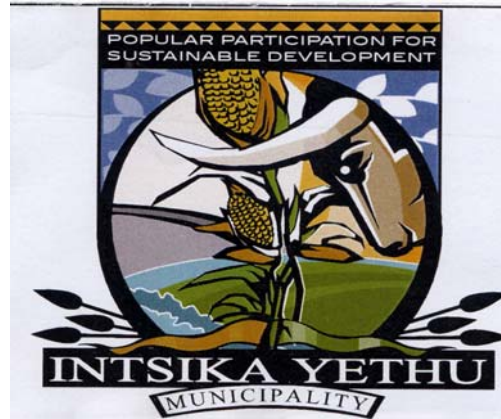


# INTSIKA YETHU MUNICIPALITY



2011/12 TO 2013/14

MEDIUM TERM REVENUE AND

EXPENDITURE FORECASTS

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# **Part 1 – Annual Budget**

## **Mayor's Report**

Intsika Yethu Municipality has embarked on the programmes and activities that took place in the financial year 2009/2010. We have made important strides to continue to better lives of our people thus this foreword will explain.

There are number of activities that the municipality has taken part in promoting social cohesion, economic enhancement of our people and good working relationship. These were good strides but there is still more to be done as there are still challenges of unemployment, need for more resources and underdevelopment.

Our municipality forms part of the Liberation Heritage Route which is historical for the area. It is to honour our fallen of our struggle, preserve the struggle memories and put the history into relevant context, promote social cohesion and promote economic development through tourism. The Liberation route is not a flagship to Chris Hani District Municipality only but a flagship for Intsika Yethu Local Municipality tourism promotion.

In effort to expose youth of Intsika Yethu Municipality to sporting activities and make maximum use of available resources, Intsika Yethu Local Municipality continues to host Intsika Yethu Mayoral Tournament which is open to all 21 wards of the municipality. This is one of the key programmes in the office of the Mayor.

The municipality continues with its efforts to eradicate service delivery backlogs and to witness that water and sanitation services are the key priority of the municipality. In the financial year a number of villages did benefit in the programme of bulk water system and sanitation.

Intsika Yethu Municipality was the only municipality in the Chris Hani District Municipality to be selected to be a Public Viewing Area. This gave the area to grow financially as a number of hawkers, vendors and local businesses participated in the project. Intsika Yethu Municipality showed the ability to host any sort of event. The municipality wishes to extend a word of appreciation to their community of Intsika Yethu and Chris Hani District.

We can say that the management and councillors have made strides and advances towards the goal of a better life for people of Intsika Yethu. The municipality is keen on continuing to work with communities, social partners, business sector, community media and other relevant stakeholders.

We can say that the year under review has been successful and without councillors, managers and staff we would not have been able to have moved so far.

*Executive Mayor Cllr K.Vimbayo*  
Intsika Yethu Municipality

## Council Resolutions

On 31 of March 2011 the Council of Intsika Yethu Local Municipality met to consider the draft annual budget of the municipality and on the 5 of May 2011 Intsika Yethu Municipality council approved the Budget and IDP for the financial year 2011/12.

The Council adopted the following resolutions:

The Council of Intsika Yethu Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) adopts:

- ✚ The draft annual budget of the municipality for the financial year 2011/12 and the multi-year and single-year capital appropriations as set out in the following tables:
- ✚ Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 18
- ✚ Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 19
- ✚ Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21
- ✚ Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 22
- ✚ The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
- ✚ Budgeted Financial Position as contained in Table 23
- ✚ Budgeted Cash Flows as contained in Table 24
- ✚ Cash backed reserves and accumulated surplus reconciliation as contained in Table 25
- ✚ Asset management as contained in Table 26
- ✚ Basic service delivery measurement as contained in Table 27

The Council of Intsika Yethu Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2011:

- ✚ the tariffs for property rates
- ✚ the tariffs for the supply of water
- ✚ the tariffs for sanitation services

The Council of Intsika Yethu Local Municipality, acting in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2011 the tariffs for other services

To give proper effect to the municipality's annual budget, the Council of Intsika Yethu Local Municipality approves:

That cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations

That the Municipal Manager be authorised to sign all necessary agreements and documents to give effect to the above lending programme.

## **Executive Summary**

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

The Medium Term Revenue and Expenditure Framework (MTREF) specify a 3-year systematic expenditure and revenue plans for Intsika Yethu Municipality. The MTREF process is designed to match the overall resource envelope, estimated through 'top-down' macroeconomic and fiscal policy processes, with the bottom-up estimation of the current and medium-term cost of existing departmental plans and expenditure programmes

This process further allows the Council to:

Strengthen and evaluate the alignment between medium and long-term plans and funding proposals

Revise its policy priorities, macroeconomic framework and resource envelope

Evaluate departmental plans and allocate available resources in line with policy priorities

Obtain the required authority from Council to spend [service delivery]

Align parameter setting with budget outcomes and resource allocations.

The purpose of the 2012/13 budget process will be the completion of a medium-term revenue and expenditure framework that share out resources in line with Council's policy priorities for the next 3 years. The chapter further explains how all this will be achieved.

### Matching policy priorities and resources

Deciding and agreeing on the best allocation of scarce resources to fund Council's many social, economic and political goals is the main purpose of the budget process.

Drafting these three-year plans will guide the policy prioritisation and budgeting process for the 2012/13 MTREF.

Formulating an MTREF that has a three-year outlook will be put together by various role-players who interact at various stages of the budget process that is illustrated in diagram 1:

Formulating an MTREF differs from annual budgeting. In annual budgeting, the amount allocated to spending programmes is adjusted incrementally, with hardly any alignment to policy priorities. An MTREF provides the "linking framework" that allows expenditures to be "driven by policy priorities and disciplined by budget realities". – refer to the IDP.

### Medium term policy review

The budget process starts early in the year with a review of the IDP and budget processes of the previous year, the budget parameters are set in August 2011 with the Municipal Manager and Heads of Departments.

Additional resources for funding new priorities arise from a review of the overall budget framework, including fiscal policy considerations, overall spending growth, inflation assumptions, and debt interest projections [if applicable at this stage].

The resource envelope that funds the new priorities consists of the two outer forecast years of the 2010 MTREF. This is the starting point for the new budget and planning process and is used as a basis to determine the MTREF allocation for the period 2012/13 to 2014/15.

The allocation of resources to the different clusters will be largely determined by Council's funding formula, which is reviewed during the process of developing the MTREF/Budget and will take into account the various clusters responsibilities for service delivery.

## Operating Revenue Framework

For Intsika Yethu Municipality to continue improving the quality of services provided to its consumers it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

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

- Growth in the Municipality and continued economic development;
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality

The following table is a summary of the 2011/12 MTREF (classified by main revenue source):

**Table 1 Summary of revenue classified by main revenue source**

EC135 Intsika Yethu - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Revenue By Source</b>											
Property rates	2	-	-	-	1,506	-	1,506	1,506	3,276	3,460	3,633
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	100	-	100	100	100	106	111
Service charges - other					538		538	538	255	269	283
Rental of facilities and equipment					459		459	459	22	23	24
Interest earned - external investments					2,040		2,040	2,040	150	158	166
Interest earned - outstanding debtors					295		295	295	300	317	333
Dividends received											
Fines					379		379	379	200	211	222
Licences and permits					50		50	50	75	79	83
Agency services					1,152		1,152	1,152	500	528	554
Transfers recognised - operational		34,260	43,449	56,131	68,271		68,271	68,271	80,694	85,213	90,326
Other revenue	2	-	-	-	18,025	-	18,025	18,025	8,919	9,418	9,889
Gains on disposal of PPE											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>34,260</b>	<b>43,449</b>	<b>56,131</b>	<b>92,813</b>	<b>-</b>	<b>92,813</b>	<b>92,813</b>	<b>94,491</b>	<b>99,782</b>	<b>105,624</b>

## **Table 2 Percentage growth in revenue by main revenue source**

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

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. In the 2010/11 financial year, revenue from rates and services charges totalled 35 per cent. A notable trend is the increase in the total percentage revenue generated from rates and services charges which increases from 35 per cent in 2011/12 to 70 per cent in 2013/14. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

The largest source is 'other revenue' and rates which consists of various items such as income received from permits and licenses, building plan fees, connection fees and traffic fines

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

## **Table 3 Operating Transfers and Grant Receipts**



Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
National Government:		34,260	43,449	56,131	68,271	-	2,300	80,694	85,213	89,474
Local Government Equitable Share		33,276	42,464	54,631	66,271					
Local Government Equitable Share							-	78,404	82,795	86,934
Finance Management		250	250	1,000	1,250		1,438	1,500	1,584	1,663
Municipal Systems Improvement		734	735	500	750		863	790	834	876
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	<b>34,260</b>	<b>43,449</b>	<b>56,131</b>	<b>68,271</b>	<b>-</b>	<b>2,300</b>	<b>80,694</b>	<b>85,213</b>	<b>89,474</b>
<b>Capital Transfers and Grants</b>										
National Government:		10,164	14,909	19,331	21,564	-	24,799	25,935	27,387	28,757
Municipal Infrastructure Grant (MIG)		10,164	14,909	19,331	21,564		24,799	25,935	27,387	28,757
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	<b>10,164</b>	<b>14,909</b>	<b>19,331</b>	<b>21,564</b>	<b>-</b>	<b>24,799</b>	<b>25,935</b>	<b>27,387</b>	<b>28,757</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		<b>44,424</b>	<b>58,358</b>	<b>75,462</b>	<b>89,835</b>	<b>-</b>	<b>27,099</b>	<b>106,629</b>	<b>112,600</b>	<b>118,230</b>

## Property Rates

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2011/12 financial year based on an increase from 1 July 2011 is contained below:

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

<b>Category</b>	<b>Current Tariff (1 July 2010)</b>	<b>Proposed tariff (from 1 July 2011)</b>
	<b>c</b>	<b>C</b>
Residential properties	0.004	0.004
State owned properties	0.008	0.008
Business & Commercial	0.012	0.012

## Operating Expenditure Framework

The Intsika Yethu expenditure framework for the 2011/12 budget and MTREF is informed by the following:

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

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

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

Expenditure By Type											
Employee related costs	2	-	-	-	33,757	-	33,757	33,757	37,995	40,123	42,129
Remuneration of councillors					11,468		11,468	11,468	12,615	13,321	13,987
Debt impairment	3										
Depreciation & asset impairment	2	-	-	-	-	-	-	-	-	-	-
Finance charges											
Bulk purchases	2	-	-	-	8,000	-	8,000	8,000	-	-	-
Other materials	8										
Contracted services		-	-	-	-	-	-	-	-	-	-
Transfers and grants											
Other expenditure	4,5	-	-	-	24,788	-	24,788	24,788	30,117	31,803	33,393
Loss on disposal of PPE											
<b>Total Expenditure</b>		-	-	-	<b>78,013</b>	-	<b>78,013</b>	<b>78,013</b>	<b>80,726</b>	<b>85,247</b>	<b>89,509</b>

The budgeted allocation for employee related costs for the 2011/11 financial year totals R50 million including the Councillors.

### Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the municipality's current infrastructure, the 2011/12 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

**Table 6 Operational repairs and maintenance**

Repairs and Maintenance by Expenditure Item	8										
Employee related costs											
Other materials											
Contracted Services											
Other Expenditure					915		915	915	3,300	3,485	3,659
<b>Total Repairs and Maintenance Expenditure</b>	9	-	-	-	<b>915</b>	-	<b>915</b>	<b>915</b>	<b>3,300</b>	<b>3,485</b>	<b>3,659</b>

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

**Table 7 Repairs and maintenance per asset class**

EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		-	-	-	-	-	-	-	-	-
<b>Repairs and Maintenance by Asset Class</b>	3	-	-	-	915	966	1,015	3,300	3,485	3,659
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	-	-	-	915	966	1,015	3,300	3,485	3,659
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		-	-	-	<b>915</b>	<b>966</b>	<b>1,015</b>	<b>3,300</b>	<b>3,485</b>	<b>3,659</b>
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	60.6%	0.0%	70.0%	13.0%	13.0%	13.0%
Renewal of Existing Assets as % of deprechn"		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal and R&M as a % of PPE		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

## Capital expenditure

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

**Table 8 2011/12 Medium-term capital budget per vote**

Capital Expenditure - Standard										
<i>Governance and administration</i>		-	-	-	-	-	-	-	-	-
Executive and council										
Budget and treasury office										
Corporate services										
<i>Community and public safety</i>		2,902	1,300	1,805	2,483	-	2,483	2,483	2,200	2,323
Community and social services		1,631	1,200	70	2,483		2,483	2,483	2,200	2,323
Sport and recreation		1,004								
Public safety		268								
Housing			100							
Health				1,735						
<i>Economic and environmental services</i>		25,283	18,264	24,914	33,481	-	33,481	33,481	37,500	39,600
Planning and development		1,527	3,100	2,900	4,895		4,895	4,895	4,850	5,122
Road transport		23,756	15,164	22,014	28,586		28,586	28,586	32,650	34,478
Environmental protection										
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity										
Water										
Waste water management										
Waste management										
<i>Other</i>					400		400	400		
<b>Total Capital Expenditure - Standard</b>	3	<b>28,185</b>	<b>19,564</b>	<b>26,720</b>	<b>36,364</b>	<b>-</b>	<b>36,364</b>	<b>36,364</b>	<b>39,700</b>	<b>41,923</b>

## Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table 61 MBRR SA35.

R thousand		Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Present value
<b>Capital expenditure</b>	1							
Vote1 - Executive and Council		-	-	-				
Vote2 - Municipal Manager		-	-	-				
Vote3 - Corporate Services		-	-	-				
Vote4 - Infrastructure Planning and Development		32,650	34,478	36,202				
Vote5 - Community Services		2,200	2,323	2,439				
Vote6 - Budget and Treasury		-	-	-				
Vote7 - Local Economic Development and Planning		4,850	5,122	5,378				
Vote8 - Example 8		-	-	-				
Vote9 - Example 9		-	-	-				
Vote10 - Example 10		-	-	-				
Vote11 - Example 11		-	-	-				
Vote12 - Example 12		-	-	-				
Vote13 - Example 13		-	-	-				
Vote14 - Example 14		-	-	-				
Vote15 - Example 15		-	-	-				
<i>List entity summary if applicable</i>								
<b>Total Capital Expenditure</b>		<b>39,700</b>	<b>41,923</b>	<b>44,019</b>	-	-	-	-



## Explanatory notes to MBRR Table A1 - Budget Summary

Table A1 is a budget summary and provides a concise overview of the Intsika Yethu Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

- ✚ The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
- ✚ Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
- ✚ The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
- ✚ Capital expenditure is balanced by capital funding sources, of which
  - i. Transfers recognised is reflected on the Financial Performance Budget;
  - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
  - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
- ✚ The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. These places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy.
- ✚ This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations. It is anticipated that the goal of having all obligations cash-back will be achieved by 2013/14, when a small surplus is reflected.
- ✚ Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs. It is anticipated that by 2013/14 the water backlog will have been very nearly eliminated.

**Table 10 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

EC135 Intsika Yethu - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Revenue - Standard</b>	1									
<i>Governance and administration</i>		-	-	-	90,514	-	90,514	92,249	97,415	102,286
Executive and council		-	-	-	-	-	-	2,600	2,746	2,883
Budget and treasury office		-	-	-	90,164	-	90,164	89,649	94,669	99,403
Corporate services		-	-	-	350	-	350	-	-	-
<i>Community and public safety</i>		-	-	-	1,856	-	1,856	1,025	1,082	1,137
Community and social services		-	-	-	325	-	325	825	871	915
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	1,531	-	1,531	200	211	222
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	22,008	-	22,008	27,152	28,673	30,106
Planning and development		-	-	-	190	-	190	1,197	1,264	1,327
Road transport		-	-	-	21,818	-	21,818	25,955	27,408	28,779
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	2	-	-	-	114,377	-	114,377	120,426	127,170	133,528
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		-	-	-	50,451	-	50,451	48,679	51,405	53,976
Executive and council		-	-	-	23,402	-	23,402	23,769	25,100	26,355
Budget and treasury office		-	-	-	19,666	-	19,666	16,639	17,571	18,449
Corporate services		-	-	-	7,383	-	7,383	8,272	8,735	9,172
<i>Community and public safety</i>		-	-	-	11,346	-	11,346	13,294	14,038	14,740
Community and social services		-	-	-	11,286	-	11,286	13,234	13,975	14,673
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	60	-	60	60	63	67
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	16,217	-	16,217	18,753	19,803	20,793
Planning and development		-	-	-	2,995	-	2,995	3,426	3,618	3,799
Road transport		-	-	-	13,221	-	13,221	15,327	16,185	16,995
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	3	-	-	-	78,014	-	78,014	80,726	85,247	89,509
<b>Surplus/(Deficit) for the year</b>		-	-	-	36,364	-	36,364	39,700	41,923	44,019



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

- ✚ Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into its functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
- ✚ Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
- ✚ Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Water and Waste water functions, but not the Waste management function.
- ✚ As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
- ✚ Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Corporate Services.

**Table 11 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

EC135 Intsika Yethu - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Revenue by Vote</b>										
Vote1 - Executive and Council	1	-	-	-	-	-	-	-	-	-
Vote2 - Municipal Manager		-	-	-	-	-	-	2,600	2,746	2,883
Vote3 - Corporate Services		-	-	-	350	-	350	-	-	-
Vote4 - Infrastructure Planning and Development		-	-	-	21,818	-	21,818	25,955	27,408	28,779
Vote5 - Community Services		-	-	-	1,856	-	1,856	1,025	1,082	1,137
Vote6 - Budget and Treasury		-	-	-	90,164	-	90,164	89,649	94,669	99,403
Vote7 - Local Economic Development and Planning		-	-	-	190	-	190	1,197	1,264	1,327
Vote8 - Example 8		-	-	-	-	-	-	-	-	-
Vote9 - Example 9		-	-	-	-	-	-	-	-	-
Vote10 - Example 10		-	-	-	-	-	-	-	-	-
Vote11 - Example 11		-	-	-	-	-	-	-	-	-
Vote12 - Example 12		-	-	-	-	-	-	-	-	-
Vote13 - Example 13		-	-	-	-	-	-	-	-	-
Vote14 - Example 14		-	-	-	-	-	-	-	-	-
Vote15 - Example 15		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114,377</b>	<b>-</b>	<b>114,377</b>	<b>120,426</b>	<b>127,170</b>	<b>133,528</b>
<b>Expenditure by Vote to be appropriated</b>										
Vote1 - Executive and Council	1	-	-	-	15,753	-	15,753	16,127	17,030	17,881
Vote2 - Municipal Manager		-	-	-	7,649	-	7,649	7,642	8,070	8,474
Vote3 - Corporate Services		-	-	-	7,383	-	7,383	8,272	8,735	9,172
Vote4 - Infrastructure Planning and Development		-	-	-	13,221	-	13,221	15,327	16,185	16,995
Vote5 - Community Services		-	-	-	11,346	-	11,346	13,294	14,038	14,740
Vote6 - Budget and Treasury		-	-	-	19,666	-	19,666	16,639	17,571	18,449
Vote7 - Local Economic Development and Planning		-	-	-	2,995	-	2,995	3,426	3,618	3,799
Vote8 - Example 8		-	-	-	-	-	-	-	-	-
Vote9 - Example 9		-	-	-	-	-	-	-	-	-
Vote10 - Example 10		-	-	-	-	-	-	-	-	-
Vote11 - Example 11		-	-	-	-	-	-	-	-	-
Vote12 - Example 12		-	-	-	-	-	-	-	-	-
Vote13 - Example 13		-	-	-	-	-	-	-	-	-
Vote14 - Example 14		-	-	-	-	-	-	-	-	-
Vote15 - Example 15		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78,014</b>	<b>-</b>	<b>78,014</b>	<b>80,726</b>	<b>85,247</b>	<b>89,509</b>
<b>Surplus/(Deficit) for the year</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,364</b>	<b>-</b>	<b>36,364</b>	<b>39,700</b>	<b>41,923</b>	<b>44,019</b>

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

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote.

The following table is an analysis of the surplus or deficit for the electricity and water trading services.

