Health Clubs for the Elderly</i>	No. Of Events	1	1	1
<i>HIV/AIDS Day</i>	No. Of Events	1	1	1
<i>Mayoral Awards</i>	No. Of Events	1	1	1
<i>Matric Awards</i>	No. Of Events	1	1	1
<i>Human Rights Day</i>	No. Of Events	1	1	1
<i>Mayoral Sports Tournament</i>	No. Of Events	1	1	1
<i>MPAC Support</i>	Rand	R 24 000	R 25 200	R 26 460
<i>Public Education - Petitions</i>	No. Of Events	6	6	6
Vote 2 - 210 Municipal Manager				
<i>Insert measure/s description</i>				
<i>Budget Control</i>	Rand	R 3 011 349	R 3 194 200	R 3 353 910



MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Vote 3 - 310 Corporate and Legal Services				
<i>Insert measure/s description</i>				
<i>Budget Control</i>	Rand	R 8 291 926	R 6 154 624	R 6 362 335
<i>Document Management</i>	No. Of Reports	12	12	12
<i>ICT Management</i>	Rand	R 612 000	R 233 100	R 244 755
<i>OHS Meetings</i>	No. Of Events	12	12	12
<i>Disaster Recovery</i>	No. Of Reports	12	12	12
<i>Implementation of Council Resolutions</i>	No. Of Reports	12	12	12
<i>Proper Security over Council Property</i>	No. Of Incidents	0	0	0
<i>Proper Security over Council Property</i>	Rand	R 670 000	R -	R -
<i>Proper Maintenance over Council Assets</i>	Rand	R 188 000	R 142 400	R 52 500
<i>Proper Management of Council Fleet</i>	No. Of Reports	12	12	12
<i>Training & Development of Staff</i>	No. Of Employees	30	15	15
Vote 4 - 315 Development Planning and Environment				
<i>Insert measure/s description</i>				
<i>Budget Control</i>	Rand	R 2 656 455	R 1 706 514	R 1 791 840
<i>Develop IDP Framework & Process Plan</i>	No. Of Reports	1	1	1
<i>Conduct IDP Status Quo Analysis</i>	No. Of Reports	1	1	1
<i>Conceptualise IDP Strategies</i>	No. Of Reports	1	1	1
<i>Develop IDP Projects</i>	No. Of Reports	1	1	1
<i>Hold IDP/PMS/Budget Meetings</i>	No. Of Events	2	2	2
<i>Review and Approve IDP</i>	No. Of Reports	1	1	1
<i>Support Environmental Awareness Campaigns</i>	No. Of Events	4	4	4
<i>Environmental Management Framework Policy</i>	No. Of Reports	1	0	0
<i>Air Quality Management</i>	No. Of Reports	1	0	0
<i>Strategic Environmental Assessment</i>	No. Of Reports	1	0	0
Vote 5 - 330 Community Services				
<i>Insert measure/s description</i>				
<i>Budget Control</i>	Rand	R 2 341 911	R 2 480 229	R 2 604 241
<i>Conduct risk assessments</i>	No. Of Reports	2	2	2
<i>Disaster Risk Management Advisory Forum</i>	No. Of Events	4	4	4



MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

<i>Training of Volunteers on basic fire fighting</i>	No. Of Volunteers	30	30	30
<i>Disaster Management Awareness Campaign</i>	No. Of Events	4	4	4
<i>Support for FPA's</i>	No. Supported	12	12	12
<i>DM response and relief</i>	% Responded	100%	100%	100%
<i>ECD Programmes</i>	No. Of Events	10	10	10
<i>Education Indaba</i>	No. Of Events	1	1	1
<i>Arts and Culture Programmes</i>	No. Of Events	2	2	2
<i>Schools Safety</i>	No. Of Schools	12	12	12
<i>Community Safety Plans</i>	No. Of Reports	1	1	1
<i>Community Safety Forum & Awareness</i>	No. Of Events	13	13	13
<i>Social Development Strategy</i>	No. Of Reports	1	1	1
<i>Audit of Households below Bread Line</i>	No. Of Reports	1	1	1
<i>Sports and Recreation Programmes</i>	No. Of Events	2	2	2
<i>Support Sports Council</i>	No. Of Events	10	10	10
<i>OR Tambo Games</i>	No. Of Events	1	1	1
Vote 6 - 335 Economic Development and Tourism				
<i>Insert measure/s description</i>				
<i>Budget Control</i>	Rand	R 2 478 247	R 8 764 882	R 4 746 985
<i>Metsweding Economic Development Agency</i>	Rand	R 500 000	R 6 403 509	R 2 105 263
<i>LED Enterprise Development</i>	No. Of Beneficiaries	4	4	4
<i>Community Projects Support</i>	No. Of Beneficiaries	12	12	12
<i>Heritage Day Komjekejeke Celebration</i>	No. Of Events	1	1	1
<i>Regional Tourism Organisation Marketing</i>	No. Of Events	1	1	1
<i>Support of Emerging Farmers and Co-operatives Projects</i>	No. Of Beneficiaries	12	12	12
Vote 7 - 340 HIV and AIDS Programme				
<i>Insert measure/s description</i>				
<i>Budget Control</i>	Rand	R 1 632 099	R 945 734	R 993 021
<i>Workplace Programme</i>	No. Of Events	4	0	0
<i>Indigent Burials</i>	No. Of Burials	40	0	0
<i>Rural / Farm Communities Programme</i>	No. Of Volunteers	44	0	0
<i>Child Protection</i>	No. Of Interventions	12	12	12



MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

<i>Global and National Events</i>	No. Of Events	12	12	12
<i>Child Headed Households</i>	No. Of Beneficiaries	100	100	100
Vote 8 - 410 Finance				
<i>Insert measure/s description</i>				
<i>Budget Control</i>	Rand	R 7 686 285	R 7 218 525	R 7 625 745
<i>Collect a minimum of 95% of Budgeted Municipal Revenue</i>	Rand	R 698 359	R 3 318 000	R 1 467 900
<i>Compilation and approval of a Multi-Year Budget</i>	Council Resolution	1	1	1
<i>Financial reporting</i>	No. Of Reports	16	16	16
<i>Finance policies and procedures</i>	No. Of Reports	6	6	6
<i>Asset Register</i>	% Assets Captured	95%	96%	97%
<i>Risk Management</i>	% Risks Insured	95%	96%	97%
<i>Solvency</i>	Ratio: >1	>1	>1	>1
<i>Liquidity</i>	Ratio: >1	>1	>1	>1
<i>Expenditure Spread: Salaries</i>	% of Total Expenditure	<45%	<45%	<45%
<i>Turnover of Creditors</i>	No. Of Days	≤ 31	≤ 31	≤ 31
<i>Payment of Salaries</i>	Day of Month	≤ 26	≤ 26	≤ 26
<i>GRAP AFS by 31 Aug</i>	No. Of Reports	1	1	1
<i>Retain Unqualified Financial Audit Opinion</i>	No. Of Reports	1	1	1
<i>Bank Reconciliations Monthly</i>	No. Of Reports	12	12	12
Vote 9 - 510 Infrastructure				
<i>Insert measure/s description</i>				
<i>Neighbourhood Development Partnership</i>	No. Of Projects Completed	1	2	3
<i>Electricity Masterplan</i>	No. Of Plans Completed	1	0	0
And so on for the rest of the Votes				



OVERVIEW OF BUDGET RELATED POLICIES

All budget related policies were reviewed at two workshops. Following the workshops, there were no changes made to the policies. All budget related policies may be viewed at municipal premises, on appointment made with the Municipal Manager.

