

**Emalahleni Municipality
BUDGET STRATEGY AND
EXPENDITURE FRAMEWORK**

FOR

2011/2012 – 2013/2014

TABLED MAY 9, 2011

EMALAHLENI TABLED BUDGET 2011

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2. Mayoral Budget Speech

To be presented with the FINAL budget presented to council for approval.

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3. Budget Related Resolutions

1. Council resolves that the annual budget of the Emalahleni Local Municipality for the financial year 2011/2012; and indicative for the two projected outer years 2012/2013 and 2013/2014 be approved as encapsulated and set-out herein and reflected in the following tables incorporated herein:
 - 1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) **Table A2.**
 - 1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) **Table A3.**
 - 1.3. Budgeted Financial Performance (revenue and expenditure by source) **Table A4.**
 - 1.4. Budgeted Capital Expenditure by vote, standard classification and funding **Table A5.**
 - 1.5. Budgeted Financial Position **Table A6.**
 - 1.6. Budgeted Cash Flows **Table A7.**
 - 1.7. Cash Backed Reserves/accumulated surplus Reconciliation **Table A8.**
 - 1.8. Asset Management **Table A9.**
 - 1.9. Basic Service Delivery **Table A10.**
2. Council resolves that property rates and any other municipal taxes reflected in **appendix A** are imposed for the budget year.
3. Electricity tariffs be imposed at 26,71% approved by NERSA for bulk purchases with effect 01 July 2011.
4. Council resolves that tariffs and charges reflected in **appendix A** are approved for the budget year.
 - 4.1 Council resolves that the Electricity tariffs for non-indigent consumers be approved with 20,38% with effect 01 July 2011.
 - 4.2 Council resolves that the monthly electricity tariffs for registered indigents for the financial year be approved as follows:

First 50 Kw	Free
In excess of 50Kw	Increase of 20,38%

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4.3 Council resolves that the following Finance Policies and Strategies and Action plans as reviewed and reflected in Appendix B be adopted:

- i) Emalahleni Local Municipality Fraud Prevention Plan
- ii) Emalahleni Local Municipality Fraud & Anti Corruption Policy
- iii) Emalahleni Local Municipality Risk Management Strategy
- iv) Emalahleni Local Municipality Risk Management Committee Charter
- v) Emalahleni Local Municipality Disposal Policy
- vi) Emalahleni Local Municipality Asset Policy
- vii) Emalahleni Local Municipality Supply Chain Policy

5. Council resolves that the measurable performance objectives for revenue from each source reflected in **table 10** are approved for the budget year.

6. Council resolves that the measurable performance objectives for each vote reflected in **section 17** are approved for the budget year 2011/12.

7. Council resolves to adopt the amended Integrated Development Plan as submitted.

8. That the 6,8% provided for salary increases for employees is maintained.

9. That indigent income levels are set at the following:

Indigent	R 2100
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The Budget

4 Executive Summary

The Municipal Finance Management Act (MFMA) and the related Circulars that have been distributed by the National Treasury require that the Mayor table a three year medium term budget strategy and expenditure framework to the Emalahleni Municipal Council by the end of March for the financial year beginning July 1, 2011 and ending June 30, 2014.

The tabled budget is to be taken out to the public for consultation and then with all revisions be brought back to the entire municipal council for approval before the beginning of the new financial year as required in the MFMA. This final budget to be brought back to council will incorporate any of the submissions and changes that are deemed required by the Mayor.

Most of the requirements of the MFMA concerning the budget content and documentation are in place for this budget process and were incorporated into this budget document. Major requirements of the MFMA include:

- 1) the budget must set out 'realistically anticipated revenues' for the year by each revenue source;
- 2) the budget must be generally divided between capital and operating expenditures and each must be set out by 'vote';
- 3) expenditures can only be funded by 'realistic' revenues, surplus cash carried forward and not committed to any other expenditure or borrowed funds (borrowed funds can only be used to fund capital projects).

There are many other format requirements for the budget that are too numerous to mention here, however, a complete listing can be found in section 17 of the MFMA.

The preparation of this budget document involved the making of critical policy decisions and key strategies and policy directions that were given by the Executive Committee over the past months. A 'baseline' budgets was developed in consultation with the Executive and formed the basis for operating budget discussions. These were given to the Managers to review and revise within given guidelines. These revised baseline budgets returned by the managers then formed the basis for the draft budget that was built upon the key assumptions and decisions (*see section 10 for a discussion of budget assumptions*).

The budget and financial policies used to develop this budget are focused on making Emalahleni financially sustainable in the long run. One of the biggest

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challenges facing the municipality in the near future is maintaining an operating year end cash balance to allow for positive operating cash flows and unexpected contingencies. We must not only have sufficient cash available to pay all the creditors that we owe as required by the MFMA but also to allow for a cash reserve to even out sporadic cash flows during the operating year. We, due to our restricted revenue base and high level of poverty, are however currently not in a position to meet this goal but must continue our work toward achieving it in the medium term.

As presented the Budget for 2011/2012 balances expenditure with revenues and available cash balances as required by the MFMA. This has been achieved by stringent cost cutting measures on own funded projects within the Municipality which will regrettably delay and hamper service delivery.

Operational Revenues are anticipated to reach **R 115, 010 MILLION** (including currently known grants received for operational expenditures); **operational expenditures** funded from cash carry forwards and operating revenues are proposed at **R 117,453 MILLION**.

The Capital Budget is funded from a blend of conditional grants, limited own funds and cash carried forward from prior years. Capital expenditures for 2011/12 are estimated to total **R33,244 Million** for a variety of projects and purchases.

In preparing the budget many issues emerged that had to be taken into account. Several assumptions were utilized to produce estimates and forecasts. In addition, many policy decisions were incorporated into this budget document. The following list attempts to give the most significant of these.

Operating Revenues

- Revenues are shown on a 'billed' (or accrual) basis where applicable. In many cases revenue billed is much higher than cash actually collected on that billing. An offsetting bad debt expense is also included to cover other services as a single amount and a separate amount to cover water & sanitation. This expense must be considered in any revenue discussion. **Allocations for bad debt** include the following amounts.

○ RATES & OTHER SERVICES	4,07 MILLION
○ WATER & SANITATION	2,7 MILLION

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- **Rates and tariffs** in most cases contain proposed increases. A detailed listing and explanation of these is included in this document (see appendix A). To summarize these recommended increases:
 - Electricity 20.38% increase
 - Rates 4,8% increase
 - Refuse Collection 4,8% increase
 - Water & Sanitation 6.0% increase
- The **Equitable Share** Allocation from the National Treasury is R61 620 Million which is an increase from the current budget of R51 330 million.
- The operating budget anticipates an agency **payment from the Chris Hani District Municipality** for providing the water and sanitation service of **R24 338 420 in the Emalahleni Municipal Area.**

Operating Expenditures

- **Employee salaries** and related expenses are increased by the level indicated by correspondence from SALGA. This amount to an **6,8% increase in 2011/2012**. In addition, all positions are budgeted to be filled for the entire year except where contract workers are used in the place of a vacancy. Council salaries are also budgeted to increase by 9% .The salary bill makes up 39,43 % of the Operating budget.
- **Electricity bulk purchases** are anticipated to **increase by 26,71%** for next year.
- An amount of **R786 000** has been allocated in the operating budget for normal street maintenance and repairs material
- **An amount** is included in the capital budget for the purchase of vehicles, small equipment and machinery in the sum of **R1 410 ,000**.

Capital Budget

The capital budget reflected in this document utilizes actually anticipated revenues and cash forward to fund the budgeted expenditures of **R 33,2 million**. The largest of these include the **MIG grant (R19 million)**, **Eskom grant (R4,48 million)**, **Chris Hani District Municipality (R4,2 million)**, **EPWP (R2,438 million)**, **Own Funds (R2,2 million)** and **Cash Carry Forwards (R0.882 million)**.

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Other items in the operating budget

Included in the **appendix is a separate listing** of various conditional grants/other funded items and programs included within the operating budget. Most of these items (amounting to some R Million) are funded by conditional grants that specify exactly what the money can be expended on.

Conclusion

The budget as presented in this document meets the requirements of the MFMA and is presented to Council for consideration and review.

As with any such endeavour, preparation of this document required the participation and time of many individuals. Appreciation and thanks are expressed to all those involved in making this possible.

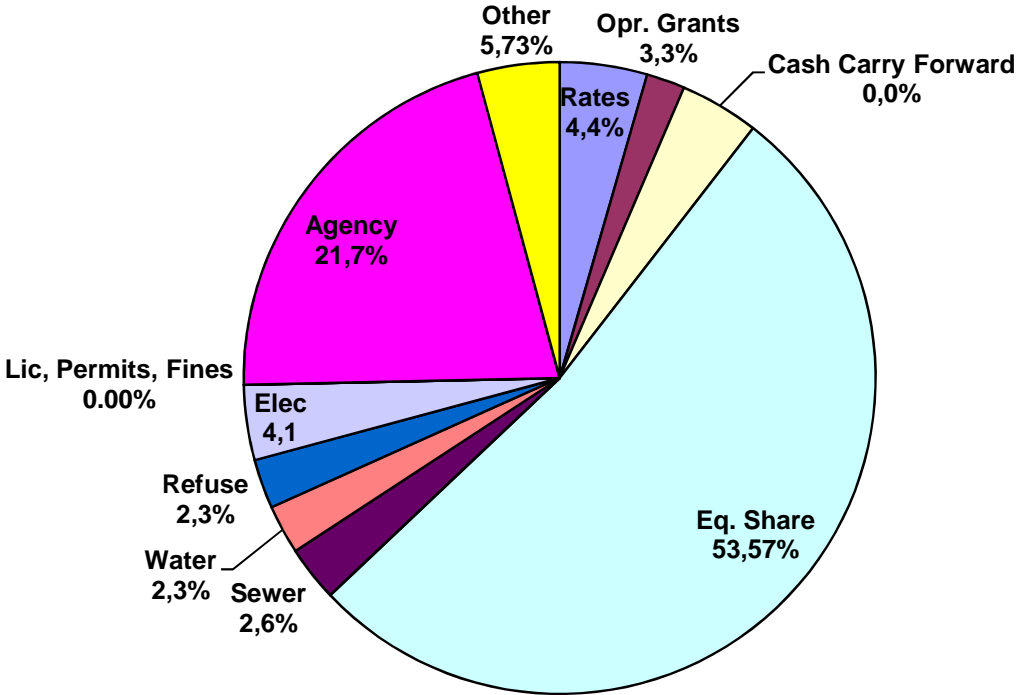
The table and charts below show the percentage makeup of the revenue and expenditures for the 2011/2012 EMALAHLENI Budget.