EC135 Intsika Yethu - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Revenue by Vote</b>	1									
Vote1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote2 - Municipal Manager		-	-	-	-	-	-	2,600	2,746	2,883
Vote3 - Corporate Services		-	-	-	350	-	350	-	-	-
Vote4 - Infrastructure Planning and Development		-	-	-	21,818	-	21,818	25,955	27,408	28,779
Vote5 - Community Services		-	-	-	1,856	-	1,856	1,025	1,082	1,137
Vote6 - Budget and Treasury		-	-	-	90,164	-	90,164	89,649	94,669	99,403
Vote7 - Local Economic Development and Planning		-	-	-	190	-	190	1,197	1,264	1,327
Vote8 - Example 8		-	-	-	-	-	-	-	-	-
Vote9 - Example 9		-	-	-	-	-	-	-	-	-
Vote10 - Example 10		-	-	-	-	-	-	-	-	-
Vote11 - Example 11		-	-	-	-	-	-	-	-	-
Vote12 - Example 12		-	-	-	-	-	-	-	-	-
Vote13 - Example 13		-	-	-	-	-	-	-	-	-
Vote14 - Example 14		-	-	-	-	-	-	-	-	-
Vote15 - Example 15		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	-	-	-	114,377	-	114,377	120,426	127,170	133,528
<b>Expenditure by Vote <i>to be appropriated</i></b>	1									
Vote1 - Executive and Council		-	-	-	15,753	-	15,753	16,127	17,030	17,881
Vote2 - Municipal Manager		-	-	-	7,649	-	7,649	7,642	8,070	8,474
Vote3 - Corporate Services		-	-	-	7,383	-	7,383	8,272	8,735	9,172
Vote4 - Infrastructure Planning and Development		-	-	-	13,221	-	13,221	15,327	16,185	16,995
Vote5 - Community Services		-	-	-	11,346	-	11,346	13,294	14,038	14,740
Vote6 - Budget and Treasury		-	-	-	19,666	-	19,666	16,639	17,571	18,449
Vote7 - Local Economic Development and Planning		-	-	-	2,995	-	2,995	3,426	3,618	3,799
Vote8 - Example 8		-	-	-	-	-	-	-	-	-
Vote9 - Example 9		-	-	-	-	-	-	-	-	-
Vote10 - Example 10		-	-	-	-	-	-	-	-	-
Vote11 - Example 11		-	-	-	-	-	-	-	-	-
Vote12 - Example 12		-	-	-	-	-	-	-	-	-
Vote13 - Example 13		-	-	-	-	-	-	-	-	-
Vote14 - Example 14		-	-	-	-	-	-	-	-	-
Vote15 - Example 15		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	-	-	-	78,014	-	78,014	80,726	85,247	89,509
<b>Surplus/(Deficit) for the year</b>	2	-	-	-	36,364	-	36,364	39,700	41,923	44,019

**Table 12 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)**

EC135 Intsika Yethu - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Revenue By Source</b>											
Property rates	2	-	-	-	1,506	-	1,506	1,506	3,276	3,460	3,633
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	100	-	100	100	100	106	111
Service charges - other					538		538	538	255	269	283
Rental of facilities and equipment					459		459	459	22	23	24
Interest earned - external investments					2,040		2,040	2,040	150	158	166
Interest earned - outstanding debtors					295		295	295	300	317	333
Dividends received											
Fines					379		379	379	200	211	222
Licences and permits					50		50	50	75	79	83
Agency services					1,152		1,152	1,152	500	528	554
Transfers recognised - operational		34,260	43,449	56,131	68,271		68,271	68,271	80,694	85,213	90,326
Other revenue	2	-	-	-	18,025	-	18,025	18,025	8,919	9,418	9,889
Gains on disposal of PPE											
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>34,260</b>	<b>43,449</b>	<b>56,131</b>	<b>92,813</b>	<b>-</b>	<b>92,813</b>	<b>92,813</b>	<b>94,491</b>	<b>99,782</b>	<b>105,624</b>
<b>Expenditure By Type</b>											
Employee related costs	2	-	-	-	33,757	-	33,757	33,757	37,995	40,123	42,129
Remuneration of councillors					11,468		11,468	11,468	12,615	13,321	13,987
Debt impairment	3										
Depreciation & asset impairment	2	-	-	-	-	-	-	-	-	-	-
Finance charges											
Bulk purchases	2	-	-	-	8,000	-	8,000	8,000	-	-	-
Other materials	8										
Contracted services											
Transfers and grants											
Other expenditure	4, 5	-	-	-	24,788	-	24,788	24,788	30,117	31,803	33,393
Loss on disposal of PPE											
<b>Total Expenditure</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>78,013</b>	<b>-</b>	<b>78,013</b>	<b>78,013</b>	<b>80,726</b>	<b>85,247</b>	<b>89,509</b>
<b>Surplus/(Deficit)</b>		<b>34,260</b>	<b>43,449</b>	<b>56,131</b>	<b>14,800</b>	<b>-</b>	<b>14,800</b>	<b>14,800</b>	<b>13,765</b>	<b>14,536</b>	<b>16,115</b>
Transfers recognised - capital		10,164	14,909	19,331	21,564		22,772	23,910	25,935	27,387	28,757
Contributions recognised - capital											
Contributed assets											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>44,424</b>	<b>58,358</b>	<b>75,462</b>	<b>36,364</b>	<b>-</b>	<b>37,572</b>	<b>38,711</b>	<b>39,700</b>	<b>41,923</b>	<b>44,871</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>44,424</b>	<b>58,358</b>	<b>75,462</b>	<b>36,364</b>	<b>-</b>	<b>37,572</b>	<b>38,711</b>	<b>39,700</b>	<b>41,923</b>	<b>44,871</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>44,424</b>	<b>58,358</b>	<b>75,462</b>	<b>36,364</b>	<b>-</b>	<b>37,572</b>	<b>38,711</b>	<b>39,700</b>	<b>41,923</b>	<b>44,871</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>44,424</b>	<b>58,358</b>	<b>75,462</b>	<b>36,364</b>	<b>-</b>	<b>37,572</b>	<b>38,711</b>	<b>39,700</b>	<b>41,923</b>	<b>44,871</b>

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

- ✚ Services charges relating to water and refuse removal constitutes the biggest component of the revenue basket of the Municipality for the 2011/12 financial year. For the 2011/12 financial year services charges amount to 35 per cent of the total revenue base and grows by 5 per cent per annum over the medium-term.
  
- ✚ This growth can mainly be attributed to the increase in the bulk prices of electricity and water.
  
- ✚ Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF.
  
- ✚ The percentage share of this revenue source declines due to the more rapid relative growth in service charge revenues.

### **Figure 1 Expenditure by major type**

- ✚ Bulk purchases have significantly increased over the 2007/08 to 2012/13 period escalating. These increases can be attributed to the substantial increase in the cost of water from Rand Water.
  
- ✚ Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

**Table 13 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

EC135 Intsika Yethu - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>	1										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote3 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote4 - Infrastructure Planning and Development		-	-	-	2,500	-	2,500	2,500	2,900	3,062	3,216
Vote5 - Community Services		2,902	1,300	1,805	1,833	-	1,833	1,833	2,200	2,323	2,439
Vote6 - Budget and Treasury		-	-	-	400	-	400	400	-	-	-
Vote7 - Local Economic Development and Planning		1,527	3,100	2,900	1,100	-	1,100	1,100	4,000	4,224	4,435
Vote8 - Example 8		-	-	-	-	-	-	-	-	-	-
Vote9 - Example 9		-	-	-	-	-	-	-	-	-	-
Vote10 - Example 10		-	-	-	-	-	-	-	-	-	-
Vote11 - Example 11		-	-	-	-	-	-	-	-	-	-
Vote12 - Example 12		-	-	-	-	-	-	-	-	-	-
Vote13 - Example 13		-	-	-	-	-	-	-	-	-	-
Vote14 - Example 14		-	-	-	-	-	-	-	-	-	-
Vote15 - Example 15		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	4,429	4,400	4,705	5,833	-	5,833	5,833	9,100	9,610	10,090
<b>Single-year expenditure to be appropriated</b>	2										
Vote1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote3 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote4 - Infrastructure Planning and Development		23,756	15,164	22,014	24,186	-	24,186	24,186	29,750	31,416	32,987
Vote5 - Community Services		-	-	-	650	-	650	650	-	-	-
Vote6 - Budget and Treasury		-	-	-	400	-	400	400	-	-	-
Vote7 - Local Economic Development and Planning		-	-	-	3,295	-	3,295	3,295	850	898	942
Vote8 - Example 8		-	-	-	-	-	-	-	-	-	-
Vote9 - Example 9		-	-	-	-	-	-	-	-	-	-
Vote10 - Example 10		-	-	-	-	-	-	-	-	-	-
Vote11 - Example 11		-	-	-	-	-	-	-	-	-	-
Vote12 - Example 12		-	-	-	-	-	-	-	-	-	-
Vote13 - Example 13		-	-	-	-	-	-	-	-	-	-
Vote14 - Example 14		-	-	-	-	-	-	-	-	-	-
Vote15 - Example 15		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		23,756	15,164	22,014	28,531	-	28,531	28,531	30,600	32,314	33,929
<b>Total Capital Expenditure - Vote</b>		28,185	19,564	26,720	34,364	-	34,364	34,364	39,700	41,923	44,019
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>											
Executive and council		-	-	-	-	-	-	-	-	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-	-
Corporate services		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		2,902	1,300	1,805	2,483	-	2,483	2,483	2,200	2,323	2,439
Community and social services		1,631	1,200	70	2,483	-	2,483	2,483	2,200	2,323	2,439
Sport and recreation		1,004	-	-	-	-	-	-	-	-	-
Public safety		268	-	-	-	-	-	-	-	-	-
Housing		-	100	-	-	-	-	-	-	-	-
Health		-	-	1,735	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		25,283	18,264	24,914	33,481	-	33,481	33,481	37,500	39,600	41,580
Planning and development		1,527	3,100	2,900	4,895	-	4,895	4,895	4,850	5,122	5,378
Road transport		23,756	15,164	22,014	28,586	-	28,586	28,586	32,650	34,478	36,202
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>											
Electricity		-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
<b>Other</b>					400		400	400			
<b>Total Capital Expenditure - Standard</b>	3	28,185	19,564	26,720	36,364	-	36,364	36,364	39,700	41,923	44,019
<b>Funded by:</b>											
National Government		10,164	14,909	19,331	21,564		21,564	21,564	25,935	27,387	28,757
Provincial Government		-	-	-	-		-	-	-	-	-
District Municipality		-	-	-	-		-	-	-	-	-
Other transfers and grants		-	-	-	-		-	-	-	-	-
Transfers recognised - capital	4	10,164	14,909	19,331	21,564	-	21,564	21,564	25,935	27,387	28,757
Public contributions & donations	5	-	-	-	-		-	-	-	-	-
Borrowing	6	-	-	-	-		-	-	-	-	-
Internally generated funds		(18,021)	(4,655)	(7,389)	14,800		14,800	14,800	13,765	14,536	15,263
<b>Total Capital Funding</b>	7	(7,857)	10,254	11,942	36,364	-	36,364	36,364	39,700	41,923	44,019

**References**

- Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
- Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year.
- Capital expenditure by standard classification must reconcile to the appropriations by vote.
- Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure).
- Must reconcile to Budgeted Financial Performance (revenue and expenditure).
- Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17.
- Total Capital Funding must balance with Total Capital Expenditure.



## Explanatory notes to Table A6 - Budgeted Financial Position

- ✚ Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
- ✚ This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- ✚ The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
- ✚ Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end.
- ✚ Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt.
- ✚ These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators.
- ✚ In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.