The following budget related policies were part of the review process:

- Human Resources Policies
 - Overtime Policy
 - Subsistence and Travel Policy
 - Bursary Policy
 - Acting Policy
 - Leave Policy
- Finance Policies
 - Supply Chain Management Policy
 - Preferential Procurement Policy
 - Cash and Investment Policy

The following budget related policies are in process of being reviewed:

- Funding and Reserves Policy
- Asset Management Policy
- Virement Policy



OVERVIEW OF BUDGET ASSUMPTIONS

The national *Budget Review 2010* notes that the South African economy is slowly recovering with economic growth of 2.3 per cent projected for 2010. However, it will take some time for the economic upturn to flow through to increased municipal revenues and better cash flows. Consequently, municipal revenues and cash flows are expected to remain under pressure in 2010/11 and so the municipality should adopt a conservative approach when projecting expected revenues and cash receipts. The municipality should also pay particular attention to managing all revenue and cash streams effectively, especially debtors.

Given the constraints on the revenue side, the municipality will again need to make some very tough decisions on the expenditure side this year. Priority ought to be given to:

- Ensuring that drinking water meets the required quality standards at all times;
- Protecting the poor from the worst impacts of the economic downturn;
- Supporting meaningful local economic development (LED) initiatives that foster micro and small business opportunities and job creation;
- Securing the health of their asset base (especially the municipality's revenue generating assets) by increasing spending on repairs and maintenance; and
- Expediting spending on capital projects that are funded by conditional grants.

The municipality must pay special attention to controlling unnecessary spending on nice-to-have items and non-essential activities, such as foreign travel, councillor and staff perks, advertising and public relations activities. Attention should also be given to ensuring value for money is obtained when using consultancy and other outsourced services.

The municipality must also ensure that the capital budget reflects consistent efforts to address the backlogs in basic services and the refurbishment of existing network services.

In terms of MFMA Circular No. 51 the following headline inflation forecasts underpin the national 2010 Budget:



OVERVIEW OF BUDGET ASSUMPTIONS

HEADLINE INFLATION FORECASTS					
Fiscal year	2008/09	2009/10	2010/11	2011/12	2012/13
	Actual	Estimate	Forecast		
Headline CPI Inflation	9.9%	6.7%	5.7%	6.2%	5.9%

The question does however remain regarding the reliability of these forecasts. Even when taking into consideration the global recession, markets and commodities could remain volatile as reflected by the Reserve Bank’s monetary policy committee’s decision to increase the frequency of their meetings. However, it will not be unwise to budget accordingly.

The actual revenue for the 2008/2009 financial year, as well as the approved budget for the 2009/2010 financial year and the year to date results as at the end of February 2010 is used as basis for determination of projected revenue and any possible additions. Subsidies and Grants are based on the actual allocations as per the Division of Revenue Bill of 2010, and the Budget Statement tabled to the Gauteng Legislature by the MEC for Finance.

General growth parameters in terms of CPI are calculated at between 4% and 6% for the 2010/11 budget. The actual expenditure for the 2008/2009 financial year as well as the approved adjustments budget for the 2009/2010 financial year and the year to date results as at the end of February 2010 is used as basis for determination of projected expenditure.

The 2010/11 Budget was compiled in terms of the accrual basis of accounting, in a format aligned to generally recognised accounting practice (GRAP).



OVERVIEW OF BUDGET FUNDING

Description	2006/7	2007/8	2008/9	Current Year 2009/10				2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Total Revenue	35 625	32 992	36 674	35 685	38 522	38 522	22 710	48 333	48 775	45 879
Revenue is estimated at 100% of budget, due to the fact that there are no consumer debtors.										
Total Expenditure	34 768	33 263	39 604	41 975	46 926	46 926	26 794	52 959	48 747	46 116
Expenditure includes non-cash items such as depreciation and contributions to the leave provision.										
Surplus/(Deficit) for the year	857	(270)	(2 930)	(6 290)	(8 404)	(8 404)	(4 084)	(4 626)	28	(237)
The deficit for the year is funded from the Accumulated Surplus and Government Grant Reserves as follows:										
Accumulated Surplus/(Deficit) - opening balance	14 792	17 217	17 297	14 414	14 414	14 414	14 414	5 515	1 141	1 409
GRAP adjustments	(39)									
Restated balance	14 753	17 217	17 297	14 414	14 414	14 414	14 414	5 515	1 141	1 409
Surplus/(Deficit)	857	(270)	(2 930)	(6 290)	(8 404)	(8 404)	(4 084)	(4 626)	28	(237)
Appropriations to Reserves	(119)				(703)	(703)	(703)			
Transfers from Reserves	1 557	27								
Depreciation offsets	287	206	47	315	208	208	208	251	241	59
Other adjustments	(117)	117								
Accumulated Surplus/(Deficit)	17 217	17 297	14 414	8 440	5 515	5 515	9 835	1 141	1 409	1 231



OVERVIEW OF BUDGET FUNDING

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand									
<u>Cash and investments available</u>									
Cash/cash equivalents at the year end	34 227	30 129	20 457	9 401	5 463	5 463	1 942	3 334	4 462
Other current investments > 90 days									
Non current assets - Investments									
Cash and investments available:	34 227	30 129	20 457	9 401	5 463	5 463	1 942	3 334	4 462
<u>Application of cash and investments</u>									
Unspent conditional transfers	18 204	14 709	6 159	2 953	1 293	1 293	1 293	1 293	1 293
Unspent borrowing									
Statutory requirements									
Other working capital requirements	1 333	1 529	3 080	-150	2 113	2 113	2 114	2 115	2 116
Other provisions									
Long term investments committed									
Reserves to be backed by cash/investments									
Total Application of cash and investments:	19 537	16 238	9 239	2 803	3 406	3 406	3 407	3 408	3 409
Surplus(shortfall)	14 690	13 891	11 218	6 598	2 057	2 057	(1 465)	(74)	1 053
Other working capital requirements include Trade and Other Payables, as well as the Leave Provision. The Leave Provision is treated as a Payable in terms of the Standards for GRAP. The Leave Provision is calculated at R1,370,000 and will not be paid at year-end.									



EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

DC46 Metsweding - Supporting Table SA18 Transfers and grant receipts

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
RECEIPTS:									
-									
<u>Operating Transfers and Grants</u>									
National Government:	16 487	19 250	22 408	30 352	30 352	30 352	43 015	39 707	41 438
Equitable share	2 437	3 407	5 037	6 390	6 390	6 390	8 270	9 387	10 360
Levy replacement	12 550	14 343	16 135	17 227	17 227	17 227	17 745	18 280	18 828
Finance Management	500	500	500	1 000	1 000	1 000	1 250	1 250	1 250
Municipal Systems Improvement	1 000	1 000	735	735	735	735	750	790	1 000
Neighbourhood Development Partnership				5 000	5 000	5 000	15 000	10 000	10 000
Provincial Government:	5 677	6 071	891	730	1 480	1 480	-	7 600	2 900
Sports and Recreation				580	1 330	1 330			
Local Economic Development	1 080	14					-	7 300	2 400
Road S249		2 374							
IDP		600							
Finance Intern			141						
Municipal Support		1 000	750						
Technology Support - Agriculture				150	150	150	-	300	500
HIV and AIDS	4 597	2 083					-	-	-
Other grant providers:	129	196	72	-	-	-	-	-	-
<i>LG SETA</i>	129	196	72	-	-	-	-	-	-
Total Operating Transfers and Grants	22 292	25 517	23 371	31 082	31 832	31 832	43 015	47 307	44 338
TOTAL RECEIPTS OF TRANSFERS & GRANTS	22 292	25 517	23 371	31 082	31 832	31 832	43 015	47 307	44 338



EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

DC46 Metsweding - Supporting Table SA19 Expenditure on transfers and grant programme

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
EXPENDITURE:									
-									
<u>Operating expenditure of Transfers and Grants</u>									
National Government:	16 164	18 901	23 530	30 352	31 589	31 589	43 015	39 707	41 438
Equitable share	2 437	3 407	5 037	6 390	6 390	6 390	8 270	9 387	10 360
Levy replacement	12 550	14 343	16 135	17 227	17 227	17 227	17 745	18 280	18 828
Finance Management	309	529	533	1 000	1 364	1 364	1 250	1 250	1 250
Municipal Systems Improvement	868	622	1 809	735	1 607	1 607	750	790	1 000
Neighbourhood Development Partnership				5 000	5 000	5 000	15 000	10 000	10 000
LGTF			15						
Provincial Government:	6 735	9 787	8 898	3 936	5 110	5 110	-	7 600	2 900
Sports and Recreation	71		589	-	750	750			
Local Economic Development	4 149	4 122	2 508				-	7 300	2 400
Road S249	619	2 891							
WSP		272	147	786	839	839			
IDP		3	544	-	53	53			
Finance Intern			88	-	53	53			
Municipal Support	1 074	509	1 850	-	265	265			
Technology Support - Agriculture				150	150	150	-	300	500
HIV and AIDS	823	1 991	3 171	3 000	3 000	3 000	-	-	-
Other grant providers:	-	325	72	-	-	-	-	-	-
<i>LG SETA</i>		325	72	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	22 899	29 013	32 500	34 288	36 699	36 699	43 015	47 307	44 338
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	22 899	29 013	32 500	34 288	36 699	36 699	43 015	47 307	44 338



EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

DC46 Metsweding - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand									
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	1 687	2 009	2 359	1 237	1 237	1 237	0	0	0
Current year receipts	16 487	19 250	22 408	30 352	30 352	30 352	43 015	39 707	41 438
Conditions met - transferred to revenue	16 164	18 901	23 530	30 352	31 589	31 589	43 015	39 707	41 438
Conditions still to be met - transferred to liabilities	2 009	2 359	1 237	1 237	0	0	0	0	0
Provincial Government:									
Balance unspent at beginning of the year	17 704	16 646	12 929	4 923	4 923	4 923	1 293	1 293	1 293
Current year receipts	5 677	6 071	891	730	1 480	1 480	-	7 600	2 900
Conditions met - transferred to revenue	6 735	9 787	8 898	3 936	5 110	5 110	-	7 600	2 900
Conditions still to be met - transferred to liabilities	16 646	12 929	4 923	1 717	1 293	1 293	1 293	1 293	1 293
Other grant providers:									
Balance unspent at beginning of the year	-	129	-	-	-	-	-	-	-
Current year receipts	129	196	72	-	-	-	-	-	-
Conditions met - transferred to revenue	-	325	72	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities	129	-	-	-	-	-	-	-	-
Total operating transfers and grants revenue	22 899	29 013	32 500	34 288	36 699	36 699	43 015	47 307	44 338
Total operating transfers and grants - CTBM	18 784	15 289	6 159	2 953	1 293	1 293	1 293	1 293	1 293
TOTAL TRANSFERS AND GRANTS REVENUE	22 899	29 013	32 500	34 288	36 699	36 699	43 015	47 307	44 338
TOTAL TRANSFERS AND GRANTS - CTBM	18 784	15 289	6 159	2 953	1 293	1 293	1 293	1 293	1 293



ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

DC46 Metsweding - Supporting Table SA21 Transfers and grants made by the municipality

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand									
Transfers to other municipalities									
<i>Insert description</i>									
GT462 Kungwini LM	433			4 386	4 386	4 386	6 579	4 386	4 386
GT461 Nokeng tsa Taemane LM	1 096	2 891	62				6 579	4 386	4 386
TOTAL TRANSFERS TO MUNICIPALITIES:	1 528	2 891	62	4 386	4 386	4 386	13 158	8 772	8 772
TOTAL TRANSFERS AND GRANTS	1 528	2 891	62	4 386	4 386	4 386	13 158	8 772	8 772



COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS

DC46 Metsweding - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
-	A	B	C	D	E	F	G	H	I
<u>Councillors (Political Office Bearers plus Other)</u>									
Salary	1 266	1 272	1 419	1 482	1 570	1 570	1 672	1 772	1 861
Pension Contributions	120	131	144	160	153	153	173	184	193
Medical Aid Contributions	47	52	72	85	70	70	92	98	103
Motor vehicle allowance	441	517	563	599	602	602	650	689	724
Cell phone allowance	22	23	26	28	28	28	30	32	33
Housing allowance	128	118	121	129	132	132	140	149	156
Other benefits or allowances	34	39	29	53	72	72	58	62	65
In-kind benefits									
Sub Total - Councillors	2 058	2 151	2 373	2 536	2 627	2 627	2 816	2 985	3 134
% increase		4.5%	10.3%	6.9%	3.6%	-	7.2%	6.0%	5.0%
<u>Senior Managers of the Municipality</u>									
Salary	1 089	670	887	1 266	1 266	1 266	1 384	1 488	1 562
Pension Contributions	198	121	148	243	243	243	265	285	299
Medical Aid Contributions	-	7	22	22	22	22	29	32	33
Motor vehicle allowance	373	208	258	410	410	410	443	476	500
Cell phone allowance	-	-	-	-	-	-	-	-	-
Housing allowance	-	-	63	-	-	-	-	-	-
Performance Bonus	-	125	-	212	212	212	232	250	262
Other benefits or allowances	470	272	69	322	322	322	356	382	401
In-kind benefits									
Sub Total - Senior Managers of Municipality	2 130	1 403	1 447	2 475	2 475	2 475	2 708	2 912	3 057
% increase		(34.2%)	3.1%	71.1%	-	-	9.4%	7.5%	5.0%



COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS

DC46 Metsweding - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Other Municipal Staff									
Basic Salaries and Wages	8 066	5 709	7 377	10 008	10 208	10 208	11 610	12 450	13 072
Pension Contributions	1 664	1 139	1 556	2 202	2 036	2 036	2 554	2 739	2 876
Medical Aid Contributions	598	465	582	766	776	776	954	1 023	1 074
Motor vehicle allowance	1 125	1 548	1 971	2 395	2 175	2 175	2 572	2 758	2 896
Cell phone allowance	162	223	280	378	258	258	203	218	229
Housing allowance	262	154	129	278	207	207	215	231	242
Overtime	433	288	171	73	158	158	93	99	104
Performance Bonus									
Other benefits or allowances	1 911	1 126	1 556	1 810	1 895	1 895	2 101	2 252	2 365
In-kind benefits									
Sub Total - Other Municipal Staff	14 220	10 653	13 622	17 909	17 713	17 713	20 304	21 770	22 858
% increase		(25.1%)	27.9%	31.5%	(1.1%)	-	14.6%	7.2%	5.0%
Total Parent Municipality	18 408	14 206	17 442	22 920	22 815	22 815	25 828	27 666	29 050
% increase		(22.8%)	22.8%	31.4%	(0.5%)	-	13.2%	7.1%	5.0%
TOTAL SALARY, ALLOWANCES & BENEFITS	18 408	14 206	17 442	22 920	22 815	22 815	25 828	27 666	29 050
% increase		(22.8%)	22.8%	31.4%	(0.5%)	-	13.2%	7.1%	5.0%
TOTAL MANAGERS AND STAFF	16 351	12 055	15 069	20 384	20 188	20 188	23 012	24 681	25 915



COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS

DC46 Metsweding - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contrib.	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum							
Councillors							
Speaker	1	272 964	60 912	153 600			487 476
Chief Whip							–
Executive Mayor	1	341 184	66 930	200 185			608 299
Deputy Executive Mayor							–
Executive Committee	3	643 968	54 847	311 639			1 010 454
Total for all other councillors	10	413 904	82 877	213 228			710 009
Total Councillors	15	1 672 020	265 566	878 652			2 816 238
Senior Managers of the Municipality							
Municipal Manager (MM)	1	564 432	113 975	255 016	87 825		1 021 248
Chief Finance Officer	1	409 728	90 140	271 560	72 167		843 595
Strategic Manager - Operations	1	409 728	90 140	271 560	72 167		843 595
Total Senior Managers of the Municipality	3	1 383 888	294 255	798 136	232 159	–	2 708 438
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	18	3 055 908	559 821	1 676 788	232 159	–	5 524 676



COUNCILLORS ALLOWANCES AND EMPLOYEE BENEFITS

DC46 Metsweding - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers Number	2008/9			Current Year 2009/10			Budget Year 2010/11		
	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)	15	5	10	15	5	10	15	5	10
Municipal employees									
Municipal Manager and Senior Managers	2	1	1	3	1	2	3	1	2
Other Managers	14	14		18	18		18	18	
Professionals	3	3	-	10	5	5	10	5	5
<i>Finance</i>	2	2		8	3	5	8	3	5
<i>Spatial/town planning</i>				1	1		1	1	
<i>Information Technology</i>	1	1		1	1		1	1	
<i>Other</i>	4	4		3	3		3	3	
Technicians	1	1	-	3	3	-	3	3	-
<i>Spatial/town planning</i>				1	1		1	1	
<i>Roads</i>	1	1		1	1		1	1	
<i>Water</i>				1	1		1	1	
<i>Other</i>				1	1		1	1	
Clerks (Clerical and administrative)	17	17		29	29		29	29	
Elementary Occupations	7	7		10	10		10	10	
TOTAL PERSONNEL NUMBERS	63	52	11	92	75	17	92	75	17
% increase		(17.5%)	(78.8%)	46.0%	44.2%	54.5%	-	-	-
Total municipal employees headcount	63	52	11	92	75	17	92	75	17
Finance personnel headcount	9	9	-	14	9	5	14	9	5
Human Resources personnel headcount	2	2	-	3	3	-	3	3	-



MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

DC46 Metsweding - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Budget Year 2010/11												Medium Term Revenue and Expenditure Framework		
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand															
Revenue By Source															
Interest earned - external investments	80	80	80	80	80	80	80	80	80	80	80	120	1 000	1 050	1 103
Transfers recognised - operational	13 840	-	-	1 000	-	12 544	3 000	10 630	4 000	-	-	-	45 015	47 307	44 338
Other revenue	-	-	259	-	-	259	-	-	1 699	-	-	101	2 317	417	438
Gains on disposal of PPE												1	1	1	1
Total Revenue (excluding capital transfers and contributions)	13 920	80	339	1 080	80	12 883	3 080	10 710	5 779	80	80	222	48 333	48 775	45 879
Expenditure By Type															
Employee related costs	1 878	1 820	1 969	1 836	1 836	1 955	1 838	1 858	2 110	1 824	1 865	2 186	22 976	24 642	25 875
Remuneration of councillors	235	235	235	235	235	235	235	235	235	235	235	235	2 816	2 985	3 134
Depreciation & asset impairment	114	114	114	114	114	114	114	114	114	114	114	114	1 364	1 364	1 364
Finance charges												1	1	-	-
Transfers and grants	-	-	-	-	-	5 000	3 000	3 000	2 158	-	-	-	13 158	8 772	8 772
Other expenditure	935	804	1 052	804	790	1 181	17	724	3 363	732	751	791	12 643	10 983	6 971
Loss on disposal of PPE												1	1	1	1
Total Expenditure	3 162	2 972	3 369	2 988	2 974	8 484	5 903	5 931	7 979	2 904	2 964	3 327	52 959	48 747	46 116
Surplus/(Deficit)	10 759	(2 892)	(3 031)	(1 908)	(2 894)	4 399	(2 823)	4 779	(2 200)	(2 824)	(2 884)	(3 106)	(4 626)	28	(237)



MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

DC46 Metsweding - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2010/11												Medium Term Revenue and Expenditure Framework		
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand															
Revenue by Vote															
Vote1 - 110 Executive Mayor and Speaker	348					242		245					834	886	930
Vote2 - 210 Municipal Manager															
Vote3 - 310 Corporate and Legal Services															
Vote4 - 315 Development Planning and Environment				1 000									1 000		
Vote5 - 330 Community Services														7 600	2 900
Vote6 - 335 Economic Development															
Vote7 - 340 HIV & AIDS	1 000												1 000		
Vote8 - 410 Finance	12 573	80	179	80	80	7 481	80	7 466	179	80	80	222	28 579	30 289	32 049
Vote9 - 510 Infrastructure			160			5 160	3 000	3 000	5 600				16 920	10 000	10 000
Total Revenue by Vote	13 920	80	339	1 080	80	12 883	3 080	10 710	5 779	80	80	222	48 333	48 775	45 879
Expenditure by Vote to be appropriated															
Vote1 - 110 Executive Mayor and Speaker	792	687	735	637	618	839	637	607	797	607	669	810	8 436	8 081	8 365
Vote2 - 210 Municipal Manager	261	238	271	259	238	243	261	238	260	238	242	263	3 011	3 194	3 354
Vote3 - 310 Corporate and Legal Services	724	666	710	661	682	672	673	666	756	661	691	730	8 292	6 155	6 362
Vote4 - 315 Development Planning and Environment	129	129	129	129	209	148	129	129	1 070	154	149	154	2 656	1 707	1 792
Vote5 - 330 Community Services	166	203	207	253	153	269	153	223	172	186	164	193	2 342	2 480	2 604
Vote6 - 335 Economic Development	190	190	225	190	215	238	190	210	229	200	190	208	2 478	8 765	4 747
Vote7 - 340 HIV & AIDS	158	129	142	129	129	142	129	129	146	129	129	142	1 632	946	993
Vote8 - 410 Finance	635	623	684	623	623	657	623	623	655	623	623	692	7 686	7 219	7 626
Vote9 - 510 Infrastructure	106	106	266	106	106	5 277	3 106	3 106	3 894	106	106	136	16 424	10 202	10 273
Total Expenditure by Vote	3 162	2 972	3 370	2 988	2 974	8 484	5 903	5 931	7 979	2 904	2 964	3 327	52 959	48 747	46 116
Surplus/(Deficit)	10 758	-2 892	-3 031	-1 908	-2 894	4 399	-2 823	4 779	-2 200	-2 824	-2 884	-3 105	-4 626	28	-237



MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

DC46 Metsweding - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Budget Year 2010/11												Medium Term Revenue and Expenditure Framework		
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Revenue - Standard															
<i>Governance and administration</i>	12 920	80	179	80	80	7 723	80	7 710	179	80	80	222	29 413	31 175	32 979
Executive and council	348					242		245					834	886	930
Budget and treasury office	12 573	80	179	80	80	7 481	80	7 466	179	80	80	222	28 579	30 289	32 049
<i>Community and public safety</i>	1 000		160			5 160	3 000	3 000	5 600				17 920	10 000	10 000
Community and social services			160			5 160	3 000	3 000	5 600				16 920	10 000	10 000
Health	1 000												1 000		
<i>Economic and environmental services</i>				1 000									1 000	7 600	2 900
Planning and development				1 000									1 000	7 600	2 900
Total Revenue - Standard	13 920	80	339	1 080	80	12 883	3 080	10 710	5 779	80	80	222	48 333	48 775	45 879
Expenditure - Standard															
<i>Governance and administration</i>	2 413	2 214	2 400	2 181	2 162	2 410	2 195	2 134	2 467	2 129	2 226	2 493	27 426	24 648	25 707
Executive and council	1 054	925	1 006	896	856	1 082	899	845	1 057	845	911	1 072	11 448	11 275	11 719
Budget and treasury office	635	623	684	623	623	657	623	623	655	623	623	692	7 686	7 219	7 626
Corporate services	724	666	710	661	682	672	673	666	756	661	691	730	8 292	6 155	6 362
<i>Community and public safety</i>	430	438	615	488	388	5 688	3 388	3 458	4 212	421	399	471	20 398	13 628	13 870
Community and social services	272	309	474	359	259	5 546	3 259	3 329	4 066	292	270	329	18 766	12 682	12 877
Health	158	129	142	129	129	142	129	129	146	129	129	142	1 632	946	993
<i>Economic and environmental services</i>	319	319	354	319	424	386	319	338	1 299	354	339	362	5 135	10 471	6 539
Planning and development	319	319	354	319	424	386	319	338	1 299	354	339	362	5 135	10 471	6 539
Total Expenditure - Standard	3 162	2 972	3 370	2 988	2 974	8 484	5 903	5 931	7 979	2 904	2 964	3 327	52 959	48 747	46 116
Surplus/(Deficit)	10 758	-2 892	-3 031	-1 908	-2 894	4 399	-2 823	4 779	-2 200	-2 824	-2 884	-3 105	-4 626	28	-237



MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

DC46 Metsweding - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Budget Year 2010/11												Medium Term Revenue and Expenditure Framework		
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand															
Multi-year expenditure to be appropriated															
Vote8 - 410 Finance	30	30	30	30	30	30	30	30	20				260		
Capital multi-year expenditure sub-total	30	30	30	30	30	30	30	30	20				260		
Total Capital Expenditure	30	30	30	30	30	30	30	30	20				260		



MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

DC46 Metsweding - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Budget Year 2010/11												Medium Term Revenue and Expenditure Framework		
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand															
Capital Expenditure - Standard															
<i>Governance and administration</i>	30	30	30	30	30	30	30	30	20				260		
Budget and Treasury Office	30	30	30	30	30	30	30	30	20				260		
Total Capital Expenditure	30	30	30	30	30	30	30	30	20				260		



MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

DC46 Metsweding - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2010/11												Medium Term Revenue and Expenditure Framework			
	R thousand	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Cash Receipts By Source																
Interest earned - external investments	80	80	80	80	80	80	80	80	80	80	80	120	1 000	1 050	1 103	
Transfer receipts - operational	13 840			1 000			12 544	3 000	10 630	4 000			45 015	47 307	44 338	
Other revenue			259				259			1 699		101	2 317	417	438	
Cash Receipts by Source	13 920	80	339	1 080	80	12 883	3 080	10 710	5 779	80	80	221	48 332	48 774	45 878	
Other Cash Flows by Source																
Proceeds on disposal of PPE												1	1	1	1	
Total Cash Receipts by Source	13 920	80	339	1 080	80	12 883	3 080	10 710	5 779	80	80	222	48 333	48 775	45 879	
Cash Payments by Type																
Employee related costs	1 878	1 820	1 969	1 836	1 836	1 955	1 838	1 858	2 110	1 824	1 865	2 186	22 976	24 642	25 875	
Remuneration of councillors	235	235	235	235	235	235	235	235	235	235	235	235	2 816	2 985	3 134	
Interest paid												1	1			
Grants and subsidies paid - other municipalities						5 700	3 420	3 420	2 460				15 000	10 000	10 000	
General expenses	1 066	917	1 199	917	901	1 346	817	826	3 834	834	856	902	14 413	12 521	7 946	
Cash Payments by Type	3 179	2 971	3 403	2 987	2 971	9 236	6 310	6 339	8 638	2 893	2 956	3 324	55 206	50 148	46 955	
Other Cash Flows/Payments by Type																
Capital assets	34	34	34	34	34	34	34	34	23				296			
Other Cash Flows/Payments	(135)	(117)	(151)	(117)	(115)	(870)	(525)	(526)	(776)	(102)	(105)	(111)	(3 648)	(2 766)	(2 204)	
Total Cash Payments by Type	3 078	2 888	3 286	2 905	2 890	8 400	5 819	5 847	7 885	2 791	2 851	3 213	51 854	47 383	44 752	
NET INCREASE/(DECREASE) IN CASH HELD	10 842	-2 808	-2 947	-1 825	-2 810	4 483	-2 739	4 863	-2 107	-2 711	-2 771	-2 991	-3 521	1 392	1 128	
Cash/cash equivalents at the month/year begin:	5 463	16 305	13 497	10 550	8 725	5 915	10 398	7 658	12 521	10 415	7 704	4 933	5 463	1 942	3 334	
Cash/cash equivalents at the month/year end:	16 305	13 497	10 550	8 725	5 915	10 398	7 658	12 521	10 415	7 704	4 933	1 942	1 942	3 334	4 462	



OTHER SUPPORTING TABLES

DC46 Metsweding - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand									
REVENUE ITEMS:									
<u>Other Revenue by source</u>									
Other revenue	3 483	427	1 169	170	257	257	2 317	417	438
Total 'Other' Revenue	3 483	427	1 169	170	257	257	2 317	417	438
EXPENDITURE ITEMS:									
<u>Employee related costs</u>									
Salaries and Wages	9 947	6 828	8 865	12 150	12 293	12 293	14 026	15 044	15 796
Contributions to UIF, pensions, medical aid	2 816	1 945	2 505	3 625	3 612	3 612	4 257	4 565	4 793
Travel, motor car, accom; & other allowances	2 189	1 980	2 509	3 183	2 843	2 843	3 218	3 452	3 624
Housing benefits and allowances	262	154	192	278	207	207	215	231	242
Overtime	433	288	171	73	158	158	93	99	104
Performance bonus		125		212	212	212	196	211	221
Payments in lieu of leave	704	735	827	862	862	862	971	1 041	1 094
Total Employee related costs	16 351	12 055	15 069	20 384	20 188	20 188	22 976	24 642	25 875
<u>Depreciation & asset impairment</u>									
Depreciation of Property, Plant & Equipment	655	949	987	1 314	1 364	1 364	1 364	1 364	1 364
Total Depreciation & asset impairment	655	949	987	1 314	1 364	1 364	1 364	1 364	1 364
<u>Other Expenditure By Type</u>									
Repairs and maintenance <i>(to be deleted)</i>	513	674	898	225	486	486			
Collection costs	186	31		1	-	-	1	-	-
Contributions to 'other' provisions				1	-	-	-	-	-
Consultant fees	1 298	806	891	370	745	745	363	-	-
Audit fees	762	374	776	650	450	450	450	-	-
General expenses	11 418	13 205	18 374	12 107	15 940	15 940	11 829	10 983	6 971
Total 'Other' Expenditure	14 177	15 090	20 939	13 354	17 621	17 621	12 643	10 983	6 971



OTHER SUPPORTING TABLES

DC46 Metsweding - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Vote1 - 110 Executive Mayor and Speaker	Vote2 - 210 Municipal Manager	Vote3 - 310 Corporate and Legal Services	Vote4 - 315 Developme nt Planning and Environme nt	Vote5 - 330 Community Services	Vote6 - 335 Economic Developme nt	Vote7 - 340 HIV & AIDS	Vote8 - 410 Finance	Vote9 - 510 Infrastructu re	Total
R thousand										
Revenue By Source										
Interest earned - external investments								1 000		1 000
Other revenue								397	1 920	2 317
Transfers recognised - operational	834			1 000			1 000	27 181	15 000	45 015
Gains on disposal of PPE								1		1
Total Revenue (excluding capital transfers and contributions)	834	-	-	1 000			1 000	28 579	16 920	48 333
Expenditure By Type										
Employee related costs	3 782	2 971	5 034	1 587	1 731	1 766	626	4 148	1 330	22 976
Remuneration of councillors	2 816									2 816
Depreciation & asset impairment								1 364		1 364
Finance charges	1									1
Transfers and grants									13 158	13 158
Other expenditure	1 837	40	3 258	1 069	611	712	1 006	2 174	1 936	12 643
Loss on disposal of PPE								1		1
Total Expenditure	8 436	3 011	8 292	2 656	2 342	2 478	1 632	7 686	16 424	52 959
Surplus/(Deficit)	(7 602)	(3 011)	(8 292)	(1 656)	(2 342)	2 478)	(632)	20 893	496	(4 626)
Transfers recognised - capital										-
Contributions recognised - capital										-
Contributed assets										-
Surplus/(Deficit) after capital transfers & contributions	(7 602)	(3 011)	(8 292)	(1 656)	(2 342)	(2 478)	(632)	20 893	496	(4 626)