Emalahleni Tabled Budget

Revenues			
Operating Budget Revenues (000's)		Capital Budget Revenues (000's)	
Assessment Rates	4 763	Municipal Infrastructure Grant (MIG)	19 217
Fines	12	Eskom Grant	4 480
Electricity Tariffs	4 604	Chris Hani District Municipality	4 200
Interest on Debtor Accounts	1 208	EPWP	2 438
Water Tariffs	2 679		
Sewer Tariffs	3 054		
Refuse Tariffs	2 688		
Government Grants and Subsidy:			
Equitable Share	61 620		
Operational Grants	3 290		
	<u>64 910</u>		
Agency Fees:			
Water and Sewer	24 338		
Licensing and Registration	150		
Libraries	518		
	<u>25 006</u>		
Gain on Sale of Assets	-		
Other Revenues	6 086		
	<u>115 010</u>		
Total Operating Revenues	115 010	Total Capital Revenues	30 335
Cash Carry Over from prior year (grants)	-	Cash Carry Over Prior Year (grants)	882
	<u>115 010</u>		<u>31 217</u>
Total Revenue and Cash	115 010		31 217
Expenditures			
Operating Budget Expenditures (000's)		Capital Budget Expenditures (000's)	
Salaries, Wages, Allowances & related costs	48 260	Roads, Pavements, Bridges and Stormwater	21 655
Depreciation Charges	679	Electricity Reticulation	4 480
Bulk Purchases - Electricity & Water	9 179	Street Lighting	-
General Expenses	40 321	Other Infrastructure	3 688
Repairs and Maintenance	8 796	Vehicles & Plant	1 150
Repayment on Municipal Debt	-	Sportfields	100
Provision for Bad Debts:		Computer Hardware	711
Assessment Rates	4 027	Furniture & Equipment	1 010
Water	1 126	Buildings	450
Sewer	1 557		
	<u>6 710</u>		
Operational Grants	3 290		
Provision for Working Capital	218		
	<u>117 453</u>	Total Capital Expenditures	33 244
Total Operating Budget Expenditures	117 453		33 244

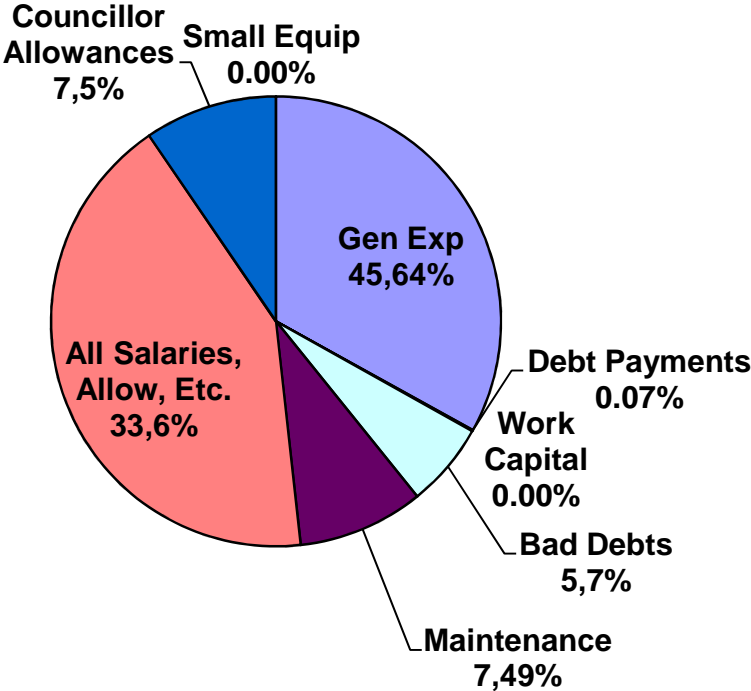
Emalahleni Tabled Budget

**How the Total Operating Revenue Budget are funded
(R115,01 million)**

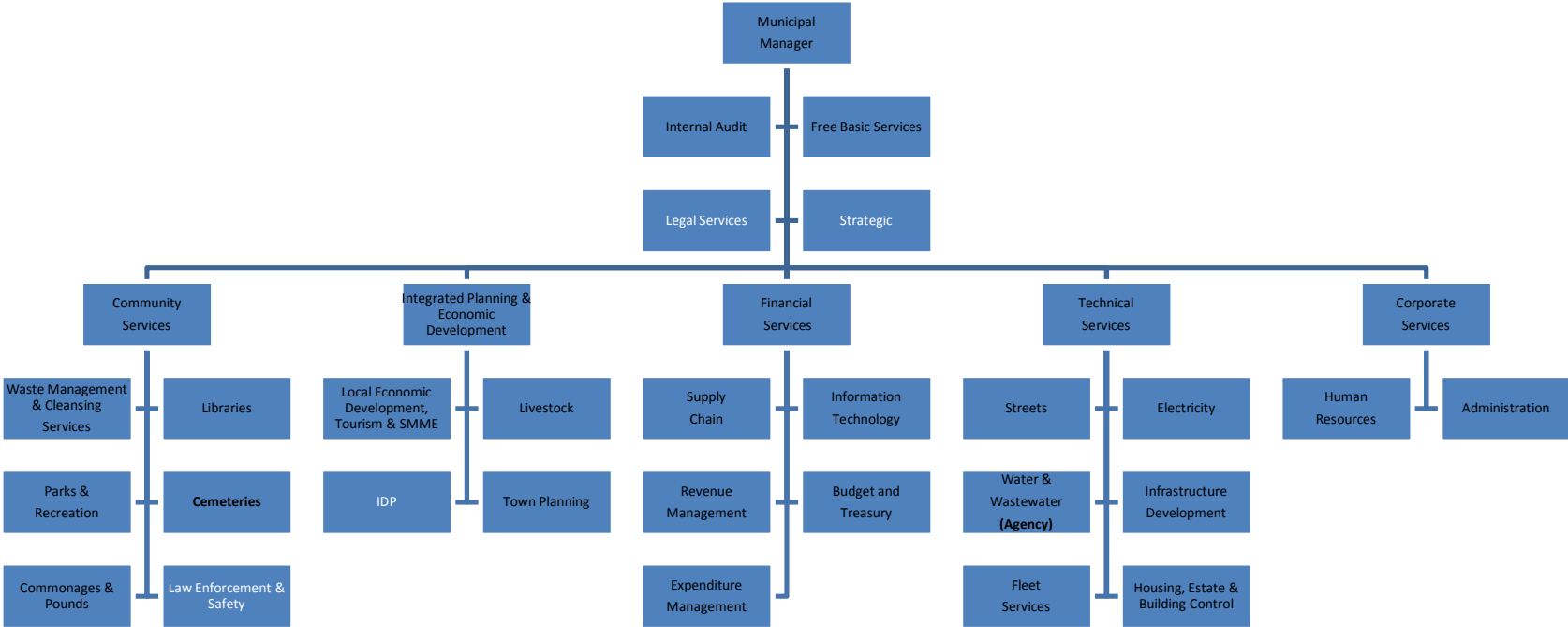


Emalahleni Tabled Budget

How the Total Budget Operating Expenditure are allocated R117,4 million)



Emalahleni Tabled Budget



5 Annual Budget Tables (Operating & Capital)

These budget schedules are to be approved by resolution of Council and are contained in the following pages:

- 5.1 - Table A1 - Budget Summary**
- 5.2 - Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**
- 5.3 - Table A3 - Budgeted Financial Performance (revenue and Expenditure by municipal vote)**
- 5.4 - Table A4 - Budgeted Financial Performance (revenue and Expenditure)**
- 5.5 - Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding**
- 5.6 - Table A6 - Budgeted Financial Position**
- 5.7 - Table A7 - Budgeted Cash Flows**
- 5.8 - Table A8 - Cash Backed reserves/accumulated surplus Reconciliation**
- 5.9 - Table A9 - Asset management**
- 5.10 - Table A10 - Basic Service Delivery**

EC136 Emalahleni (Ec) - Table A1 Budget Summary

Description	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
R thousands										
Financial Performance										
Property rates	2 244	1 961	4 300	4 545	4 545	4 545	4 545	5 096	5 366	5 661
Service charges	9 578	9 999	10 826	11 907	11 907	11 907	11 907	13 024	14 357	15 901
Investment revenue	4 279	3 920	2 340	2 473	2 473	2 473	2 473	2 592	2 730	2 880
Transfers recognised - operational	27 298	41 169	52 434	57 448	57 448	57 448	57 448	65 429	71 758	76 189
Other own revenue	5 244	5 275	22 893	28 662	28 663	28 663	28 663	28 870	33 980	34 917
Total Revenue (excluding capital transfers and contributions)	48 643	62 324	92 793	105 036	105 036	105 036	105 036	115 010	128 191	135 547
Employee costs	17 291	17 299	28 356	36 266	36 267	36 267	36 267	39 469	40 553	42 784
Remuneration of councillors	3 577	5 345	6 051	7 294	6 374	6 374	6 374	8 791	9 251	9 760
Depreciation & asset impairment	2 547	-	643	662	662	662	662	679	695	712
Finance charges	68	48	70	74	74	74	74	-	-	-
Materials and bulk purchases	3 137	4 429	6 420	8 090	8 090	8 090	8 090	9 179	11 631	14 737
Transfers and grants	7 096	17 557	27 076	35 354	35 354	35 354	35 354	34 507	35 516	46 001
Other expenditure	39 707	20 993	51 147	42 538	43 457	43 457	43 457	56 046	65 035	68 866
Total Expenditure	73 423	65 671	119 763	130 278	130 278	130 278	130 278	148 671	162 681	182 860
Surplus/(Deficit)	(24 780)	(3 347)	(26 970)	(25 242)	(25 242)	(25 242)	(25 242)	(33 661)	(34 491)	(47 313)
Transfers recognised - capital	5 949	9 604	20 314	25 460	25 460	25 460	25 460	31 217	32 416	42 951
Contributions recognised - capital & contributed	-	-	-	-	-	-	-	(2 026)	(1 047)	(1 057)
Surplus/(Deficit) after capital transfers & contributions	(18 831)	6 257	(6 656)	218	218	218	218	(4 470)	(3 121)	(5 419)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(18 831)	6 257	(6 656)	218	218	218	218	(4 470)	(3 121)	(5 419)
Capital expenditure & funds sources										
Capital expenditure	7 096	17 557	27 076	31 237	31 237	31 237	31 237	33 244	33 462	44 007
Transfers recognised - capital	5 949	9 604	20 314	27 925	27 925	27 925	27 925	31 217	32 416	42 951
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	1 147	7 953	6 762	3 312	3 312	3 312	3 312	2 027	1 046	1 056
Total sources of capital funds	7 096	17 557	27 076	31 237	31 237	31 237	31 237	33 244	33 462	44 007
Financial position										
Total current assets	68 519	86 219	87 924	94 158	94 158	94 158	94 158	37 885	35 675	31 169
Total non current assets	50 274	74 415	101 492	129 361	129 361	129 361	129 361	-	-	-
Total current liabilities	18 333	33 252	33 252	33 252	33 252	33 252	33 252	-	-	-
Total non current liabilities	14 574	16 961	16 890	16 890	16 890	16 890	16 890	-	-	-
Community wealth/Equity	85 886	110 421	139 274	173 377	173 377	173 377	173 377	-	-	-
Cash flows										
Net cash from (used) operating	9 998	24 608	20 478	23 330	23 330	23 330	23 330	(2 508)	(2 142)	(4 434)
Net cash from (used) investing	(10 008)	(21 162)	(27 134)	(23 112)	(23 112)	(23 112)	(23 112)	(64)	(68)	(72)
Net cash from (used) financing	652	(71)	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	43 521	46 896	40 240	40 457	40 457	40 457	40 457	37 885	35 675	31 169
Cash backing/surplus reconciliation										
Cash and investments available	42 879	49 718	43 062	43 280	43 280	43 280	43 280	37 885	35 675	31 169
Application of cash and investments	6 230	(5 333)	(26 457)	(40 424)	(40 424)	(40 424)	(40 424)	-	-	-
Balance - surplus (shortfall)	36 649	55 051	69 519	83 704	83 704	83 704	83 704	37 885	35 675	31 169
Asset management										
Asset register summary (WDV)	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	2 547	-	643	662	662	662	679	679	695	712
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	2 520	3 440	4 560	8 075	7 593	6 981	7 618	7 618	7 969	8 876
Free services										
Cost of Free Basic Services provided	-	1 004	1 076	1 202	1 202	1 202	1 362	1 362	1 534	1 535
Revenue cost of free services provided	-	1 379	1 470	1 619	1 619	1 619	1 804	1 804	2 003	2 003
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sew erage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