**Table 15 MBRR Table A7 - Budgeted Cash Flow Statement**

EC135 Intsika Yethu - Table A7 Budgeted Cash Flows

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Ratepayers and other		(20,957)	66,282	92,703	22,747		22,747	22,747	13,347	14,094	14,799
Government - operating	1	43,449			68,271		68,271	68,271	80,694	85,213	89,474
Government - capital	1				21,564		21,564	21,564	25,935	27,387	28,757
Interest		4,130	2,512	1,148	1,795		1,795	1,795	450	475	499
Dividends											
<b>Payments</b>											
Suppliers and employees		(1,942)	(54,789)	(66,268)	(78,014)		(78,014)	(78,014)	(80,726)	(85,247)	(89,509)
Finance charges			(80)	(185)							
Transfers and Grants	1										
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>24,679</b>	<b>13,926</b>	<b>27,397</b>	<b>36,363</b>	<b>-</b>	<b>36,363</b>	<b>36,363</b>	<b>39,700</b>	<b>41,923</b>	<b>44,019</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE				87							
Decrease (Increase) in non-current debtors											
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments			16,666								
<b>Payments</b>											
Capital assets		(19,652)	(27,280)	(36,364)	(36,364)		(36,364)	(36,364)	(39,700)	(41,923)	(44,019)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>-</b>	<b>(2,985)</b>	<b>(27,193)</b>	<b>(36,364)</b>	<b>-</b>	<b>(36,364)</b>	<b>(36,364)</b>	<b>(39,700)</b>	<b>(41,923)</b>	<b>(44,019)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans											
Borrowing long term/refinancing			3,873								
Increase (decrease) in consumer deposits											
<b>Payments</b>											
Repayment of borrowing				(227)							
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>3,873</b>	<b>(227)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>24,679</b>	<b>14,813</b>	<b>(23)</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash/cash equivalents at the year begin:			24,679	39,493							
Cash/cash equivalents at the year end:	2	<b>24,679</b>	<b>39,493</b>	<b>39,470</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 16 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation**

EC135 Intsika Yethu - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	24,679	39,493	39,470	(1)	-	(1)	(1)	-	-	-
Other current investments > 90 days		(24,679)	(39,493)	(12,634)	1	-	1	1	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>-</b>	<b>-</b>	<b>26,836</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	-	-	(41,804)	-	-	-	-	-	-	-
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	3,700	3,907	4,103
<b>Total Application of cash and investments:</b>		<b>-</b>	<b>-</b>	<b>(41,804)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,700</b>	<b>3,907</b>	<b>4,103</b>
<b>Surplus(shortfall)</b>		<b>-</b>	<b>-</b>	<b>68,639</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,700)</b>	<b>(3,907)</b>	<b>(4,103)</b>

## **Explanatory notes to Table A7 - Budgeted Cash Flow Statement**

- ✚ The budgeted cash flow statement is the first measurement in determining if the budget is funded.
- ✚ It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
- ✚ As part of the 2010/11 mid-year review and Adjustments Budget this unsustainable cash position had to be addressed as a matter of urgency and various interventions were implemented such as the reduction of expenditure allocations and rationalization of spending priorities.
- ✚ The 2011/12 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

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

- ✚ The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget
- ✚ In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
- ✚ The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
- ✚ Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
- ✚ Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2010/11 MTREF was not funded owing to the significant deficit.
- ✚ As part of the budgeting and planning guidelines that informed the compilation of the 2011/12 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.



### **Explanatory notes to Table A9 - Asset Management**

- ✚ Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
- ✚ National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance.

### **Figure 2 Depreciation in relation to repairs and maintenance over the MTREF**





## Part 2 – Supporting Documentation

### Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2010) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 25 August 2010. Key dates applicable to the process were:

July – August	Previous IDP and budget process plan review and also table in the council timetable for preparation of coming year's annual budget
September	Parameter setting
October	Consideration of the revision of the Council's establishment plan – meeting the HR capacity needs and the cost application of such capacity [functions to be considered]
November to January	Aligning the budget to Council priorities, assess current year's budget performance, table assessment report in Council, assess current year's budget performance and submit report to mayor and municipality
February	Consolidation of budget and macro summary
March	Tabling the Draft Budget to Council and make public the draft budget and invite submissions from the community, provincial treasury and others
Before 31 May	Respond to submission and revise draft budget for coming year
31 May	Consider approval of budget for coming year and attendant resolutions
June	Final Budget will be approved and submitted to the National Treasury and other spheres of government

### Community Consultation

The draft 2011/12 Budget and IDP as tabled before Council on 31 March 2011 for community consultation was published on the municipality's website, and hard copies were made available at municipal notice boards, town hall and libraries.

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

Ward Committees were utilised to facilitate the community consultation process from 04 to 12 April 2011. The applicable dates and venues were published in all the local newspapers and on average attendance were recorded per meeting.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the finalisation of the 2011/12 MTREF. Feedback and responses to the submissions received are available on request.

## Overview of alignment of annual budget with IDP

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

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2011/12 MTREF and further planning refinements that have directly informed the compilation of the budget:

**Table 19 IDP Strategic Objectives**

2010/11 Financial Year	2011/12 MTREF
1. The provision of quality basic services and infrastructure	1. Provision of quality basic services and infrastructure
2. Acceleration of higher and shared economic growth and development	2. Economic growth and development that leads to sustainable job creation
3. Fighting of poverty, building clean, healthy, safe and sustainable communities	3.1 Fight poverty and build clean, healthy, safe and sustainable communities
	3.2 Integrated Social Services for empowered and sustainable communities
4. Fostering participatory democracy and adherence to Batho Pele principles through a caring, accessible and accountable service	4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service
5. Good governance, Financial viability and institutional governance	5.1 Promote sound governance
	5.2 Ensure financial sustainability
	5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole;
- Sound financial fundamentals.



The 2011/12 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

**Table 20 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

EC135 Intsika Yethu - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
To facilitate economic development and poverty alleviation	Economic growth and development					50		50	75	79	83
To improve financial reporting	Good governance					45		45	10	11	11
To facilitate reduction in current backlogs	Planning and Development Control					1,795		1,795	450	475	499
To facilitate reduction in current backlogs	Planning and Development Control					11,655		11,655	3,700	3,907	4,103
Support to Council political leadership	Intergovernmental relations					952		952	767	810	850
To establish and maintain effective intergovernmental relations						379		379	200	211	222
By developing and implementing employment equity plan	Functional Administration					6,369		6,369	5,219	5,511	5,787
To facilitate economic development and poverty alleviation	Economic growth and development					1,506		1,506	3,276	3,460	3,633
Transfers						68,621		68,621	100	106	111
									80,694	85,213	89,474
Support to Council political leadership	Intergovernmental relations					1,442		1,442			
<b>Total Revenue (excluding capital transfers and contributions)</b>		1	-	-	-	92,813	-	92,813	94,491	99,782	104,772

References

1. Total revenue must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

check op revenue balance	(44,424)	(58,358)	(75,462)	(21,564)	-	(22,772)	(25,935)	(27,387)	(29,609)
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## Overview of budget funding

### Medium-term outlook: operating revenue

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

**Table 21 Breakdown of the operating revenue over the medium-term**

R thousand		Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Present value
<b>Capital expenditure</b>	1							
Vote1 - Executive and Council		-	-	-				
Vote2 - Municipal Manager		-	-	-				
Vote3 - Corporate Services		-	-	-				
Vote4 - Infrastructure Planning and Development		32,650	34,478	36,202				
Vote5 - Community Services		2,200	2,323	2,439				
Vote6 - Budget and Treasury		-	-	-				
Vote7 - Local Economic Development and Planning		4,850	5,122	5,378				
Vote8 - Example 8		-	-	-				
Vote9 - Example 9		-	-	-				
Vote10 - Example 10		-	-	-				
Vote11 - Example 11		-	-	-				
Vote12 - Example 12		-	-	-				
Vote13 - Example 13		-	-	-				
Vote14 - Example 14		-	-	-				
Vote15 - Example 15		-	-	-				
<i>List entity summary if applicable</i>								
<b>Total Capital Expenditure</b>		<b>39,700</b>	<b>41,923</b>	<b>44,019</b>	-	-	-	-

### Breakdown of operating revenue over the 2011/12 MTREF

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

## Medium-term outlook: capital revenue

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

**Table 22 MBRR Table SA 17 - Detail of borrowings**

EC135 Intsika Yethu - Supporting Table SA17 Borrowing

Borrowing - Categorised by type R thousand	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Parent municipality</b>										
Long-Term Loans (annuity/reducing balance)					10,000			800		
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										
<b>Municipality sub-total</b>	1	-	-	-	10,000	-	-	800	-	-
<b>Entities</b>										
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										
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Borrowing</b>	1	-	-	-	10,000	-	-	800	-	-

**Table 23 MBRR Table SA 18 - Capital transfers and grant receipts**

EC135 Intsika Yethu - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>RECEIPTS:</b>	1, 2									
<b>Operating Transfers and Grants</b>										
National Government:		34,260	43,449	56,131	68,271	-	2,300	80,694	85,213	89,474
Local Government Equitable Share		33,276	42,464	54,631	66,271					
Local Government Equitable Share							-	78,404	82,795	86,934
Finance Management		250	250	1,000	1,250		1,438	1,500	1,584	1,663
Municipal Systems Improvement		734	735	500	750		863	790	834	876
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	34,260	43,449	56,131	68,271	-	2,300	80,694	85,213	89,474
<b>Capital Transfers and Grants</b>										
National Government:		10,164	14,909	19,331	21,564	-	24,799	25,935	27,387	28,757
Municipal Infrastructure Grant (MIG)		10,164	14,909	19,331	21,564		24,799	25,935	27,387	28,757
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	10,164	14,909	19,331	21,564	-	24,799	25,935	27,387	28,757
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		44,424	58,358	75,462	89,835	-	27,099	106,629	112,600	118,230