OTHER SUPPORTING TABLES

DC46 Metsweding - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand									
ASSETS									
Consumer debtors									
Consumer debtors	214								
Less: Provision for debt impairment									
Total Consumer debtors	214	-	-	-	-	-	-	-	-
Property, plant and equipment (PPE)									
PPE at cost/valuation (excl. finance leases)	5 067	6 044	7 931	10 075	10 056	10 056	10 316	10 316	10 316
Leases recognised as PPE									
Less: Accumulated depreciation	2 000	2 471	2 024	3 338	3 388	3 388	4 751	6 115	7 479
Total Property, plant and equipment (PPE)	3 067	3 574	5 907	6 737	6 669	6 669	5 565	4 201	2 838
LIABILITIES									
Trade and other payables									
Trade and other creditors	1 939	2 198	4 272	100	2 678	2 678	2 679	2 680	2 681
Unspent conditional transfers	18 204	14 709	6 159	2 953	1 293	1 293	1 293	1 293	1 293
VAT									
Total Trade and other payables	20 143	16 907	10 432	3 053	3 971	3 971	3 972	3 973	3 974



OTHER SUPPORTING TABLES

DC46 Metsweding - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand									
CHANGES IN NET ASSETS									
<u>Accumulated Surplus/(Deficit)</u>									
Accumulated Surplus/(Deficit) - opening balance	14 792	17 217	17 297	14 414	14 414	14 414	5 515	1 141	1 409
GRAP adjustments	(39)								
Restated balance	14 753	17 217	17 297	14 414	14 414	14 414	5 515	1 141	1 409
Surplus/(Deficit)	857	(270)	(2 930)	(6 290)	(8 404)	(8 404)	(4 626)	28	(237)
Appropriations to Reserves	(119)				(703)	(703)			
Transfers from Reserves	1 557	27							
Depreciation offsets	287	206	47	315	208	208	251	241	59
Other adjustments	(117)	117							
Accumulated Surplus/(Deficit)	17 217	17 297	14 414	8 440	5 515	5 515	1 141	1 409	1 231
<u>Reserves</u>									
Government grant	344	110	63	-	558	558	307	66	7
Revaluation			2 653	2 653	2 653	2 653	2 653	2 653	2 653
Total Reserves	344	110	2 716	2 653	3 211	3 211	2 960	2 719	2 660
TOTAL COMMUNITY WEALTH/EQUITY	17 561	17 408	17 130	11 092	8 726	8 726	4 100	4 128	3 891



OTHER SUPPORTING TABLES

DC46 Metsweding - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<u>Borrowing Management</u>										
Borrowing to Asset Ratio	Total Long-Term Borrowing/Total Assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>										
Debt to Equity	Loans, Creditors, Overdraft & Tax Provision/ Funds & Reserves	116.5%	97.5%	61.2%	27.5%	45.5%	45.5%	96.9%	96.2%	102.1%
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>										
Current Ratio	Current assets/current liabilities	1.7	1.8	2.1	3.2	1.5	1.5	0.6	1.0	1.3
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.7	1.8	2.1	3.2	1.5	1.5	0.6	1.0	1.3
Liquidity Ratio	Monetary Assets/Current Liabilities	1.7	1.8	2.0	3.1	1.4	1.4	0.5	0.8	1.1
<u>Revenue Management</u>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		42.2%	114.7%	104.8%	104.8%	104.8%	325.7%	257.5%	763.5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	2.1%	2.0%	3.3%	0.7%	1.5%	1.5%	1.2%	1.2%	1.2%



OTHER SUPPORTING TABLES

DC46 Metsweding - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old									
Creditors Management										
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Funding of Provisions										
Provisions not funded - %	Unfunded Provns./Total Provisions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Indicators										
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated									
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source									
Employee costs	Employee costs/(Total Revenue - capital revenue)	45.9%	36.5%	41.1%	57.1%	52.4%	52.4%	47.5%	50.5%	56.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	51.7%	43.1%	47.6%	64.2%	59.2%	59.2%	53.4%	56.7%	63.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	1.5%	2.0%	2.3%	0.5%	1.0%	1.0%	0.4%	0.3%	0.1%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	1.8%	2.9%	2.7%	3.7%	3.5%	3.5%	2.8%	2.8%	3.0%
IDP regulation financial viability indicators	-									



OTHER SUPPORTING TABLES

DC46 Metsweding - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	3.6	1.4	3.4	0.9	0.9	0.9	3.2	1.3	1.4
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	773.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	12.0	11.2	6.4	2.8	1.4	1.4	0.5	0.8	1.2



OTHER SUPPORTING TABLES

DC46 Metsweding Supporting Table SA10 Funding measurement

Description	MFMA section	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Funding measures	-									
Cash/cash equivalents at the year end - R'000	18(1)b	34 227	30 129	20 457	9 401	5 463	5 463	1 942	3 334	4 462
Cash + investments at the yr end less applications - R'000	18(1)b	14 690	13 891	11 218	6 598	2 057	2 057	1 465	(74)	1 053
Cash year end/monthly employee/supplier payments	18(1)b	12.0	11.2	6.4	2.8	1.4	1.4	0.5	0.8	1.2
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	1 143	(64)	(2 883)	(5 975)	(8 196)	(8 196)	(4 374)	269	(178)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	(106.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)	(6.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	41.3%	100.0%	72.4%	(454.7%)	81.3%	81.3%	226.7%	763.5%	603.5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital payments % of capital expenditure	18(1)c;19	100.0%	100.0%	108.3%	100.0%	100.0%	100.0%	114.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	104.6%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	(8.6%)	78.2%	(79.0%)	126.0%	0.0%	0.0%	0.0%	0.0%
Long term receivables % change - incr(decr)	18(1)a	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	16.7%	18.9%	15.2%	3.3%	7.3%	7.3%	0.0%	0.0%	0.0%
Asset renewal % of capital budget	20(1)(vi)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr Service charges - refuse revenue	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% incr in Service charges - other	18(1)a		(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a	95	-	-	-	-	-	-	-	-
Service charges		95	-	-	-	-	-	-	-	-
Property rates		-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-



OTHER SUPPORTING TABLES

DC46 Metsweding Supporting Table SA10 Funding measurement

Description	MFMA section	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Service charges - refuse removal		-	-	-	-	-	-	-	-	-
Service charges - other		95	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-	-	-
Capital expenditure excluding capital grant funding		1 611	1 523	841	2 143	1 422	1 422	260	-	-
Cash receipts from ratepayers	18(1)a	4 216	490	1 226	170	837	837	5 965	3 183	2 642
Ratepayer & Other revenue	18(1)a	9 992	427	1 169	170	257	257	2 317	417	438
Change in consumer debtors (current and non-current)		227	(63)	524	(943)	(628)	(628)	315	-	-
Operating and Capital Grant Revenue	18(1)a	22 899	29 013	32 500	34 288	36 759	36 759	45 015	47 307	44 338
Capital expenditure - total	20(1)(vi)	1 611	1 523	841	2 143	2 125	2 125	260	-	-
Capital expenditure - renewal	20(1)(vi)	-	-	-	-	-	-	-	-	-
Supporting benchmarks										
Growth guideline maximum		6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPIX guideline		4.3%	3.9%	4.6%	5.2%	5.2%	5.2%	5.1%	4.3%	4.5%
DoRA operating grants total MFY								43 015	39 707	41 438
DoRA capital grants total MFY										
Provincial operating grants								-	7 600	2 900
Provincial capital grants										
District Municipality grants										
Total gazetted/advised national, provincial and district grants		-	-	-	-	-	-	43 015	47 307	44 338
Average annual collection rate (arrears inclusive)										