EC136 Emalaheni (Ec) - 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
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		34 468	38 194	46 821	63 335	63 335	63 335	74 117	81 161	86 256
Executive and council		1 567	1 861	1 942	2 360	2 360	2 360	2 394	2 528	2 674
Budget and treasury office		32 636	36 220	44 868	60 961	60 961	60 961	71 712	78 621	83 569
Corporate services		265	113	11	14	14	14	11	12	12
<i>Community and public safety</i>		986	6 795	2 208	3 806	3 806	3 806	1 252	1 318	1 391
Community and social services		211	1 850	803	1 602	1 602	1 602	1 244	1 310	1 382
Sport and recreation		76	170	57	252	252	252	8	8	9
Public safety		699	1 393	380	1 952	1 952	1 952	-	-	-
Housing		-	3 382	968	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		6 014	12 494	14 547	22 430	22 430	22 430	3 279	3 200	3 232
Planning and development		65	4 076	-	4 561	4 561	4 561	1 000	800	700
Road transport		5 949	8 418	14 547	17 869	17 869	17 869	2 279	2 400	2 532
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		13 124	14 443	21 046	40 926	40 926	40 926	36 362	42 512	44 669
Electricity		2 666	4 443	3 997	9 462	9 462	9 462	4 655	5 524	6 565
Water		2 974	3 251	9 202	17 744	17 744	17 744	15 759	18 852	20 035
Waste water management		4 010	3 578	4 381	9 372	9 372	9 372	12 982	15 015	14 775
Waste management		3 474	3 171	3 466	4 348	4 348	4 348	2 965	3 122	3 294
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	54 592	71 926	84 622	130 497	130 497	130 497	115 010	128 191	135 547
Expenditure - Standard										
<i>Governance and administration</i>		41 503	22 933	44 154	40 908	40 908	40 908	45 036	48 149	50 494
Executive and council		7 987	10 425	18 173	17 341	17 341	17 341	20 884	22 326	23 645
Budget and treasury office		25 812	3 208	13 588	12 351	12 351	12 351	15 045	16 234	16 730
Corporate services		7 704	9 300	12 393	11 216	11 216	11 216	9 106	9 590	10 118
<i>Community and public safety</i>		11 709	8 961	12 454	9 772	9 772	9 772	11 567	12 022	12 684
Community and social services		1 619	3 343	7 193	5 096	5 096	5 096	10 186	10 568	11 150
Sport and recreation		457	273	2 036	1 229	1 229	1 229	354	373	393
Public safety		254	1 314	1 423	2 450	2 450	2 450	-	-	-
Housing		9 379	4 031	1 802	997	997	997	1 027	1 081	1 141
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		8 013	14 528	22 285	29 352	29 352	29 352	37 796	40 713	54 061
Planning and development		1 058	4 876	5 113	8 162	8 162	8 162	7 054	7 779	19 316
Road transport		6 955	9 652	17 172	21 190	21 190	21 190	30 741	32 934	34 745
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		12 199	19 841	25 562	50 246	50 246	50 246	54 273	61 797	65 621
Electricity		6 678	7 537	11 291	18 728	18 728	18 728	16 467	21 686	23 086
Water		1 265	1 491	7 886	17 744	17 744	17 744	18 559	20 152	21 335
Waste water management		1 787	1 711	3 102	10 869	10 869	10 869	15 264	15 765	16 775
Waste management		2 469	9 102	3 283	2 905	2 905	2 905	3 983	4 194	4 426
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	73 424	66 263	104 455	130 278	130 278	130 278	148 672	162 682	182 860
Surplus/(Deficit) for the year		(18 832)	5 663	(19 833)	219	219	219	(33 662)	(34 490)	(47 312)

EC136 Emalahleni (Ec) - 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
Revenue by Vote	1									
- COUNCIL		1 567	1 861	1 942	2 360	2 360	2 360	2 394	2 528	2 674
- EXECUTIVE		-	-	-	-	-	-	-	-	-
- CORPORATE SERVICES		265	113	11	14	14	14	11	12	12
- BUDGETAND TREASURY		32 636	36 220	44 868	60 961	60 961	60 961	71 712	78 621	83 569
- IPED		65	4 076	-	4 561	4 561	4 561	1 000	800	700
- COMMUNITY SERVICES		986	3 413	1 240	3 806	3 806	3 806	1 252	1 318	1 391
- WATER AND SANITATION		6 984	6 829	13 583	27 116	27 116	27 116	28 741	33 867	34 810
- REFUSE		3 474	3 171	3 466	4 348	4 348	4 348	2 965	3 122	3 294
- ROADS TRANSPORT		5 949	8 418	14 547	17 869	17 869	17 869	2 279	2 400	2 532
- ELECTRICITY		2 666	4 443	3 997	9 462	9 462	9 462	4 655	5 524	6 565
- HOUSING SERVICES		-	3 382	968	-	-	-	-	-	-
Vote12 - Ex ample 12		-	-	-	-	-	-	-	-	-
Vote13 - Ex ample 13		-	-	-	-	-	-	-	-	-
Vote14 - Ex ample 14		-	-	-	-	-	-	-	-	-
Vote15 - Ex ample 15		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	54 592	71 926	84 622	130 497	130 497	130 497	115 010	128 192	135 547
Expenditure by Vote to be appropriated	1									
- COUNCIL		7 987	10 425	18 173	17 341	17 341	17 341	14 910	16 034	17 008
- EXECUTIVE		-	-	-	-	-	-	5 975	6 291	6 637
- CORPORATE SERVICES		7 704	9 300	12 393	11 216	11 216	11 216	9 106	9 590	10 118
- BUDGETAND TREASURY		25 812	3 208	13 588	12 351	12 351	12 351	15 045	16 234	16 730
- IPED		1 058	4 876	5 113	8 162	8 162	8 162	7 054	7 779	19 316
- COMMUNITY SERVICES		2 330	4 930	10 652	8 775	8 775	8 775	10 541	10 941	11 543
- WATER AND SANITATION		3 052	3 202	10 988	28 613	28 613	28 613	33 823	35 917	38 110
- REFUSE		2 469	9 102	3 283	2 905	2 905	2 905	3 983	4 194	4 426
- ROADS TRANSPORT		6 955	9 652	17 172	21 190	21 190	21 190	30 741	32 934	34 745
- ELECTRICITY		6 678	7 537	11 291	18 728	18 728	18 728	16 467	21 686	23 086
- HOUSING SERVICES		9 379	4 031	1 802	997	997	997	1 027	1 081	1 141
Vote12 - Ex ample 12		-	-	-	-	-	-	-	-	-
Vote13 - Ex ample 13		-	-	-	-	-	-	-	-	-
Vote14 - Ex ample 14		-	-	-	-	-	-	-	-	-
Vote15 - Ex ample 15		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	73 424	66 263	104 455	130 278	130 278	130 278	148 672	162 682	182 860
Surplus/(Deficit) for the year	2	(18 832)	5 663	(19 833)	219	219	219	(33 662)	(34 490)	(47 313)