## Cash Flow Management

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

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

**Table 24 MBRR Table A7 - Budget cash flow statement**

EC135 Intsika Yethu - Table A7 Budgeted Cash Flows

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Ratepayers and other		(20,957)	66,282	92,703	22,747		22,747	22,747	13,347	14,094	14,799
Government - operating	1	43,449			68,271		68,271	68,271	80,694	85,213	89,474
Government - capital	1				21,564		21,564	21,564	25,935	27,387	28,757
Interest		4,130	2,512	1,148	1,795		1,795	1,795	450	475	499
Dividends											
<b>Payments</b>											
Suppliers and employees		(1,942)	(54,789)	(66,268)	(78,014)		(78,014)	(78,014)	(80,726)	(85,247)	(89,509)
Finance charges			(80)	(185)							
Transfers and Grants	1										
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>24,679</b>	<b>13,926</b>	<b>27,397</b>	<b>36,363</b>	<b>-</b>	<b>36,363</b>	<b>36,363</b>	<b>39,700</b>	<b>41,923</b>	<b>44,019</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE				87							
Decrease (Increase) in non-current debtors											
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments			16,666								
<b>Payments</b>											
Capital assets			(19,652)	(27,280)	(36,364)		(36,364)	(36,364)	(39,700)	(41,923)	(44,019)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>-</b>	<b>(2,985)</b>	<b>(27,193)</b>	<b>(36,364)</b>	<b>-</b>	<b>(36,364)</b>	<b>(36,364)</b>	<b>(39,700)</b>	<b>(41,923)</b>	<b>(44,019)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans											
Borrowing long term/refinancing			3,873								
Increase (decrease) in consumer deposits											
<b>Payments</b>											
Repayment of borrowing				(227)							
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>3,873</b>	<b>(227)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>24,679</b>	<b>14,813</b>	<b>(23)</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash/cash equivalents at the year begin:	2		24,679	39,493							
Cash/cash equivalents at the year end:	2	<b>24,679</b>	<b>39,493</b>	<b>39,470</b>	<b>(1)</b>	<b>-</b>	<b>(1)</b>	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Cash Backed Reserves/Accumulated Surplus Reconciliation

**Table 25 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation**

EC135 Intsika Yethu - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	24,679	39,493	39,470	(1)	-	(1)	(1)	-	-	-
Other current investments > 90 days		(24,679)	(39,493)	(12,634)	1	-	1	1	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		-	-	26,836	-	-	-	-	-	-	-
<b>Application of cash and investments</b>											
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	-	-	(41,804)	-	-	-	-	-	-	-
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	3,700	3,907	4,103
<b>Total Application of cash and investments:</b>		-	-	(41,804)	-	-	-	-	3,700	3,907	4,103
<b>Surplus(shortfall)</b>		-	-	68,639	-	-	-	-	(3,700)	(3,907)	(4,103)

- ✚ Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions.
- ✚ Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued.
- ✚ During the 2010/11 financial year the municipality was required to supply National Treasury with a detailed analysis of the unspent grants as well as an action plan of spending the grants.
- ✚ There is no unspent borrowing from the previous financial years. In terms of the municipality's Borrowing and Investments Policy, borrowings are only drawn down once the expenditure has been incurred against the particular project.
- ✚ Unspent borrowing is ring-fenced and reconciled on a monthly basis to ensure no unnecessary liabilities are incurred.

The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA.

Each of the measures is discussed below.

**Table 26 MBRR SA10 – Funding compliance measurement**

EC135 Intsika Yethu - Table A10 Basic service delivery measurement

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Household service targets (000)</b>	1									
<b>Water:</b>										
Piped water inside dwelling		216	83							
Piped water inside yard (but not in dwelling)	2									
Using public tap (at least min.service level)	4									
Other water supply (at least min.service level)	4									
<i>Minimum Service Level and Above sub-total</i>		216	83	-	-	-	-	-	-	-
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	216	83	-	-	-	-	-	-	-
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		854								
Flush toilet (with septic tank)										
Chemical toilet										
Pit toilet (ventilated)										
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		854	-	-	-	-	-	-	-	-
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	854	-	-	-	-	-	-	-	-
<b>Energy:</b>										
Electricity (at least min.service level)										
Electricity - prepaid (min.service level)										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	-	-	-	-	-	-	-	-	-
<b>Refuse:</b>										
Removed at least once a week		232		100	100		100	100	106	111
<i>Minimum Service Level and Above sub-total</i>		232	-	100	100	-	100	100	106	111
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	232	-	100	100	-	100	100	106	111

## 1.1 Expenditure on grants and reconciliations of unspent funds

**Table 27 MBRR SA19 - Expenditure on transfers and grant programmes**

EC135 Intsika Yethu - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>EXPENDITURE:</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		34,260	43,449	56,131	68,271	-	78,512	80,694	85,213	89,474
Local Government Equitable Share		33,276	42,464	54,631	66,271	-	76,212	78,404	82,795	86,934
Local Government Equitable Share										
Finance Management		250	250	1,000	1,250	-	1,438	1,500	1,584	1,663
Municipal Systems Improvement		734	735	500	750	-	863	790	834	876
Other transfers/grants (insert description)										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers/grants (insert description)										
District Municipality: (insert description)		-	-	-	-	-	-	-	-	-
Other grant providers: 0		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		<b>34,260</b>	<b>43,449</b>	<b>56,131</b>	<b>68,271</b>	<b>-</b>	<b>78,512</b>	<b>80,694</b>	<b>85,213</b>	<b>89,474</b>
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		10,164	14,909	19,331	21,564	-	24,799	25,935	27,387	28,757
Municipal Infrastructure Grant (MIG)		10,164	14,909	19,331	21,564	-	24,799	25,935	27,387	28,757
Other capital transfers/grants (insert desc)										
Provincial Government: 0		-	-	-	-	-	-	-	-	-
District Municipality: (insert description)		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		<b>10,164</b>	<b>14,909</b>	<b>19,331</b>	<b>21,564</b>	<b>-</b>	<b>24,799</b>	<b>25,935</b>	<b>27,387</b>	<b>28,757</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>44,424</b>	<b>58,358</b>	<b>75,462</b>	<b>89,835</b>	<b>-</b>	<b>103,310</b>	<b>106,629</b>	<b>112,600</b>	<b>118,230</b>

References

1. Expenditure must be separately listed for each transfer or grant received or recognised







**Table 30 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)**

EC135 Intsika Yethu - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No. 10	Salary	Contrib. 1.	Allowances	Performance Bonuses	In-kind benefits 2.	Total Package 3.
<b>Rand per annum</b>								
<b>Councillors</b>								
Speaker	4							
Chief Whip	5	1	225,643		88,358			314,001
Executive Mayor		1	512,827		213,136			725,963
Deputy Executive Mayor								-
Executive Committee		7	2,519,256		979,301			3,498,557
Total for all other councillors		37	5,692,348		2,383,724			8,076,072
<b>Total Councillors</b>	<b>9</b>	<b>46</b>	<b>8,950,075</b>	<b>-</b>	<b>3,664,519</b>			<b>12,614,593</b>
<b>Senior Managers of the Municipality</b>								
Municipal Manager (MM)	6		948,223					948,223
Chief Finance Officer			853,609					853,609
Deputy City Manager - Governance			853,609					853,609
Deputy City Manager - Procurement & Infrastructure			853,609					853,609
Deputy City Manager - Health, Safety & Social Issues			853,609					853,609
Deputy City Manager - Corporate & Human Resources			853,609					853,609
<i>List of each official with packages &gt;= senior manager</i>								
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
<b>Total Senior Managers of the Municipality</b>	<b>9</b>	<b>-</b>	<b>5,216,266</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,216,266</b>
<b>A Heading for Each Entity</b>								
List each member of board by designation	7, 8							-
								-
								-
								-
								-
								-
								-
								-
								-
								-
<b>Total for municipal entities</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>		<b>46</b>	<b>14,166,341</b>	<b>-</b>	<b>3,664,519</b>	<b>-</b>	<b>-</b>	<b>17,830,859</b>



**Table 32 MBRR SA25 - Budgeted monthly revenue and expenditure**

EC135 Intsika Yethu - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Revenue By Source</b>																
Property rates		-	-	2,184	273	273	273	273	-	-	-	-	-	3,276	3,460	3,633
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		8	8	8	8	8	8	8	8	8	8	8	8	100	106	111
Service charges - other		21	21	21	21	21	21	21	21	21	21	21	21	255	269	283
Rental of facilities and equipment		2	2	2	2	2	2	2	2	2	2	2	2	22	23	24
Interest earned - external investments		13	13	13	13	13	13	13	13	13	13	13	13	150	158	166
Interest earned - outstanding debtors		25	25	25	25	25	25	25	25	25	25	25	25	300	317	333
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		17	17	17	17	17	17	17	17	17	17	17	17	200	211	222
Licences and permits		6	6	6	6	6	6	6	6	6	6	6	6	75	79	83
Agency services		42	42	42	42	42	42	42	42	42	42	42	42	500	528	554
Transfers recognised - operational		28,425				26,135			26,135					80,694	85,213	90,326
Other revenue		743	743	743	743	743	743	743	743	743	743	743	743	8,919	9,418	9,889
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>29,301</b>	<b>877</b>	<b>3,061</b>	<b>1,150</b>	<b>27,284</b>	<b>1,150</b>	<b>1,150</b>	<b>877</b>	<b>27,011</b>	<b>877</b>	<b>877</b>	<b>877</b>	<b>94,491</b>	<b>99,782</b>	<b>105,624</b>
<b>Expenditure By Type</b>																
Employee related costs		3,166	3,166	3,166	3,166	3,166	3,166	3,166	3,166	3,166	3,166	3,166	3,166	37,995	40,123	42,129
Remuneration of councillors		1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	12,615	13,321	13,987
Debt impairment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenditure		2,510	2,510	2,510	2,510	2,510	2,510	2,510	2,510	2,510	2,510	2,510	2,510	30,117	31,803	33,393
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>80,726</b>	<b>85,247</b>	<b>89,509</b>
<b>Surplus/(Deficit)</b>		<b>22,574</b>	<b>(5,850)</b>	<b>(3,666)</b>	<b>(5,577)</b>	<b>20,557</b>	<b>(5,577)</b>	<b>(5,577)</b>	<b>(5,850)</b>	<b>20,284</b>	<b>(5,850)</b>	<b>(5,850)</b>	<b>(5,850)</b>	<b>13,765</b>	<b>14,536</b>	<b>16,115</b>
Transfers recognised - capital		8,645				8,645			8,645					25,935	27,387	28,757
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>31,219</b>	<b>(5,850)</b>	<b>(3,666)</b>	<b>(5,577)</b>	<b>29,202</b>	<b>(5,577)</b>	<b>(5,577)</b>	<b>(5,850)</b>	<b>28,929</b>	<b>(5,850)</b>	<b>(5,850)</b>	<b>(5,850)</b>	<b>39,700</b>	<b>41,923</b>	<b>44,871</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>31,219</b>	<b>(5,850)</b>	<b>(3,666)</b>	<b>(5,577)</b>	<b>29,202</b>	<b>(5,577)</b>	<b>(5,577)</b>	<b>(5,850)</b>	<b>28,929</b>	<b>(5,850)</b>	<b>(5,850)</b>	<b>(5,850)</b>	<b>39,700</b>	<b>41,923</b>	<b>44,871</b>