OTHER SUPPORTING TABLES

DC46 Metsweding Supporting Table SA10 Funding measurement

Description	MFMA section	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
<u>DoRA operating</u>										
<i>List operating grants</i>										
Equitable share								8 270	9 387	10 360
Levy replacement								17 745	18 280	18 828
Finance Management								1 250	1 250	1 250
Municipal Systems Improvement								750	790	1 000
Neighborhood Development Partnership								15 000	10 000	10 000
								43 015	39 707	41 438
<u>DoRA capital</u>										
<i>List capital grants</i>										
								-	-	-
<u>Trend</u>										
Change in consumer debtors (current and non-current)		227	(63)	524	(628)	315	-	-	-	-



OTHER SUPPORTING TABLES

DC46 Metsweding - Supporting Table SA15 Investment particulars by type

Investment type	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand									
Parent municipality									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank									
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits									
Bankers Acceptance Certificates									
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)									
Repurchase Agreements - Banks									
Municipal Bonds									
Municipality sub-total	-	-	-	-	-	-	-	-	-
Consolidated total:	-	-	-	-	-	-	-	-	-

Please be advised that the municipality does not carry investments at year-end.



OTHER SUPPORTING TABLES

DC46 Metsweding - Supporting Table SA16 Investment particulars by maturity

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

Please be advised that the municipality does not carry investments at year-end.



OTHER SUPPORTING TABLES

DC46 Metsweding - Supporting Table SA17 Borrowing

Borrowing - Categorized by type R thousand	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
Parent municipality									
Long-Term Loans (annuity/reducing balance)									
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit									
Financial Leases									
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
Municipality sub-total	-	-	-	-	-	-	-	-	-
Total Borrowing	-	-	-	-	-	-	-	-	-

Please be advised that the municipality does not have any borrowings.



OTHER SUPPORTING TABLES

DC46 Metsweding - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand
None					

Please be advised that the municipality does not make use of any external mechanisms.



OTHER SUPPORTING TABLES

DC46 Metsweding - Supporting Table SA33 Contracts having future budgetary implications

Description	Preceding Years	Current Year 2009/10	2010/11 Medium Term Revenue & Expenditure Framework			Forecast 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Total Contract Value
	Total	Original Budget	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:													
<u>Revenue Obligation By Contract</u>													
Total Operating Revenue Implication													
<u>Expenditure Obligation By Contract</u>													
Total Operating Expenditure Implication													
<u>Capital Expenditure Obligation By Contract</u>													
Total Capital Expenditure Implication													
Total Parent Expenditure Implication													

Please be advised that the municipality has not entered into any contracts having future budgetary implications.



OTHER SUPPORTING TABLES

DC46 Metsweding - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	2006/7	2007/8	2008/9	Current Year 2009/10			2010/11 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13
R thousand									
Repairs and maintenance expenditure by Asset Class/Sub-class									
-									
Other assets	513	674	898	225	486	486	188	142	53
General vehicles	47	48	54	20	95	95	50	53	-
Computers - hardware/equipment	24	158	34	45	35	35	30	32	-
Furniture and other office equipment	14	2	18	10	6	6	8	8	-
Civic Land and Buildings	427	466	792	150	350	350	100	50	53
Total Repairs and Maintenance Expenditure	513	674	898	225	486	486	188	142	53



OTHER SUPPORTING TABLES

DC46 Metsweding - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	2010/11 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13	Forecast 2013/14	Forecast 2014/15	Forecast 2015/16	Present value
R thousand							
Capital expenditure							
Vote8 - 410 Finance	260	-	-				
Total Capital Expenditure	260	-	-	-	-	-	-
Future operational costs by vote							
Vote8 - 410 Finance	78	78	78	11	11	1	260
Total future operational costs	78	78	78	11	11	1	260
Future revenue by source							
Total future revenue	-	-	-	-	-	-	-
Net Financial Implications	338	78	78	11	11	1	260



OTHER SUPPORTING TABLES

DC46 Metsweding - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project R thousand	Program/Project description	Project number	IDP Goal code 3.	Asset Class 4.	Asset Sub-Class 4.	Total Project Estimate	Prior year outcomes		2010/11 Medium Term Revenue & Expenditure Framework			Project information	
							Audited Outcome 2008/9	Current Year 2009/10 Full Year Forecast	Budget Year 2010/11	Budget Year +1 2011/12	Budget Year +2 2012/13	Ward location	New or renewal
Parent municipality:													
Vote 8: 410 - Finance	Replacement: Office Furniture	1	B	Other assets	Furniture and other office equipment	10	77	30	10			N/A	New
Vote 8: 410 - Finance	Replacement: Office Equipment	2	B	Other assets	Furniture and other office equipment	50	226	20	50			N/A	New
Vote 8: 410 - Finance	Other Furniture and Equipment	3	B	Other assets	Furniture and other office equipment	50	183	150	50			N/A	New
Vote 8: 410 - Finance	Replacement: Computers and Computer Equipment	4	B	Other assets	Computers - hardware/equipment	100	341	925	100			N/A	New
Vote 8: 410 - Finance	Replacement: IT Network	5	B	Other assets	Computers - hardware/equipment	50	13		50			N/A	New
Vote 8: 410 - Finance	Replacement: Official Vehicles	6	B	Other assets	General vehicles			1 000				N/A	New
Total Capital expenditure									260				

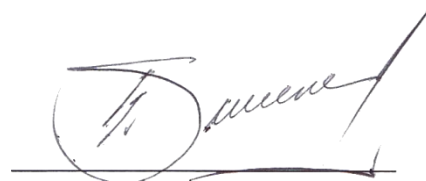
DC46 Metsweding - Supporting Table SA37 Projects delayed from previous financial year/s
Please be advised that no projects were delayed from previous financial years.



MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, Edward Vaughn Sweeney, acting municipal manager of Metsweding District Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documentation are consistent with the Integrated Development Plan of the Municipality.

Print Name: EV Sweeney
Acting Municipal Manager: Metsweding District Municipality



Signature:
Date: 21 June 2010