EC136 Emalahleni (Ec) - 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
Revenue By Source											
Property rates	2	2 244	1 961	4 300	4 545	4 545	4 545	4 545	4 763	5 016	5 292
Property rates - penalties & collection charges		-	-	-	-	-	-	-	332	350	369
Service charges - electricity revenue	2	2 511	2 838	3 256	3 905	3 905	3 905	3 905	4 604	5 469	6 508
Service charges - water revenue	2	2 255	2 347	2 418	2 556	2 556	2 556	2 556	2 679	2 820	2 976
Service charges - sanitation revenue	2	2 470	2 573	2 726	2 881	2 881	2 881	2 881	3 054	3 237	3 431
Service charges - refuse revenue	2	2 342	2 241	2 426	2 565	2 565	2 565	2 565	2 688	2 830	2 986
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		253	381	443	468	468	468	468	815	858	905
Interest earned - external investments		4 279	3 920	2 340	2 473	2 473	2 473	2 473	2 592	2 730	2 880
Interest earned - outstanding debtors		4 342	3 276	1 088	1 150	1 150	1 150	1 150	876	925	977
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		57	1	10	11	11	11	11	11	12	13
Licences and permits		0	2	1	1	1 702	1 702	1 702	1 784	1 879	1 982
Agency services		446	1 167	19 220	21 500	21 500	21 500	21 500	25 006	29 910	30 628
Transfers recognised - operational		27 298	41 169	52 434	57 448	57 448	57 448	57 448	65 429	71 758	76 189
Other revenue	2	146	448	2 073	5 471	3 770	3 770	3 770	313	329	340
Gains on disposal of PPE		-	-	58	62	62	62	62	64	68	72
Total Revenue (excluding capital transfers and contributions)		48 643	62 324	92 793	105 036	105 036	105 036	105 036	115 010	128 191	135 547
Expenditure By Type											
Employee related costs	2	17 291	17 299	28 356	36 266	36 267	36 267	36 267	39 469	40 553	42 784
Remuneration of councillors		3 577	5 345	6 051	7 294	6 374	6 374	6 374	8 791	9 251	9 760
Debt impairment	3	19 334	(1 368)	-	6 015	6 015	6 015	6 015	6 711	8 568	8 639
Depreciation & asset impairment	2	2 547	-	643	662	662	662	662	679	695	712
Finance charges		68	48	70	74	74	74	74	-	-	-
Bulk purchases	2	3 137	4 429	6 420	8 090	8 090	8 090	8 090	9 179	11 631	14 737
Other materials	8	-	-	-	-	-	-	-	-	-	-
Contracted services		733	1 720	568	1 823	1 823	1 823	1 823	1 568	1 652	1 744
Transfers and grants		7 096	17 557	27 076	35 354	35 354	35 354	35 354	34 507	35 516	46 001
Other expenditure	4, 5	19 640	20 641	50 579	34 700	35 619	35 619	35 619	47 767	54 816	58 484
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Expenditure		73 423	65 671	119 763	130 278	130 278	130 278	130 278	148 671	162 681	182 860
Surplus/(Deficit)											
Transfers recognised - capital		(24 780)	(3 347)	(26 970)	(25 242)	(25 242)	(25 242)	(25 242)	(33 661)	(34 491)	(47 313)
Contributions recognised - capital	6	5 949	9 604	20 314	25 460	25 460	25 460	25 460	31 217	32 416	42 951
Contributed assets		-	-	-	-	-	-	-	(2 026)	(1 047)	(1 057)
Surplus/(Deficit) after capital transfers & contributions		(18 831)	6 257	(6 656)	218	218	218	218	(4 470)	(3 121)	(5 419)
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		(18 831)	6 257	(6 656)	218	218	218	218	(4 470)	(3 121)	(5 419)
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(18 831)	6 257	(6 656)	218	218	218	218	(4 470)	(3 121)	(5 419)
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		(18 831)	6 257	(6 656)	218	218	218	218	(4 470)	(3 121)	(5 419)

EC136 Emalahleni (Ec) - 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
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
- COUNCIL		-	-	-	-	-	-	-	-	-	-
- EXECUTIVE		-	-	-	-	-	-	-	-	-	-
- CORPORATE SERVICES		-	-	-	-	-	-	-	450	700	700
- BUDGETAND TREASURY		833	793	1 810	1 240	1 240	1 240	1 240	640	-	-
- IPED		-	-	20	2 098	2 098	2 098	2 098	20	20	10 020
- COMMUNITY SERVICES		128	1 186	3 353	1 377	1 377	1 377	1 377	557	317	327
- WATER AND SANITATION		-	-	4 650	3 244	3 244	3 244	3 244	5 082	2 050	3 300
- REFUSE		-	7 160	750	-	-	-	-	350	-	-
- ROADS TRANSPORT		6 135	8 418	14 667	17 448	17 448	17 448	17 448	21 665	23 376	24 661
- ELECTRICITY		-	-	810	5 831	5 831	5 831	5 831	4 480	7 000	5 000
- HOUSING SERVICES		-	-	1 015	-	-	-	-	-	-	-
Vote12 - Ex ample 12		-	-	-	-	-	-	-	-	-	-
Vote13 - Ex ample 13		-	-	-	-	-	-	-	-	-	-
Vote14 - Ex ample 14		-	-	-	-	-	-	-	-	-	-
Vote15 - Ex ample 15		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	7 096	17 557	27 075	31 238	31 238	31 238	31 238	33 244	33 463	44 008
Single-year expenditure to be appropriated	2										
- COUNCIL		-	-	-	-	-	-	-	-	-	-
- EXECUTIVE		-	-	-	-	-	-	-	-	-	-
- CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
- BUDGETAND TREASURY		-	-	-	-	-	-	-	-	-	-
- IPED		-	-	-	-	-	-	-	-	-	-
- COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
- WATER AND SANITATION		-	-	-	-	-	-	-	-	-	-
- REFUSE		-	-	-	-	-	-	-	-	-	-
- ROADS TRANSPORT		-	-	-	-	-	-	-	-	-	-
- ELECTRICITY		-	-	-	-	-	-	-	-	-	-
- HOUSING SERVICES		-	-	-	-	-	-	-	-	-	-
Vote12 - Ex ample 12		-	-	-	-	-	-	-	-	-	-
Vote13 - Ex ample 13		-	-	-	-	-	-	-	-	-	-
Vote14 - Ex ample 14		-	-	-	-	-	-	-	-	-	-
Vote15 - Ex ample 15		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total											
Total Capital Expenditure - Vote		7 096	17 557	27 075	31 238	31 238	31 238	31 238	33 244	33 463	44 008
Capital Expenditure - Standard											
Governance and administration		833	793	1 810	1 240	1 240	1 240	1 240	1 090	700	700
Executive and council		-	-	-	-	-	-	-	-	-	-
Budget and treasury office		833	793	1 810	1 240	1 240	1 240	1 240	640	-	-
Corporate services		-	-	-	-	-	-	-	450	700	700
Community and public safety		128	1 186	4 368	1 377	1 377	1 377	1 377	557	316	326
Community and social services		-	1 186	2 267	932	932	932	932	31	31	31
Sport and recreation		128	-	822	120	120	120	120	370	120	120
Public safety		-	-	264	325	325	325	325	156	165	175
Housing		-	-	1 015	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		6 135	8 418	14 687	19 546	19 546	19 546	19 546	21 685	23 396	34 681
Planning and development		-	-	20	2 098	2 098	2 098	2 098	20	20	10 020
Road transport		6 135	8 418	14 667	17 448	17 448	17 448	17 448	21 665	23 376	24 661
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	7 160	6 210	9 074	9 074	9 074	9 074	9 912	9 050	8 300
Electricity		-	-	810	5 831	5 831	5 831	5 831	4 480	7 000	5 000
Water		-	-	4 650	1 747	1 747	1 747	1 747	2 800	1 300	1 300
Waste water management		-	-	-	1 497	1 497	1 497	1 497	2 282	750	2 000
Waste management		-	7 160	750	-	-	-	-	350	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	7 096	17 557	27 076	31 237	31 237	31 237	31 237	33 244	33 462	44 007
Funded by:											
National Government		5 949	9 604	14 696	22 438	22 438	22 438	22 438	26 135	30 366	39 651
Provincial Government		-	-	-	1 556	1 556	1 556	1 556	-	-	-
District Municipality		-	-	4 650	3 931	3 931	3 931	3 931	5 082	2 050	3 300
Other transfers and grants		-	-	968	-	-	-	-	-	-	-
Transfers recognised - capital	4	5 949	9 604	20 314	27 925	27 925	27 925	27 925	31 217	32 416	42 951
Public contributions & donations	5										
Borrowing	6										
Internally generated funds		1 147	7 953	6 762	3 312	3 312	3 312	3 312	2 027	1 046	1 056
Total Capital Funding	7	7 096	17 557	27 076	31 237	31 237	31 237	31 237	33 244	33 462	44 007

EC136 Emalahleni (Ec) - Table A6 Budgeted Financial Position

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
ASSETS											
Current assets											
Cash		42 879	49 718	43 062	43 280	43 280	43 280	43 280	-	-	-
Call investment deposits	1	-	-	-	-	-	-	-	37 885	35 675	31 169
Consumer debtors	1	1 158	8 676	17 054	23 070	23 070	23 070	23 070	-	-	-
Other debtors		24 400	27 658	27 658	27 658	27 658	27 658	27 658	-	-	-
Current portion of long-term receivables											
Inventory	2	82	167	150	150	150	150	150	-	-	-
Total current assets		68 519	86 219	87 924	94 158	94 158	94 158	94 158	37 885	35 675	31 169
Non current assets											
Long-term receivables											
Investments											
Investment property											
Investment in Associate											
Property, plant and equipment	3	50 274	74 415	101 492	129 361	129 361	129 361	129 361	-	-	-
Agricultural											
Biological											
Intangible											
Other non-current assets											
Total non current assets		50 274	74 415	101 492	129 361	129 361	129 361	129 361	-	-	-
TOTAL ASSETS		118 793	160 634	189 416	223 519	223 519	223 519	223 519	37 885	35 675	31 169
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits		37	38	38	38	38	38	38	-	-	-
Trade and other payables	4	18 046	25 871	25 871	25 871	25 871	25 871	25 871	-	-	-
Provisions		250	7 343	7 343	7 343	7 343	7 343	7 343	-	-	-
Total current liabilities		18 333	33 252	33 252	33 252	33 252	33 252	33 252	-	-	-
Non current liabilities											
Borrowing		330	222	-	-	-	-	-	-	-	-
Provisions		14 244	16 739	16 890	16 890	16 890	16 890	16 890	-	-	-
Total non current liabilities		14 574	16 961	16 890	16 890	16 890	16 890	16 890	-	-	-
TOTAL LIABILITIES		32 907	50 213	50 142	50 142	50 142	50 142	50 142	-	-	-
NET ASSETS	5	85 886	110 421	139 274	173 377	173 377	173 377	173 377	37 885	35 675	31 169
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		17 862	110 421	139 274	173 377	173 377	173 377	173 377	-	-	-
Reserves	4	68 024	-	-	-	-	-	-	-	-	-
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	85 886	110 421	139 274	173 377	173 377	173 377	173 377	-	-	-

EC136 Emalahleni (Ec) - 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
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other	1	54 793	68 378	110 827	120 601	120 601	120 601	120 601	21 919	23 725	25 778
Government - operating									90 435	101 668	106 817
Government - capital	1				-	-	-	-	31 217	32 416	42 951
Interest		4 279	3 910	2 340	2 473	2 473	2 473	2 473	2 592	2 730	2 880
Dividends		-	10	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(49 022)	(46 272)	(92 619)	(99 670)	(99 670)	(99 670)	(99 670)	(27 019)	(28 597)	(33 092)
Finance charges		(52)	(1 418)	(70)	(74)	(74)	(74)	(74)	-	-	-
Transfers and Grants	1								(121 652)	(134 084)	(149 768)
NET CASH FROM/(USED) OPERATING ACTIVITIES		9 998	24 608	20 478	23 330	23 330	23 330	23 330	(2 508)	(2 142)	(4 434)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		(3 099)	(3 564)	(58)	(62)	(62)	(62)	(62)	(64)	(68)	(72)
Decrease (increase) in non-current debtors											
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments											
Payments											
Capital assets		(6 909)	(17 598)	(27 076)	(23 050)	(23 050)	(23 050)	(23 050)	-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		(10 008)	(21 162)	(27 134)	(23 112)	(23 112)	(23 112)	(23 112)	(64)	(68)	(72)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		151	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		(74)	(142)	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits			-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		575	71	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		652	(71)	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		642	3 375	(6 656)	218	218	218	218	(2 572)	(2 210)	(4 506)
Cash/cash equivalents at the year begin:	2	42 879	43 521	46 896	40 239	40 239	40 239	40 239	40 457	37 885	35 675
Cash/cash equivalents at the year end:	2	43 521	46 896	40 240	40 457	40 457	40 457	40 457	37 885	35 675	31 169