**Table 33 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)**

EC135 Intsika Yethu - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Revenue by Vote</b>																
Vote1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote2 - Municipal Manager		217	217	217	217	217	217	217	217	217	217	217	217	2,600	2,746	2,883
Vote3 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote4 - Infrastructure Planning and Development		2,163	2,163	2,163	2,163	2,163	2,163	2,163	2,163	2,163	2,163	2,163	2,163	25,955	27,408	28,779
Vote5 - Community Services		85	85	85	85	85	85	85	85	85	85	85	85	1,025	1,082	1,137
Vote6 - Budget and Treasury		31,410	-	-	-	29,120	-	-	29,120	-	-	-	-	89,649	94,669	99,403
Vote7 - Local Economic Development and Planning		100	100	100	100	100	100	100	100	100	100	100	100	1,197	1,264	1,327
Vote8 - Example 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote9 - Example 9		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote10 - Example 10		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote11 - Example 11		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote12 - Example 12		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote13 - Example 13		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote14 - Example 14		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote15 - Example 15		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>		<b>33,974</b>	<b>2,565</b>	<b>2,565</b>	<b>2,565</b>	<b>31,684</b>	<b>2,565</b>	<b>2,565</b>	<b>2,565</b>	<b>31,684</b>	<b>2,565</b>	<b>2,565</b>	<b>2,565</b>	<b>120,426</b>	<b>127,170</b>	<b>133,528</b>
<b>Expenditure by Vote to be appropriated</b>																
Vote1 - Executive and Council		1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344	1,344	16,127	17,030	17,881
Vote2 - Municipal Manager		637	637	637	637	637	637	637	637	637	637	637	637	7,642	8,070	8,474
Vote3 - Corporate Services		689	689	689	689	689	689	689	689	689	689	689	689	8,272	8,735	9,172
Vote4 - Infrastructure Planning and Development		1,277	1,277	1,277	1,277	1,277	1,277	1,277	1,277	1,277	1,277	1,277	1,277	15,327	16,185	16,995
Vote5 - Community Services		1,108	1,108	1,108	1,108	1,108	1,108	1,108	1,108	1,108	1,108	1,108	1,108	13,294	14,038	14,740
Vote6 - Budget and Treasury		1,387	1,387	1,387	1,387	1,387	1,387	1,387	1,387	1,387	1,387	1,387	1,387	16,639	17,571	18,449
Vote7 - Local Economic Development and Planning		286	286	286	286	286	286	286	286	286	286	286	286	3,426	3,618	3,799
Vote8 - Example 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote9 - Example 9		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote10 - Example 10		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote11 - Example 11		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote12 - Example 12		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote13 - Example 13		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote14 - Example 14		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote15 - Example 15		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>		<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>80,726</b>	<b>85,247</b>	<b>89,509</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>27,247</b>	<b>(4,162)</b>	<b>(4,162)</b>	<b>(4,162)</b>	<b>24,957</b>	<b>(4,162)</b>	<b>(4,162)</b>	<b>(4,162)</b>	<b>24,957</b>	<b>(4,162)</b>	<b>(4,162)</b>	<b>(4,162)</b>	<b>39,700</b>	<b>41,923</b>	<b>44,019</b>
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>27,247</b>	<b>(4,162)</b>	<b>(4,162)</b>	<b>(4,162)</b>	<b>24,957</b>	<b>(4,162)</b>	<b>(4,162)</b>	<b>(4,162)</b>	<b>24,957</b>	<b>(4,162)</b>	<b>(4,162)</b>	<b>(4,162)</b>	<b>39,700</b>	<b>41,923</b>	<b>44,019</b>

**Table 34 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)**

EC135 Intsika Yethu - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Revenue - Standard</b>																
<i>Governance and administration</i>		31,626	217	217	217	29,336	217	217	217	29,336	217	217	217	92,249	97,415	102,286
Executive and council		217	217	217	217	217	217	217	217	217	217	217	217	2,600	2,746	2,883
Budget and treasury office		31,410	-	-	-	29,120	-	-	-	29,120	-	-	-	89,649	94,669	99,403
Corporate services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		85	85	85	85	85	85	85	85	85	85	85	85	1,025	1,082	1,137
Community and social services		69	69	69	69	69	69	69	69	69	69	69	69	825	871	915
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		17	17	17	17	17	17	17	17	17	17	17	17	200	211	222
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		8,745	100	100	100	8,745	100	100	100	8,745	100	100	120	27,152	28,673	30,106
Planning and development		-	100	100	100	100	100	100	100	100	100	100	100	1,197	1,264	1,327
Road transport		8,645	-	-	-	8,645	-	-	-	8,645	-	-	20	25,955	27,408	28,779
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>		<b>40,456</b>	<b>402</b>	<b>402</b>	<b>402</b>	<b>38,166</b>	<b>402</b>	<b>402</b>	<b>402</b>	<b>38,166</b>	<b>402</b>	<b>402</b>	<b>422</b>	<b>120,426</b>	<b>127,170</b>	<b>133,528</b>
<b>Expenditure - Standard</b>																
<i>Governance and administration</i>		4,057	4,057	4,057	4,057	4,057	4,057	4,057	4,057	4,057	4,057	4,057	4,057	48,679	51,405	53,976
Executive and council		1,981	1,981	1,981	1,981	1,981	1,981	1,981	1,981	1,981	1,981	1,981	1,981	23,769	25,100	26,355
Budget and treasury office		1,387	1,387	1,387	1,387	1,387	1,387	1,387	1,387	1,387	1,387	1,387	1,387	16,639	17,571	18,449
Corporate services		689	689	689	689	689	689	689	689	689	689	689	689	8,272	8,735	9,172
<i>Community and public safety</i>		1,108	1,108	1,108	1,108	1,108	1,108	1,108	1,108	1,108	1,108	1,108	1,108	13,294	14,038	14,740
Community and social services		1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	1,103	13,234	13,975	14,673
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		5	5	5	5	5	5	5	5	5	5	5	5	60	63	67
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		1,563	1,563	1,563	1,563	1,563	1,563	1,563	1,563	1,563	1,563	1,563	1,563	18,753	19,803	20,793
Planning and development		286	286	286	286	286	286	286	286	286	286	286	286	3,426	3,618	3,799
Road transport		1,277	1,277	1,277	1,277	1,277	1,277	1,277	1,277	1,277	1,277	1,277	1,277	15,327	16,185	16,995
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>		<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>80,726</b>	<b>85,247</b>	<b>89,509</b>
<b>Surplus/(Deficit) before assoc.</b>		<b>33,729</b>	<b>(6,325)</b>	<b>(6,325)</b>	<b>(6,325)</b>	<b>31,439</b>	<b>(6,325)</b>	<b>(6,325)</b>	<b>(6,325)</b>	<b>31,439</b>	<b>(6,325)</b>	<b>(6,325)</b>	<b>(6,305)</b>	<b>39,700</b>	<b>41,923</b>	<b>44,019</b>
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>33,729</b>	<b>(6,325)</b>	<b>(6,325)</b>	<b>(6,325)</b>	<b>31,439</b>	<b>(6,325)</b>	<b>(6,325)</b>	<b>(6,325)</b>	<b>31,439</b>	<b>(6,325)</b>	<b>(6,325)</b>	<b>(6,305)</b>	<b>39,700</b>	<b>41,923</b>	<b>44,019</b>

**Table 35 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)**

EC135 Intsika Yethu - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Multi-year expenditure to be appropriated</b>	1															
Vote1 - Executive and Council																
Vote2 - Municipal Manager																
Vote3 - Corporate Services																
Vote4 - Infrastructure Planning and Development		242	242	242	242	242	242	242	242	242	242	242	242	2,900	3,062	3,216
Vote5 - Community Services		183	183	183	183	183	183	183	183	183	183	183	183	2,200	2,323	2,439
Vote6 - Budget and Treasury		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote7 - Local Economic Development and Planning		333	333	333	333	333	333	333	333	333	333	333	333	4,000	4,224	4,435
Vote8 - Example 8																
Vote9 - Example 9																
Vote10 - Example 10																
Vote11 - Example 11																
Vote12 - Example 12																
Vote13 - Example 13																
Vote14 - Example 14																
Vote15 - Example 15																
<b>Capital multi-year expenditure sub-total</b>	2	758	758	758	758	758	758	758	758	758	758	758	758	9,100	9,610	10,090
<b>Single-year expenditure to be appropriated</b>																
Vote1 - Executive and Council																
Vote2 - Municipal Manager																
Vote3 - Corporate Services																
Vote4 - Infrastructure Planning and Development		2,479	2,479	2,479	2,479	2,479	2,479	2,479	2,479	2,479	2,479	2,479	2,479	29,750	31,416	32,987
Vote5 - Community Services																
Vote6 - Budget and Treasury																
Vote7 - Local Economic Development and Planning		71	71	71	71	71	71	71	71	71	71	71	71	850	898	942
Vote8 - Example 8																
Vote9 - Example 9																
Vote10 - Example 10																
Vote11 - Example 11																
Vote12 - Example 12																
Vote13 - Example 13																
Vote14 - Example 14																
Vote15 - Example 15																
<b>Capital single-year expenditure sub-total</b>	2	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550	2,550	30,600	32,314	33,929
<b>Total Capital Expenditure</b>	2	3,308	3,308	3,308	3,308	3,308	3,308	3,308	3,308	3,308	3,308	3,308	3,308	39,700	41,923	44,019



**Table 36 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)**

EC135 Intsika Yethu - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>Capital Expenditure - Standard</b>	1															
<i>Governance and administration</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Executive and council																
Budget and treasury office																
Corporate services																
<i>Community and public safety</i>		183	183	183	183	183	183	183	183	183	183	183	183	2,200	2,323	2,439
Community and social services		183	183	183	183	183	183	183	183	183	183	183	183	183	2,200	2,439
Sport and recreation																
Public safety																
Housing																
Health																
<i>Economic and environmental services</i>		3,125	3,125	3,125	3,125	3,125	3,125	3,125	3,125	3,125	3,125	3,125	3,125	37,500	39,600	41,580
Planning and development		404	404	404	404	404	404	404	404	404	404	404	404	4,850	5,122	5,378
Road transport		2,721	2,721	2,721	2,721	2,721	2,721	2,721	2,721	2,721	2,721	2,721	2,721	32,650	34,478	36,202
Environmental protection																
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity																
Water																
Waste water management																
Waste management																
<i>Other</i>																
<b>Total Capital Expenditure - Standard</b>	2	3,308	3,308	3,308	3,308	3,308	3,308	3,308	3,308	3,308	3,308	3,308	3,308	39,700	41,923	44,019