EC136 Emalahleni (Ec) - 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
Cash and investments available											
Cash/cash equivalents at the year end	1	43 521	46 896	40 240	40 457	40 457	40 457	40 457	37 885	35 675	31 169
Other current investments > 90 days		(642)	2 822	2 822	2 823	2 823	2 823	2 823	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		42 879	49 718	43 062	43 280	43 280	43 280	43 280	37 885	35 675	31 169
Application of cash and investments											
Unspent conditional transfers		15 285	20 438	17 098	17 098	17 098	17 098	17 098	-	-	-
Unspent borrowing											
Statutory requirements	2										
Other working capital requirements	3	(9 055)	(25 771)	(43 555)	(57 522)	(57 522)	(57 522)	(57 522)	-	-	-
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		6 230	(5 333)	(26 457)	(40 424)	(40 424)	(40 424)	(40 424)	-	-	-
Surplus(shortfall)		36 649	55 051	69 519	83 704	83 704	83 704	83 704	37 885	35 675	31 169

EC136 Emalaheni (Ec) - Table A9 Asset Management

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
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	7 097	17 557	27 076	31 237	31 237	31 237	33 244	33 463	44 008
Infrastructure - Road transport		5 949	8 418	14 547	17 328	17 328	17 328	21 655	23 366	24 651
Infrastructure - Electricity		-	-	400	5 621	5 621	5 621	4 480	7 000	5 000
Infrastructure - Water		186	7 160	510	2 188	2 188	2 188	2 500	1 000	1 000
Infrastructure - Sanitation		-	-	-	-	-	-	882	-	2 000
Infrastructure - Other		-	-	-	-	-	-	350	-	10 000
Infrastructure		6 135	15 578	15 457	25 137	25 137	25 137	29 867	31 366	42 651
Community		128	1 186	550	1 006	1 006	1 006	406	215	225
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	834	793	11 069	5 094	5 094	5 094	2 971	1 881	1 132
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	5 949	8 418	14 547	17 328	17 328	17 328	21 655	23 366	24 651
Infrastructure - Road transport		-	-	400	5 621	5 621	5 621	4 480	7 000	5 000
Infrastructure - Electricity		186	7 160	510	2 188	2 188	2 188	2 500	1 000	1 000
Infrastructure - Water		-	-	-	-	-	-	882	-	2 000
Infrastructure - Sanitation		-	-	-	-	-	-	350	-	10 000
Infrastructure - Other		6 135	15 578	15 457	25 137	25 137	25 137	29 867	31 366	42 651
Infrastructure		128	1 186	550	1 006	1 006	1 006	406	215	225
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	834	793	11 069	5 094	5 094	5 094	2 971	1 881	1 132
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	7 097	17 557	27 076	31 237	31 237	31 237	33 244	33 463	44 008
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport										
Infrastructure - Electricity										
Infrastructure - Water										
Infrastructure - Sanitation										
Infrastructure - Other										
Infrastructure		-	-	-	-	-	-	-	-	-
Community										
Heritage assets										
Investment properties										
Other assets										
Agricultural Assets										
Biological assets										
Intangibles										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5									
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		2 547	-	643	662	662	662	679	695	712
Repairs and Maintenance by Asset Class	3	2 520	3 440	4 560	8 075	7 593	6 981	7 618	7 969	8 876
Infrastructure - Road transport		355	377	394	750	750	750	1 048	828	1 164
Infrastructure - Electricity		689	731	765	809	729	729	385	406	428
Infrastructure - Water		136	144	151	2 120	1 800	1 800	2 251	2 371	2 501
Infrastructure - Sanitation		52	55	58	1 523	1 380	768	1 156	1 414	1 687
Infrastructure - Other		-	-	-	-	-	-	127	134	142

EC136 Emalaheni (Ec) - 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
Household service targets (000)	1									
Water:										
Piped water inside dwelling										
Piped water inside yard (but not in dwelling)			5	5	-	5	5	5	5	6
Using public tap (at least min.service level)	2		5	5	-	5	5	5	5	6
Other water supply (at least min.service level)	4									
<i>Minimum Service Level and Above sub-total</i>		-	10	10	-	10	10	10	10	12
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>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	10	10	-	10	10	10	10	12
Sanitation/sewerage:										
Flush toilet (connected to sewerage)			6	6	7	7	7	7	8	8
Flush toilet (with septic tank)										
Chemical toilet			1	1	1	1	1	1	1	1
Pit toilet (ventilated)			6	6	6	6	60	7	7	7
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		-	13	13	14	14	68	15	16	16
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	13	13	14	14	68	15	16	16
Energy:										
Electricity (at least min.service level)			1	1	1	1	1	2	2	2
Electricity - prepaid (min.service level)			8	10	12	12	12	14	17	17
<i>Minimum Service Level and Above sub-total</i>		-	9	11	13	13	13	16	19	19
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	9	11	13	13	13	16	19	19
Refuse:										
Removed at least once a week			6	6	7	7	7	7	8	8
<i>Minimum Service Level and Above sub-total</i>		-	6	6	7	7	7	7	8	8
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>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	6	6	7	7	7	7	8	8
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)			8	8	8	8	8	9	10	10
Sanitation (free minimum level service)			6	6	7	7	7	7	8	8
Electricity/other energy (50kwh per household per month)			8	8	10	10	10	12	14	14
Refuse (removed at least once a week)			6	6	7	7	7	7	8	8
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)			152	160	169	169	169	180	191	192
Sanitation (free sanitation service)			341	359	404	404	404	454	504	504
Electricity/other energy (50kwh per household per month)			200	230	264	264	264	318	381	381
Refuse (removed once a week)			311	327	365	365	365	410	458	458
Total cost of FBS provided (minimum social packa		-	1 004	1 076	1 202	1 202	1 202	1 362	1 534	1 535
Highest level of free service provided										
Property rates (R value threshold)			15 000	15 000	15 000	15 000	15 000	15 000	15 000	15 000
Water (kilolitres per household per month)			6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)			53	56	59	59	59	63	67	67
Electricity (kwh per household per month)			50	50	50	50	50	50	50	50
Refuse (average litres per week)										
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)			375	394	417	417	417	442	469	469
Property rates (other exemptions, reductions and rebates)										
Water			152	160	169	169	169	180	191	191
Sanitation			341	359	404	404	404	454	504	504
Electricity/other energy			200	230	264	264	264	318	381	381
Refuse			311	327	365	365	365	410	458	458
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of free services provided (total social package)		-	1 379	1 470	1 619	1 619	1 619	1 804	2 003	2 003

Supporting Documentation

Section 17(3) of the MFMA requires certain documents must accompany the budget.

7. Budget Process Overview

INTRODUCTION

In terms of the Municipal Systems Act, Chapter 5, Part 3, a Municipal Council must review its integrated development plan annually in accordance with its performance measurements in section 41; and to the extent that changing circumstances so demand and may amend its integrated development plan in accordance with a prescribed process.

Political Oversight

The Budget is a political document. Although most of the technical preparation of the document is performed by staff, the budget is, in accordance with the MFMA, the Mayor's document. The Mayor and the Executive committee were involved with the budget at every step.

a. DISTRIBUTION OF ROLES & RESPONSIBILITIES

ACTORS	ROLES AND RESPONSIBILITIES
<ul style="list-style-type: none"> • Council 	<ul style="list-style-type: none"> • Consider and adopt reviewed IDP & BUDGET • Encourage public participation • Keep public informed about the contents of the IDP & BUDGET
<ul style="list-style-type: none"> • IDP Co-ordinator 	<ul style="list-style-type: none"> • Ensure that the Process Plan and reviewed IDP & BUDGET are adopted by the Council • Manage the local municipal IDP & BUDGET by ensuring that all daily planning activities are performed within an efficient and effective consideration of available time; financial and human resources; • Encourage an inclusive participatory planning process and compliance with action programme • Facilitate the horizontal and vertical alignment of the Local IDP & BUDGET • Ensure that the planning process outcomes are properly documented • Manage service providers to the local municipal IDP & BUDGET • The IDP Manager will co-ordinate with various government departments and to ensure that all the projects, strategies and objectives of the local municipality are shared and distributed amongst government departments so that they might incorporate them in their planning process and vice versa

ACTORS	ROLES AND RESPONSIBILITIES
<ul style="list-style-type: none"> • Heads of Departments & Senior Management 	<ul style="list-style-type: none"> • Provide technical and advisory support to the IDP Manager • Perform daily planning activities including the preparation and facilitation of events; documentation of outputs and making recommendation to the IDP Manager and the Municipal Council • Interact with the relevant cluster regarding the prioritization of their individual departments projects and programmes for the following years • Provide clear terms of reference to service providers
<ul style="list-style-type: none"> • DPLG/GTZ 	<ul style="list-style-type: none"> • Provide support and guidance on IDP Review process • Assist municipalities to achieve the target dates • Interact with service providers to ensure that a quality product is provided • Assist with workshops • Project Management and Implementation Support Services • Ensure that clusters achieve integrated planning • Ensure that a uniform reporting mechanism is devised
<ul style="list-style-type: none"> • Sector Departments 	<ul style="list-style-type: none"> • Ensure the participation of Senior personnel in the IDP review process • Horizontal alignment of programmes and strategic plans within the clusters • Provide technical support and information to the planning process • Contribute relevant information to support the review process within the clusters • Incorporate district and local municipal projects into departments planning within the clusters
<ul style="list-style-type: none"> • National & Provincial governments 	<ul style="list-style-type: none"> • Monitor and evaluate the preparation and implementation process • Provide training and capacity building support to the local municipality • Co-ordinate support programmes so that overlapping does not occur • Provide technical guidance and monitor compliance with provincial policy and legal framework • Provide financial support to the IDP planning and implementation process
<ul style="list-style-type: none"> • Support providers 	<ul style="list-style-type: none"> • Provide methodological and technical guidance • Conduct in depth studies when commissioned by the Steering Committee • Ensure delivery of a product that is user friendly and tailor made for each municipality



c. MECHANISMS & PROCEDURES FOR COMMUNITY & STAKEHOLDER PARTICIPATION

PHASE	PARTICIPATION MECHANISM & PLANNING EVENTS
Analysis	<ul style="list-style-type: none">• Use of workshops to verify data on community priorities• Use of Ward Committees to verify data
Projects	<ul style="list-style-type: none">• Use of workshops to verify data on community priorities• Use of Ward Committees to verify data
Approval	<ul style="list-style-type: none">• Use of workshops to verify data on community priorities• Use of Ward Committees to verify data

7.5 MECHANISMS FOR ALIGNMENT

The Municipality will be responsible for ensuring smooth coordination of IDP reviews and the alignment with the district IDP Review through district clusters.

7.6 BINDING LEGISLATION

The following pieces of national and provincial legislation in conjunction with the South African institution will represent binding legislation that will guide the process.

Legal and policy Framework

- Development Facilitation Act 96 of 1995
- White paper on Local government of 1996
- Municipal Structures Act 113 of 1998
- Municipal Systems Act 32 of 2000
- Municipal Finance Management Act 56 of 2003
- Water Services Act 108 of 1997
- Transport Act
- Environment & Nature conservation Act 89 of 1989

Policy Planning Framework

1. Eastern Cape Provincial Growth & Development Plan (PGDP)
2. Eastern Cape Spatial Development Plan
3. National Spatial Development Perspective (NSDP)
4. Promotion of Rural Livelihood Programme (RULIV)
5. Rural Economic Development Zones programme (REDZ)
6. Eastern Cape Integrated Sustainable Rural Development Strategy (EC- ISRDS)

Emalahleni Municipality

2011/12

KEY DEADLINES FOR BUDGET PREPARATION SCHEDULE			
Number	Item description	Due Date	Responsible Person
July 2010			
1	Review the 2010/11 Budget Process	1-31 July 10	CFO
2	Establish process and timetable for the 2011/12 to 2013/14 Budget Development	21-Jul-10	Mayor, CFO, Fin Off
August 2010			
3	COUNCIL MEETING: Budget Schedule to be tabled to the Council - DUE 31 AUG	17-Sep-10	MAYOR
4	2009/10 Financial Statements submitted to Auditor-General	31-Aug-10	CFO
September 2010			
5	EXCO/ BUDGET STEERING COMMITTEE MEETING: EXCO committee to meet and identify strategies and guidelines for the development of the 2011/12 to 2013/14 Budgets. Committee should adopt the 'Budget Preparation and Financial Guidelines' proposed.	13/14 Sept 10	CFO, Fin Off
6	EXCO / STEERING COMMITTEE MEETING: - review progress and budget assumptions	13/14 Sept 10	CFO, Fin Off
7	MEETING WITH SEC 57 MANAGERS AND MANAGERS: Directorates to be provided with the current Baseline Operating Medium Term Expenditure Forecasts (MTEF) 2011/12 thru 2013/14 that are to be used as a basis for the development of new Operating Medium Term Expenditure	15-Sep-10	CFO, Fin Off
8	Check with National, Provincial Governments and District Municipality for any adjustments to projected allocations for the next three years.	30-Sep-10	Fin Off
October 2010			
9	EXCO / STEERING COMMITTEE MEETING: - review progress and baseline operating budget.	13-Oct-10	CFO, Fin Off
10	Schedule individual meetings with Directorate to review baseline budget and work progress for completion of changes and supplemental requests	20-Oct-10	Fin Off
11	Review current tariffs, receive requested changes from directorates and prepare options for consideration	30-Oct-10	Revenue Mgr, Fin Off.
12	SUBMISSION OF BASELINE BUDGETS AND SUPPLEMENTAL REQUESTS FROM DIRECTORATES: Final date for submission of all Baseline Operating Budgets, Capital Budgets and Operational plans by Directorates to the budget office.	30-Oct-10	Directorates
November 2010			
13	Draft report on proposed tariff changes for review to Budget Steering Committee delivered to CFO	05-Nov-10	Revenue Mgr, Fin Off.
14	EXCO / STEERING COMMITTEE MEETING: - review progress and proposed tariff report.	10-Nov-10	CFO, Fin Off
15	Prepare first draft of operating and capital medium term budget based on baseline operating budgets submitted by directorates	27-Nov-10	Fin Off
16	Receive audited Financial Statements and Audit report from the Auditor-General for the 2009//10 financial year	30-Nov-10	Auditor-General
December 2010			
17	EXCO / STEERING COMMITTEE MEETING: - review progress, baseline budget report AND DRAFT TARRIFS.	08-Dec-10	CFO, Fin Off

Emalahleni Municipality

2011/12

KEY DEADLINES FOR BUDGET PREPARATION SCHEDULE			
Number	Item description	Due Date	Responsible Person
January 2011			
18	EXCO / STEERING COMMITTEE MEETING: - review progress and DRAFT BUDGET.	23-Jan-11	CFO, Fin Off
19	EXCO COMMITTEE MEETING: PRESENT MIDYEAR PERFORMANCE REPORT TO EXCO COMMITTEE: Final review of 2010/10 operating and capital budget for midyear adjustments to EXCO committee for approval to council.	26-Jan-11	Municipal Manager
20	SUBMISSION OF CAPITAL BUDGET REQUESTS FROM DIRECTORATES: Final date for submission of all Capital Budget plans by Directorates to the budget office.	26-Jan-11	All SEC 57 MANAGERS
21	COUNCIL MEETING: Table in a special council meeting the annual report, mid year assessment report, financial statements and audit report	28-Jan-11	Municipal Manager, Mayor
February 2011			
22	EXCO / STEERING COMMITTEE MEETING: - review progress and the DRAFT BUDGET.	02-Feb-11	CFO, Fin Off
23	MEETING WITH SEC 57 MANAGERS AND MANAGERS: Directorates to be provided with the SDBIP performance indicators from last year and asked to revise. They	09-Feb-11	CFO, Fin Off
24	COUNCIL MEETING: Table in a special council meeting the adjustments budget for mid-year	23-Feb-11	Mayor
25	Check with National, Provincial Governments and District Municipality for any adjustments to projected allocations for the next three years.	25-Feb-11	Fin Off
March 2011			
26	EXCO / STEERING COMMITTEE MEETING: - review progress and DRAFT BUDGET.	02-Mar-11	CFO, Fin Off
27	Final Date for Directorates to present SDBIP performance indicators and service delivery targets for 2011/12 for review.	09-Mar-11	Departments
28	EXCO / STEERING COMMITTEE MEETING: final draft operating and capital budget presented to EXCO committee for review	16-Mar-11	CFO, Fin Off
29	COUNCIL MEETING: Council (after consideration of the 2009/10 Annual Report) to adopt an Oversight Report.	31-Mar-11	Oversight Committee
30	COUNCIL MEETING: Operating and Capital draft budget and IDP tabled to Council for consultation with the community	31-Mar-11	Mayor, Finance MEC
31	Submit to National Treasury, Provincial Treasury and the MEC responsible for Local Government the Annual Financial Statements, the 2009/10 audit report and any corrective action taken in response to the findings of the audit report.	31-Mar-11	Corporate/STRAT Manager
32	Submit draft budgets in required form to NT, Provincial Treasury	31-Mar-11	Fin Off
April 2011			
34	Check with National, Provincial Governments and District Municipality for any adjustments to projected allocations for the next three years.	13-Apr-11	Fin Off
35	Directorates are to provide a list of Capital Projects to be rolled over for inclusion in the 2011/12 Budget to the budget office and cash balances forward for grant projects.	29-Apr-11	Directorates
May 2011			
36	Hold public meetings and consultations on budget/ IDP	2 - 6 May	Speaker, Corporate/Strat Manager
37	Final Budgets prepared taking into consideration submissions made during consultation process	11-May-11	CFO, Fin Off
38	MEETING OF EXCO / STEERING COMMITTEE: Approval of FINAL operating and capital budget for presentation to the full council	18-May-11	CFO, Fin Off
39	COUNCIL MEETING: IDP & Budgets for 2011/12 thru 2013/14 adopted by Council along with the Mayor's budget address	27-May-11	Mayor, Finance MEC
June 2011			
40	The Service Delivery and Budget Implementation Plans (SDBIP) along with the annual performance agreements for the Municipal Manager and all managers directly responsible	17-Jun-11	Municipal Manager
41	IDP & Annual Budget reports to National, Provincial Treasury and the District municipality.	17-Jun-11	Fin Off
42	EXCO TO APPROVE SDBIP AND PERFORMANCE AGREEMENTS within 14 days after receiving them.	30-Jun-11	MAYOR

8. Alignment of Budget with Integrated Development Plan

Each year the IDP must be reviewed as required by the Municipal Systems Act and MFMA. It should be reviewed in terms of performance in achieving outcomes and outputs, since the current financial position and the future fiscal outlook for the municipality will have a direct bearing on delivery. The review should ensure that the plans are still within the financial capacity of EMALAHLENI. This section should give readers a good understanding of what is contained in the IDP and how that guides the allocations in the budget. The intention is not to attach the IDP as an annexure or to repeat everything in the IDP. However, it is critical that the user of the budget documentation obtains a good high-level overview of the IDP and be referred to the detailed IDP documentation.

1 VISION

"A municipality that delivers sustainable and affordable services towards socio-economic growth and development".

2 MISSION

Commitment of resources to co-ordinate and support programmes through effective partnerships and active community participation.

3 DEVELOPMENT PRIORITIES FOR 2011/2012

1. SERVICE DELIVERY

- a. Water & sanitation
- b. Fencing,
- c. Roads & Storm water + bridges
- d. Electricity
- e. Safety & Security (CPFs, Satellite Police Stations, Regulation)
- f. Health (Clinics in Rural Areas + HIV/Aids)
- g. Education (Skills dev, Infrastructure)
- h. Waste Management + Refuse
- i. Housing

The tables contained in the following pages attempt to align the draft budget with the IDP.