**Table 37 MBRR SA30 - Budgeted monthly cash flow**

EC135 Intsika Yethu - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
<b>R thousand</b>															
<b>Cash Receipts By Source</b>													1		
Property rates	-	-	2,184	273	273	273	273	-	-	-	-	-	3,276	3,460	3,633
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	8	8	8	8	8	8	8	8	8	8	8	8	100	106	111
Service charges - other	21	21	21	21	21	21	21	21	21	21	21	21	255	269	283
Rental of facilities and equipment	2	2	2	2	2	2	2	2	2	2	2	2	22	23	24
Interest earned - external investments	13	13	13	13	13	13	13	13	13	13	13	13	150	158	166
Interest earned - outstanding debtors	25	25	25	25	25	25	25	25	25	25	25	25	300	317	333
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	17	17	17	17	17	17	17	17	17	17	17	17	200	211	222
Licences and permits	6	6	6	6	6	6	6	6	6	6	6	6	75	79	83
Agency services	42	42	42	42	42	42	42	42	42	42	42	42	500	528	554
Transfer receipts - operational	28,425				26,135				26,135				80,694	85,213	90,326
Other revenue	743	743	743	743	743	743	743	743	743	743	743	743	8,919	9,418	9,889
<b>Cash Receipts by Source</b>	<b>29,301</b>	<b>877</b>	<b>3,061</b>	<b>1,150</b>	<b>27,284</b>	<b>1,150</b>	<b>1,150</b>	<b>877</b>	<b>27,011</b>	<b>877</b>	<b>877</b>	<b>877</b>	<b>94,491</b>	<b>99,782</b>	<b>105,624</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	8,645				8,645				8,645				25,935	27,387	28,757
Contributions recognised - capital & Contributed assets															
Proceeds on disposal of PPE															
Short term loans															
Borrowing long term/refinancing															
Increase (decrease) in consumer deposits															
Decrease (increase) in non-current debtors															
Decrease (increase) other non-current receivables															
Decrease (increase) in non-current investments															
<b>Total Cash Receipts by Source</b>	<b>37,946</b>	<b>877</b>	<b>3,061</b>	<b>1,150</b>	<b>35,929</b>	<b>1,150</b>	<b>1,150</b>	<b>877</b>	<b>35,656</b>	<b>877</b>	<b>877</b>	<b>877</b>	<b>120,426</b>	<b>127,170</b>	<b>134,380</b>
<b>Cash Payments by Type</b>															
Employee related costs	3,166	3,166	3,166	3,166	3,166	3,166	3,166	3,166	3,166	3,166	3,166	3,166	37,995	40,123	42,129
Remuneration of councillors	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	1,051	12,615	13,321	13,987
Collection costs															
Interest paid															
Bulk purchases - Electricity															
Bulk purchases - Water & Sewer															
Other materials															
Contracted services															
Grants and subsidies paid - other municipalities															
Grants and subsidies paid - other															
General expenses	2,510	2,510	2,510	2,510	2,510	2,510	2,510	2,510	2,510	2,510	2,510	2,510	30,117	31,803	33,393
<b>Cash Payments by Type</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>80,726</b>	<b>85,247</b>	<b>89,509</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets															
Repayment of borrowing															
Other Cash Flows/Payments															
<b>Total Cash Payments by Type</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>6,727</b>	<b>80,726</b>	<b>85,247</b>	<b>89,509</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>31,219</b>	<b>(5,850)</b>	<b>(3,666)</b>	<b>(5,577)</b>	<b>29,202</b>	<b>(5,577)</b>	<b>(5,577)</b>	<b>(5,850)</b>	<b>28,929</b>	<b>(5,850)</b>	<b>(5,850)</b>	<b>(5,850)</b>	<b>39,700</b>	<b>41,923</b>	<b>44,871</b>
Cash/cash equivalents at the month/year begin:		31,219	25,369	21,702	16,125	45,327	39,750	34,172	28,322	57,251	51,401	45,550	-	39,700	81,623
Cash/cash equivalents at the month/year end:	31,219	25,369	21,702	16,125	45,327	39,750	34,172	28,322	57,251	51,401	45,550	39,700	39,700	81,623	126,495







**Table 41 MBRR SA35 - Future financial implications of the capital budget**

EC135 Intsika Yethu - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2011/12 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Present value
<b>R thousand</b>								
<b>Capital expenditure</b>	1							
Vote1 - Executive and Council		-	-	-				
Vote2 - Municipal Manager		-	-	-				
Vote3 - Corporate Services		-	-	-				
Vote4 - Infrastructure Planning and Development		32,650	34,478	36,202				
Vote5 - Community Services		2,200	2,323	2,439				
Vote6 - Budget and Treasury		-	-	-				
Vote7 - Local Economic Development and Planning		4,850	5,122	5,378				
Vote8 - Example 8		-	-	-				
Vote9 - Example 9		-	-	-				
Vote10 - Example 10		-	-	-				
Vote11 - Example 11		-	-	-				
Vote12 - Example 12		-	-	-				
Vote13 - Example 13		-	-	-				
Vote14 - Example 14		-	-	-				
Vote15 - Example 15		-	-	-				
<i>List entity summary if applicable</i>								
<b>Total Capital Expenditure</b>		39,700	41,923	44,019	-	-	-	-
<b>Future operational costs by vote</b>	2							
Vote1 - Executive and Council		16,127	17,030	17,881				
Vote2 - Municipal Manager		7,642	8,070	8,474				
Vote3 - Corporate Services		8,272	8,735	9,172				
Vote4 - Infrastructure Planning and Development		15,327	16,185	16,995				
Vote5 - Community Services		13,294	14,038	14,740				
Vote6 - Budget and Treasury		16,639	17,571	18,449				
Vote7 - Local Economic Development and Planning		3,426	3,618	3,799				
Vote8 - Example 8		-	-	-				
Vote9 - Example 9		-	-	-				
Vote10 - Example 10		-	-	-				
Vote11 - Example 11		-	-	-				
Vote12 - Example 12		-	-	-				
Vote13 - Example 13		-	-	-				
Vote14 - Example 14		-	-	-				
Vote15 - Example 15		-	-	-				
<i>List entity summary if applicable</i>								
<b>Total future operational costs</b>		80,726	85,247	89,509	-	-	-	-
<b>Future revenue by source</b>	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
<b>Total future revenue</b>		-	-	-	-	-	-	-
<b>Net Financial Implications</b>		120,426	127,170	133,528	-	-	-	-



EC135 Intsika Yethu - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1. Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand
Red Guard Security			Security Services	continuous	
Gestetner			Photocopying machine		120
Indwe Risk			Insurance for municipal assets		
Nashua Tsomo			Photocopying machine		28
Gestetner FIN			Photocopying machine		4
Nashua aficio (traffic)			Photocopying machine		12



# ANNEXURE 1

## INTSIKA YETHU MUNICIPALITY

### 2011/ 2012 TARIFF STRUCTURE

#### ASSESSMENT RATES

In terms of the Section 4 (1) © of the Local Government: Municipal Systems Act, 2000 (No 32 of 2000), the Municipality has the right to finance the affairs of the Municipality by imposing, inter alia, rates on property

In terms of the Local Government: Municipal Property Rates Act, 2004 (No 6 of 2004) a municipality in accordance with-

- a. Section 2(1), may levy a rate on property in its area, and
- b. Section 2(3), must exercise its power to levy a rate on property subject to-
  - i. Section 229 and any other applicable provisions of the Constitution;
  - ii. The provisions of the Property Rates Act and the regulations promulgated in terms thereof; and
  - iii. The Rates policy
  - iv. All tariffs exclude VAT
  - v. Standard interest rate 4.08% + 2% based on the Inflationary Forecasts as determined through MFMA Circular no. 55
  - vi. Tariffs are applicable throughout INTSIKA YETHU MUNICIPALITY unless indicated otherwise

	2010/11	2011/12
	R	
<b>On total value of property</b>		
Government	0,012	0,012
Business	0,008	0,008
Residential	0,004	0,004

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Farming/Agriculture		
Street Lighting		
Basic charge per month	-	5.64
A demand charge per month per kW	-	69.20

### REFUSE REMOVAL

	2010 / 11	2011/12
	R	R
<b>Domestic Consumers</b> (per month for one removal per week)	38.48	41.10
Additional removal (per load or part thereof)	42.48	45.37
<b>Commercial Consumers Small / Medium</b> (per month for two removals per week)	79.15	84.53
Trolley Bin (rental per month) (per removal)	95.13	101.60
	42.48	45.37
Additional removal (per load or part thereof)	105.70	112.89
<b>Commercial Consumers Large</b> (per month for two removals per week)		

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Skip bin (rental per month)		
(Per removal)	391.09	417.68
Additional removal (per load or part thereof)	200.83	214.49
<b>Government Departments (Schools, hostels, SAPS, prison, hospital, etc)</b> (per month for two removals per week)	422.80	451.55
Additional removal (per load or part thereof)	105.70	112.89
<b>Garden Refuse</b> (per load) (to be paid in advance)	105.70	112.89

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**WATER**

	2010/11	2011/12
	R	
<b>Metered Consumption (Domestic Consumers)</b>		
Basic / Availability Charge	36.61	39.09
<b>Metered Consumption (Other than Domestic Consumers)</b>		
Basic / Availability Charge (per month)	36.61	39.09
<b>Normal Consumption</b>		
<b>Domestic</b>		
Per kiloliter consumed 0-6 kl (indigent)	0	0
Per kiloliter consumed 0-6 kl	-	5.73
Per kiloliter consumed 7 – 10 kl	2.66	5.84
Per kiloliter consumed 11-20 kl	5.12	8.11
Per kiloliter consumed 21-30 kl	-	10.52
Per kiloliter consumed 31 + kl	-	13.20

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<b>Bulk/Commercial/Industrial Supply per kl</b>	-	9.23
<b>Other (Schools/ Non-profit organizations/Church) per kl</b>	-	5.68
Tariff Bulk supply rate (builders)	-	8.77
New Connection (to be paid prior connection)	Material & Labour Cost + 30%	Material & Labour Cost + 30%
Test Meter (Not Refundable)To be paid in advance	112.05	119.67
<b>DEPOSITS (WATER SERVICES)</b>		
Consumers – Domestic	317.10	338.66
Consumers – Business or Commercial	845.60	903.10
Builders	5,813.50	3,495.61
<b>CHARGE FOR VISIT OF SERVICE MAN</b>		
(a)The owner or builder requesting the installation of a connection and does not clear the position, thus making the visit of the serviceman fruitless, shall pay a fee of:  This fee will also be charged when a serviceman is called out for a problem on the consumers' internal system  (b)The closing and re-opening of municipal stopcocks or values, when requested by consumers, shall be carried out at a fee per visit of:	-	508.77

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(c) A reconnection fee shall be charged for the insertion and removal of a restrictive washer during working hours and an additional charge will be levied if the restrictive washer is removed after hours, such an amount to be paid by the consumer prior to the removal of the washer		989.47
	-	130.70
<b>REPAIR OF METER CONNECTION OR STOPCOCK</b>		
Connections or stopcocks damaged by the owner or builder will be replaced or repaired at a fee per connection up to 25mm diameter	-	1,058.77
Fee per connection greater than 25 mm	-	1,692.98
<b>DISCONNECTION OF WATER</b>	-	508.77
<b>REMOVAL OF CONNECTION</b>		
Moving of connection from one point to another shall be charged at actual cost	-	Actual cost
When a meter has been temporarily removed at the request of the owner, the cost of replacing the meter at a later date will be	-	
Inspection of metered premises at the request of the consumer, for leakage or waste of water, per inspection, fee payable	-	635.96
	-	508.77

<b>WATER CARTING</b>		
7-15 kl/load	-	400.00
Per kilometer	-	8.50

### **SANITATION / SEWERAGE**

	<b>2010 / 11</b>	<b>2011/12</b>
	<b>R</b>	
<b>Water-borne Sewerage (Domestic Consumers)</b>		
<b>Small</b>		
Basic / Availability Charge per month per connection (Erf 0-300m <sup>2</sup> )	39.22	41.89
Basic / Availability Charge per month per connection (Erf 301-400m <sup>2</sup> )	-	59.28
Basic / Availability Charge per month per connection (Erf 401-800m <sup>2</sup> )	-	154.24
Basic / Availability Charge per month per connection (Erf 801-1200m <sup>2</sup> )	-	166.52
Basic / Availability Charge per month per connection (Erf 1200>m <sup>2</sup> )	-	181.43

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<b>Medium</b>		
Flats	-	103.73
Ordinary flats		
<b>Water-borne Sewerage (Commercial Consumers)</b>		
Basic / Availability Charge per month per connection	105.70	112.89
Pan charge per pan plus an annual area charge determined as follows:	-	
The square root of the area of the land in square meters x a rate of		8.77
<b>Water-borne Sewerage (Industrial Consumers)</b>		
Basic / Availability Charge per month per connection	-	118.57
Pan charge per pan plus an annual area charge determined as follows		
The square root of the area of the land in square meters x a rate of	-	13.17
<b>Water-borne Sewerage (Hotel's, hostels, Schools, hospitals, abattoirs &amp; other consumers)</b>		
Basic / Availability Charge per month per connection	759.35	78.87
Pan charge per pan plus an annual area charge determined as follows	-	37.72

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The square root of the area of the land in square meters x a rate of		
<b>Water-borne Sewerage (Government departments)</b>		
Basic / Availability Charge per month per connection	2,801.05	120.25
Pan charge per pan plus an annual area charge determined as follows	-	39.47
The square root of the area of the land in square meters x a rate of		
<b>Conservancy Tanks- Combined charge</b>	-	1,850.00
<b>Sewer Connection</b>		
<b>Initial Connection</b>		
In respect of properties connected to Council's drainage system for the first time, the charge due and payable by the property owner or his agent shall be: -		
100mm sewer connection	-	1,635.96
150mm sewer connection	-	2,043.86
<b>Additional Connection(s)</b>		
The "full cost" of constructing additional sewer connections(s) will be payable by the property owner or his appointed agent. Where such additional connection(s) obviates the use of the initial existing connection(s), the fee for the initial connection(s) shall be		

payable over and above the cost of construction the additional connection(s).		
<p><b>Charge for Visit of Serviceman</b></p> <p>The Owner/Occupier requesting an inspection by a serviceman for sewerage problems or other appropriate circumstances where the Municipality is not responsible for maintaining the facility shall pay a fee including VAT</p>	-	409.65
<b>Other</b>		
Sewerage Blockages	224.09	239.33
New Connections	Material & Labour Cost + 30%	Material & Labour Cost + 30%

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<b>Removal of Conservancy Tank Effluent, Septic Tank Effluent and Pit Latrine</b>		
In respect of any property with improvements which is not connected to the sewerage supply of the Council to which a Conservancy Tank Service is rendered, a charge per annum for each financial year shall become due and payable by the Registered Owner of such property on date upon which Municipal Rates are levied in terms of the Municipal Property Rates Act, No. 6 of 2004, the above charges being for a clearance of at least once every 3 weeks per 4.5 kl load or part thereof.	-	2,142.98
Loads not exceeding 4,5 kl or part thereof plus kilometers if outside the CBD	-	271.93
Kilometers	-	8.50

### **INFRASTRUCTURE, PLANNING AND DEVELOPMENT**

<b>Building Plans</b>		
Application for approval of building plans (Per square meter) First 100 s/m	5.29	5.65
100+ s/m	1.59	1.70

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	<b>Development Planning Tariff fees</b>		
<b>1.</b>	<b>Application for Consent</b>		
	Application fees	1,057.00	1,128.88
<b>2.</b>	<b>Application for Rezoning</b>		
	Application fees		
<b>2a</b>	Erven 0 – 2500m <sup>2</sup>	1,057.00	1,128.88
<b>2b</b>	Erven 2501 – 5000m <sup>2</sup>	2,114.00	2,257.75
<b>2c</b>	Erven 5001 – 10 000m <sup>2</sup>	4,228.00	4,515.50
<b>2d</b>	Erven 1 ha – 5 ha	6,342.00	6,773.25
<b>2f</b>	Erven over 5 ha	7,399.00	7,902.13
<b>2f</b>	Advertising fees	528.50	564.44

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<b>3.</b>	<b>Application for departure from building lines and Spaza Shop application fees</b>		
<b>3a</b>	Erven smaller than 500m <sup>2</sup>	105.70	112.88
<b>3b</b>	Erven 500m <sup>2</sup> -750m <sup>2</sup>	211.40	225.78
<b>3c</b>	Erven larger than 750m <sup>2</sup>	422.80	451.55
<b>4</b>	<b>Application for subdivision – application fees</b>		
<b>4a</b>	Basic Fee	528.50	564.44
<b>4b</b>	Charge per subdivision(Reminder considered a subdivision)	52.85	56.44
<b>5</b>	<b>Application for removal of restriction</b>		
	Advertisement fees	4,228.00	4,515.50
<b>6</b>	<b>Application for Cell Mast (per application)</b>	2,114.00	2,257.75
<b>7</b>	<b>Sale or Lease of Land</b>		
<b>7a</b>	Application fees (Refundable Deposit)	528.50	564.44
<b>7b</b>	Advertising fee (Recoverable cost against Survey and Advertising)	3,171.00	3386.63
<b>7c</b>	Tender Application fee		

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		31.71	33.87
<b>7d</b>	Specialised Tenders	528.50	564.44
<b>8</b>	Zoning Certificate	37.00	39.52
<b>9</b>	Extension of Time	202.95	216.75
<b>10</b>	Amendments of existing subdivision	634.20	677.33
<b>11</b>	Town Planning Scheme Document	211.40	225.78
	Town Planning Scheme – CD	52.85	56.44
<b>12</b>	<b>SURVEY DEPARTMENT</b>	-	800.00
	Establishment of boundaries per erven		
	Survey Certificate	-	150.00

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## MACHINERY

Grader – per hour	380.00	380.00
Excavator – per hour	370.00	370.00
TLB –per hour	230.00	280.00
Loadbed @ R21.50 per km	2000.00	2550.00
Tipper truck (10m <sup>3</sup> ) per hour	350.00	350.00
Tipper truck (6m <sup>3</sup> ) per hour	260.00	260.00
Roller (smooth drum)	275.00	275.00

## COMMUNITY & SOCIAL SERVICE

<b>Pound</b>		
<b>Rate of compensation</b>		
For all animals delivered to the pound, whether on or more, per kilometer or portion of a kilometer	10.57	11.29
<b>Trespass on cultivated land</b>		
Horses, donkeys, cattle, pigs per head <i>(If land enclosed with sufficient fence)</i>	26.61	28.42

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<i>(If land not so enclosed)</i>	10.57	11.29
Goats and sheep per head		
<i>(If land enclosed with sufficient fence)</i>	19.86	21.31
<i>(If land not so enclosed)</i>	8.46	9.04
<b>Trespass on uncultivated land</b>		
Horses, donkeys, cattle, ostriches, pigs per head		
<i>(If land enclosed with sufficient fence)</i>	10.57	11.29
<i>(If land not so enclosed)</i>	8.46	9.04
Goats and sheep per head		
<i>(If land enclosed with sufficient fence)</i>	8.46	9.04
<i>(If land not so enclosed)</i>	6.35	6.78
<b>Pound Fees</b>		
Horses, donkeys, cattle and pigs per head	33.26	35.52
Goats and sheep per head	16.63	17.76
<b>Sustenance Fees</b>		

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Ostriches per head per day	10.57	11.29
Horses, donkeys, cattle and pigs per head per day	15.86	16.93
Goats and sheep per head per day	10.57	11.29
<b>Fees for animals to be separately herded</b>		
For every stallion per day	26.43	28.23
For every bull per day	26.43	28.23
For every boar per day	26.43	28.23
For every sheep ram, goat ram or other separated animal per day	26.43	28.23
	21.14	22.58
<b>TRAFFIC SERVICES</b>		
Towing charges	211.40	225.78
Storage fees per day	26.43	28.23
Removal of scrap vehicle	126.84	135.47
<b>Grazing</b>		
Cattle (Cows, Heifers, Steers & Bulls)	10.57	11.29
(Young animal – 7months to 2 tooth)	5.29	5.65

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Rent	Day	317.10	338.66
	Night	399.55	426.72
All other:	Deposit	1585.50	1693.31
Rent	Day	528.50	564.44
	Night	634.20	677.33
Chair hire		2.52	2.69
<b>HAWKERS</b>			
Fruit and vegetable stands		57.27	61.16
Food Vendors		57.27	61.16
Sale of sheep		126.16	134.74
Soft Goods		227.09	242.53
<b>TRADING PERMITS</b>			
Salon /Restaurant/ Café		378.49	404.23
Garage		630.82	673.71
Retail		378.49	404.23
Other : Livestock		630.82	673.61
Catering Services Operating in Caravan		630.82	673.71

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Photocopying	0.76	0.81
Faxing	8.83	9.43

**BUDGET & TREASURY SERVICE**

Valuation Certificate	31.71	33.87
Document Search Fee	31.71	33.87
Full Map	158.55	169.33
Portion of Map	79.28	84.67
Address List	211.40	225.78
Clearance Certificate	31.71	33.87
<b>TENDERS</b>		
R200 001 – R500000	105.70	112.89
R500001 – R1 000 000	211.40	225.78
R 1 000 001 – and above	264.25	282.22

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