8.2 – Table SA4 – Reconciliation of IDP strategic objectives and Budget – Revenue

8.3 – Table SA5 – Reconciliation of IDP strategic objectives and Budget – Operating Expenditure

8.4 – Table SA6 – Reconciliation of IDP strategic objectives and Budget – Capital Expenditure

EC136 Emalahleni (Ec) - 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
Good Governance & Municipal transformation	Public Participation, Co-Operative governance & Corruption, Youth Development,SPU		1 757	1 903	2 498	2 373	2 373	2 373	2 487	2 619	276
Financial Viability	Clean Audit & Improved revenue collection		32 636	36 220	49 711	60 961	60 961	60 961	63 604	66 975	70 659
Local Economic Development	Growth,Jobs,Markets,SMME's, Tourism & Partnerships		64	4 075	4 489	4 561	4 561	4 561	4 780	5 033	5 310
Service Delivery	Ensure that adequate services are provided		20 134	29 728	56 412	62 602	62 602	62 602	65 607	69 084	72 884
Total Revenue (excluding capital transfers and contributions)		1	54 591	71 926	113 110	130 497	130 497	130 497	136 478	143 711	149 129

EC136 Emalaheni (Ec) - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

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
Good Governance & Municipal transformation	Public Participation, Co-Operative governance& Corruption, Youth Dev,SPU		14 813	17 562	24 531	26 562	26 562	26 562	27 453	29 298	30 909
Financial Viability	Clean Audit & Improved revenue collection		25 812	3 208	11 265	12 351	12 351	12 351	12 520	13 682	14 435
Local Economic Development	Growth,Jobs,Markets,SMME's,Tourism & Partnerships		1 058	4 876	6 736	8 162	8 162	8 162	8 554	9 007	9 503
Service Delivery	Ensure that adequate services are provided		31 741	40 024	77 233	83 203	83 203	83 203	92 182	104 936	110 707
		1	73 424	65 670	119 765	130 278	130 278	130 278	140 709	156 923	165 554

EC136 Emalahleni (Ec) - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	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
Good Governance & Municipal transformation	Public Participation, Co-Operative governance& Corruption, Youth Dev,SPU	A		750	775	1 545	800	800	800	838	883	931
Financial Viability	Clean Audit& Improved revenue collection	B		83	18	165	440	440	440	461	486	512
Local Economic Development	Growth, Jobs,Markets,SMME's,Tourism & Partnerships	C		-	-	20	2 098	2 098	2 098	2 199	235	12 443
Service Delivery	Ensure that adequate srVICES are provided	D		6 263	16 764	25 245	27 898	27 898	27 898	29 746	31 859	30 122
		E										
		F										
		G										
		H										
		I										
		J										
		K										
		L										
		M										
		N										
		O										
		P										
		Q										
			1	7 096	17 557	26 975	31 236	31 236	31 236	33 244	33 462	44 008

9 Budget Related Policies Overview and Amendments

The **detailed policies** have been circulated and are included in the budget documentation. They will be available when the budget is tabled for consultation, tabled for consideration of approval and finally approved.

This section attempts to give a **broad overview** of the budget policy framework and highlight the amended policies to be approved by council resolution.

Budget related policies include, but are not limited to:

- Revenue related policies (tariffs, credit control, revenue collection, indigents, rates etc)
- Free basic services including levels, households benefiting and cost
- Investment of funds, reserves, borrowing and cash management
- Supply chain management policy
- Fraud Prevention and Risk Management policies
- Budget Policy

The Council has adopted a number of budget & finance related policies over the years and reviewed all the Policies adopted by Council during the budget process. The following Finance related Policies were reviewed and no amendments made:

9.1 FINANCIAL BY LAWS & POLICIES as adopted:

- ▣ TARIFF POLICY BY LAW NO 61/GG NO 1687 16 MARCH 2007
- ▣ CREDIT CONTROL BY LAW NO 62 GG NO 1687 - 16 MARCH 2007
- ▣ INDIGENT SUPPORT BY LAW NO 63 GG NO 1687 – 16 MARCH 2007
- ▣ INDIGENT SUPPORT POLICY
- ▣ CREDIT CONTROL POLICY
- ▣ TARIFF POLICY
- ▣ BUDGET POLICY FOR THE EMALAHLENI LOCAL MUNICIPALITY
- ▣ EMALAHLENI MUNICIPALITY INVESTMENT AND CASH MANAGEMENT POLICY
- ▣ EMALAHLENI RATES POLICY
- ▣ EMALAHLENI INCENTIVE POLICY

9.2 The following policies were reviewed and are tabled for adoption:

- 9.2.1 Emalahleni Local Municipality Fraud Prevention Plan**
- 9.2.2 Emalahleni Local Municipality Fraud & Anti Corruption Policy**
- 9.2.3 Emalahleni Local Municipality Risk Management Strategy**
- 9.2.4 Emalahleni Local Municipality Risk Management Committee Charter**
- 9.2.5 Emalahleni Local Municipality Disposal Policy as amended**
- 9.2.6 Emalahleni Local Municipality Asset Management Policy as amended**
- 9.2.7 Emalahleni Local Municipality Supply Chain Policy as amended**

The MFMA required the municipality to adopt and implement a new supply chain policy and the municipality has now complied with this requirement. We have a detailed policy of council and a set of procedures to follow. The Supply Chain unit has been established within the Finance Directorate and is operating. The policy set thresholds for the various methods of procurement used within the municipality and delegated authority to implement the policy to the Accounting Officer as required in the MFMA.

10 Budget Assumptions

Budgets are prepared in an environment of uncertainty. To prepare meaningful budgets, assumptions need to be made about internal and external factors that could influence the budget. Documentation of the assumptions used in preparing the budget assists understanding of the information. The section provides a comprehensive summary of all the assumptions used in preparing the budget.

	2010/11	2011/12	2012/13	2013/2014
7) Salary Increases				
Salaries	6,8%	6,8%	6,8%	6,8%
Overtime	6,8%	6,8%	6,8%	6,8%
8) WSSA contract increase	5.0%	5.0%	5.0%	5.0%
9) Equitable Share Allocation	51 330 000	61 620 000	68 112 000	72 563 000
10) Water/Sanitation Subsidy (from District)	23 915 624	24 338 420	26 945 390	28 704 140
11) Water/Sanitation Net	-	-	-	-
12) Primary Health Clinics Allow.	-	-	-	-
13) Primary Health Clinics Deficit	-	-	-	-
14) ATIC Clinics Allow.	-	-	-	-
15) ATIC Clinic Deficit	-	-	-	-
16) Library Allocation	494 969	518 728	546 220	576 262
17) Library Deficit	-	-	-	-
18) Property Sales	200 000	-	-	-
19) Small Equipment Purchases	-	-	-	-
20) Change in # of Staff	-	-	-	-
21) New Capital Purchases	-	-	-	-

General inflation outlook and its impact on the municipal activities

General inflationary pressure is expected to remain in the moderate range as per the National Treasury forecasts. We have used the guidelines as per circular 54 and 55 from National Treasury for the next three years when preparing this medium term budget.

Interest rates for borrowing and investment of funds

Based on historical trends and current market analysis we have used 11% as the base interest rate on any loans that we anticipate taking out over the medium term estimate but no such loan is envisaged in the current budget. Investment income is calculated using a 5% rate for cash invested.

Rates, tariffs, charges and timing of revenue collection

The Municipality has finalised and adopted the new valuations on property within the municipality. Rates are set to increase by 4,8%.

The Municipality must implement and conduct a costing study to assist the municipality in determining the 'total' direct and indirect cost of delivering the various services to the community from which a new costing model must be developed to distribute the indirect or 'administrative' costs incurred by the municipality. This new costing model must then be utilised to in the proposed tariffs for the municipality this year.

Refuse charges are set to increase 4,8% this year. This service is run at a loss and this result in this service not breaking even.

Electrical service is dependent on bulk electric purchases from ESKOM. As a result of the 26,71% increase in the cost of bulk electricity, the tariffs charged to customers will increase this year by 20,38% as set by NERSA. Indigent customers will be subsidized as follows:

0 – 50kw	free
51kw upwards	20,38% Increase

The municipality performs the water and sanitation services under an agency contract with the Chris Hani District Municipality. The district must approve all tariff increases relating to the water and sanitation function. A recommendation was made to the Chris Hani District municipality to increase the water and sanitation tariff with 6% as well. Given the history discussed above, no increases have been included for the outer years of this budget.

Growth or decline in tax base of the municipality

The municipality has continued to experience challenges in implementing the valuation of property within the municipality.

Until the new valuation roll is fully functional and all the properties are correctly identified and allocated to the actual owner against whom the rates may be levied the Municipality will struggle with a limited revenue base.

Collection rates for each revenue source and customer type
(for more detail see section 15 – revenue by source and vote)

Collection of billed services continues to be problematic in many areas of the municipality. These lower collection rates continue to put upward pressure on service tariffs and will require a conscience effort and an action plan to address in the future.

Collection rates for services that are billed to the community are usually very different than the amount actually billed for a particular service. This is the result of many different factors including consumer attitude, ability to pay and other issues. The municipality has implemented an action plan to utilise internal resources to improve the collection of the various billed services through a collection plan but this must be reviewed and a plan of action adopted to increase the collection rate.

In addition, the finance policies were reviewed and an additional suite of policies addressing Risk Management and Fraud Prevention have been added.

Price movements on specifics e.g. bulk purchases of water and electricity, fuel etc

We have budgeted for a bulk price increase in 11/12 of 26,71% for purchases of bulk electricity for distribution and resale at 20,38%, as determined by NERSA, as per circular no. 54 and Circular 55. For the medium term we have projected 20,38% for 2012/2013 and 20,38% for 2013/2014 respectively.

Average salary increases

After inclusion of the councillor allowances, salaries and related expenses make up in excess of 40% of the operating budget. This salary related expenses are increased each year by bargaining agreements controlled by SALGA.

Salaries for municipal workers are projected to increase steadily over the medium term budget forecast. For 2011/2012 salaries are projected to increase 6,8%, for 12/13 – 5,3%, and for 13/14 a projected 5,5% increase.

11 Funding the Budget

Fiscal Overview

Emalahleni Municipality has set in motion a process to work toward the reform of its financial position and reporting systems to promote sustainability and conformance to the requirements of the MFMA.

Sustainability can mean many different things but at its core is the idea of financial stability and the ability to financially meet the obligations and commitments that are required to deliver the services within the community.

The MFMA requires many things from the municipality in this respect. Some of these items include:

- 1) Payment of all creditors within 30 days;
- 2) using only realistically expected actual revenues and non-committed cash surpluses to fund the budget;
- 3) ensuring that all required reserve funds are 'cash backed'.

Primarily from a cash point of view, Emalahleni, as a low capacity rural municipality, has faced serious financial difficulties over the past few years. Many local municipalities in South Africa are facing the same difficulties. The reasons for the situation are not simple and neither are the solutions.

Over the past years the municipality has been required to make adjustments to accommodate staff, deal with a high staff turnover, meet service delivery from a limited revenue base and faced with a large population most of whom are unemployed who simply do not have the income to pay the rates and tariffs required.

These conditions have resulted in overall low collection rates for services billed, growing pressure on salaries to become a greater and greater portion of the operating budget and finally, cash strapped bank accounts.

The Municipality has over the past few years struggled to achieve a balanced budget and has had to severely cut back on own funded projects with the resultant delay in service delivery so as to ensure that the prescripts of the MFMA are complied with.

Through the application of prudent budgeting and adherence to strict fiscal responsibility the Municipality has managed to achieve a balanced budget without having to access its accumulated cash reserve.

However the municipality must review its revenue collection base and strengthen its credit control and debt collection efforts. An evaluation of every aspect of its operation must be conducted to ensure that we are conducting our business in an effective and efficient manner to the benefit of the community we serve.

The Municipality must reinforce its commitment to prudent financial management of its resources and ensure that all services rendered are covered by related income and that any and all agency related services rendered must be fully funded and have no negative financial consequence to the budget and the municipality.

Probably of most important will be our commitment to change and to adapt to the change in our conduct of our financial affairs to ensure that we are able to utilise our limited revenue resources to maximum effect, identify new sources of funding and aggressively pursue these and to accept that we cannot continue to conduct our affairs as we have in the past.

We must rise to the challenge and face the challenge head on to ensure the continued growth and financial stability of the Municipality.

Funded verses a Balanced budget: Table SA 10

The implementation of the MFMA changes the prospective of the budget from a 'funds' prospective where the emphasis is on balancing funds going out to funds coming in to a more dynamic accounting prospective.

This new prospective requires us to analysis the budget from several viewpoints to ensure that the budget is indeed balanced in accordance with the MFMA. The MFMA requires in section 18 that the budget be funded using only 'realistically' anticipated revenues to be collected and cash backed accumulated funds that are not committed to other purposes. Borrowed funds can only be used to fund capital budget items in accordance with MFMA requirements.

Although we show revenues on an accrual basis we must ensure that revenues used to fund the budget are realistically anticipated to be collected.

To be credible the budget must be consistent with the IDP and be achievable in terms of service delivery and performance targets. Credible budgets have realistic revenue and expenditure projections and the implementation of it improves the financial viability of the municipality.

The municipality has followed these principles and the directions put forth in NT circulars 54 and 55 concerning both the budget process and funding of a municipal budget.

We have made full disclosure on all revenues using accrual methods and all cash that is available has been shown where it is legally committed to be spent.

Cash flow for the 2011/12 budget year reflects that cash receipts for the year will not be sufficient to fund the total budgeted expenditure and the shortfall will be funded from surplus cash.

EC136 Emalahleni (Ec) Supporting Table SA10 Funding measurement												
Description	MFMA section	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
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	43 521	46 896	40 240	40 457	40 457	40 457	40 457	37 885	35 675	31 169
Cash + investments at the yr end less applications - R'000	18(1)b	2	36 649	55 051	69 519	83 704	83 704	83 704	83 704	37 885	35 675	31 169
Cash year end/monthly employee/supplier payments	18(1)b	3	10.2	12.5	7.0	5.1	5.2	5.2	5.2	4.5	4.0	3.0
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(18 831)	6 257	(6 656)	218	218	218	218	(4 470)	(3 121)	(5 419)
Service charge rev % change - macro CPI target exclusive	18(1)a,(2)	5	N.A.	(4.8%)	20.5%	2.8%	(6.0%)	(6.0%)	(6.0%)	4.1%	2.8%	3.3%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	233.2%	276.4%	244.9%	241.6%	241.6%	241.6%	242%	(62.6%)	45.0%	46.5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	160.1%	(11.1%)	0.0%	35.5%	35.5%	35.5%	35.5%	35.4%	41.6%	38.5%
Capital payments % of capital expenditure	18(1)c;19	8	97.4%	100.2%	100.0%	73.8%	73.8%	73.8%	73.8%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	(6.5%)	(1.8%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								107.4%	103.4%	113.9%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	42.2%	23.1%	13.5%	0.0%	0.0%	0.0%	(100.0%)	0.0%	0.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	5.0%	4.6%	4.5%	6.2%	5.9%	5.4%	5.9%	0.0%	0.0%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

11.2 – Financial Indicators – Table SA 8

The municipality must implement a process to develop effective performance indicators able to be both meaningful and useful for detecting financial problems and trends that need to be investigated and addressed.

This process and the indicators are not available at this time but will be made public once finalized.

Sources of Funding

11.3 - Rates, tariffs and other charges

The detailed listings of all of the proposed tariffs and rates for the 2011/12 financial year are contained in **appendix A**. In this section we will highlight only the major changes proposed. We will concentrate on the four major tariffs of the municipality along with the property rates.

These five revenue sources will account for an almost R16,2 million in billed revenue for the municipality in 2011/2012 and will account for an estimated R10,4 million in actual cash collection. The breakdown is as follows:

Item	Billed (000's)	Cash (000's)
• Property Rates	5,095	1,212
• Electricity	4,604	4,604
• Water	2,679	1,527
• Wastewater	3,054	1,487
• Refuse Collection	2,688	1,532
• Total	<u>18,120</u>	<u>10,362</u>

Property Rates

The Municipality is in the process of finalising our Valuation Roll as attended to by the appointed supplier and in addressing the various issues arising from the new roll including the identification of a number of erven still registered in the name of the State but occupied by private individuals.

The municipality has faced a vacuum as the vast majority of its rateable property portfolio was levied on old evaluations and or no payment was received on rateable property which must be addressed.

It is critical to the municipality that the implementation of the general valuation for the municipality be reviewed and refined, the state ownership of land be resolved as a matter of urgency to ensure a certain broadened revenue base.

As shown in appendix A levied rates are proposed to be increased **by 4,8%** this budget year.

Electricity Tariffs

The second largest revenue source for the municipality is the electricity tariff (R4,6 million next year). It is also the source of the single largest expenditure – bulk electricity purchases (budgeted at R9,1 million next year).

The vast majority of domestic users of the municipal electrical distribution system are using a 'pre-paid' meter system. Using this system the municipality is able to collect the tariff charge 'up front' and eliminate all bad debts associated with these customers. This is the reason that the collection rate from the electricity tariff is so high compared to other tariffs that are billed in the conventional way.

The initial tariff increase put forth in the budget for electricity is **20,38%**.

Water and Wastewater Tariffs

Emalahleni delivers water and wastewater services in the capacity of an agent of the Chris Hani District Municipality. As such, the budget and any tariff increases are to be done in consultation with the district.

As of this time we are requesting a **6%** increase in both water and sanitation rates.

Currently the wastewater tariffs are billed to customers with water borne sewer connections based on the number of sewer connection points. Households are assumed and only charged for one connection point while commercial and industrial users are billed for the actual number of points that they have. Wastewater is an annual charge and may be paid annually or in monthly instalments if the rates and taxes of the relevant erf are also paid in monthly instalments.

Water is billed monthly based on usage with higher usage resulting in a higher charge. An availability charge is payable on all property where a connection to the water network is possible but not utilized.

All current/proposed water and wastewater tariffs are listed in appendix A.

Refuse Collection

Refuse collection tariffs are 'use based' fees that are based on factors such as the category of the customer and the number of removals required.

For 2011/12 a **4,8%** increase in refuse tariffs across the board is scheduled.

The listing of proposed refuse tariffs is included in appendix A.

11.4 - Savings and efficiencies

The budget must be fully funded and be able to fund the required reserves with cash per the MFMA. To meet this goal the municipality will need to continue to find savings and operating efficiencies in municipal operations. Currently the municipality has to place constraints on the expenditure accounts in certain areas of operation. The municipality also has plans to investigate the elimination of certain areas and operations that are not core functions of the municipality.

Other areas of operations being examined include; the implementation of the credit control and debt collection policy of the municipality; and addressing a major issue concerning a tremendous amount of extremely old and very difficult to collect debtors on the active billing system. The old hard to collect accounts in this billing system need to be purged and 'cleaned' to a separate collection system that is then contracted out to the private sector for processing. This will allow the limited staff to focus on more current debtors; those with a higher likelihood of collection.

11.5 - Investments – cash backed accumulated surplus

This section documents particulars of existing investments and predicted levels of investments based on future strategies. The portfolio of investments should also be compliant with the MFMA, regulations and investment framework.

The following tables are included to show details concerning the municipality's investments.

11.6 - Table SA15 – Investments Particulars by Type

11.7 - Table SA16 – Investments Particulars by Maturity

EC136 Emalahleni (Ec) - Supporting Table SA15 Investment particulars by type

Investment type	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
R thousand										
Parent municipality										
Securities - National Government Listed Corporate Bonds		35 375	37 203	35 000	35 000	35 000	35 000	35 000	35 000	35 000
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										

EC136 Emalahleni (Ec) - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Monetary value	Interest to be realised
		Yrs/Months			Rand thousand	
Parent municipality						
1. ABSA Bank			Notice Deposit	32 DAYS	8 000	500
2. STD Bank			Call Account		10 000	425
3. STD Bank			Notice Deposit	32 DAYS	10 000	600
4. Investec Bank			Notice deposit	32 DAYS	7 000	400
Municipality sub-total					35 000	1 925
Entities						
Entities sub-total					-	-
TOTAL INVESTMENTS AND INTEREST	1				35 000	1 925

11.8 - Grant allocations

The following is a listing of grants included within the budget and a brief description of each.

MUNICIPAL INFRASTRUCTURE GRANT

This fund is allocated to municipalities to supplement municipal capital budgets to eradicate backlogs in municipal infrastructure, as well as the rehabilitation and renewal of municipal infrastructure. Conditions to the grant is to prioritise residential infrastructure for water, sanitation, refuse removal, street lighting, solid waste, connector and bulk infrastructure, and other municipal infrastructure like roads in line with the MIG policy framework. Municipalities must adhere to the labour intensive construction method and must report to DPLG in terms of the Division of Revenue Act on progress.

NATIONAL ELECTRIFICATION PROGRAMME

This fund is allocated to municipalities to provide capital subsidies to address the electrification backlog of permanently occupied residential dwellings, the installation of bulk infrastructure and rehabilitation of electrification infrastructure.

Conditions include that the amounts must be accounted for through regular reporting, all benefits must be passed to end users, ring fence the electricity function, safely operate and maintain the infrastructure and also adhere to the labour intensive construction method.

MUNICIPAL SYSTEM IMPROVEMENT PROGRAMME

This grant is allocated to assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance system as required in the Local Government Municipal Systems Act of 2000.

Conditions include that a activity plan must be submitted in the prescribed format with detail budgets and timeframes. Submission of monthly expenditure reports in accordance of the Division of the Revenue Act.

LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT

This grant is allocated to promote and support reforms to financial management and the implementation of the Municipal Finance Management Act.

Conditions include submission of council resolution striving to achieve multi-year budgets, accounting and reporting reforms. The employment of a skilled chief financial officer and promotion of internship programme in financial management and ongoing review, revision and submission of implementation plans to address weaknesses in financial management.

EC136 Emalahleni (Ec) - 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
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		25 519	31 541	42 184	43 855	44 105	44 105	64 910	71 212	75 613
Local Government Equitable Share		24 535	30 306	40 449	42 105	42 105	42 105	61 620	68 112	72 563
Finance Management		250	500	1 000	1 000	1 250	1 250	1 500	1 500	1 500
Municipal Systems Improvement		734	735	735	750	750	750	790	800	850
NDPG								1 000	800	700
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	19 256	24 895	25 404
SANITATION								8 743	11 457	11 003
WATER								10 513	13 439	14 401
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	25 519	31 541	42 184	43 855	44 105	44 105	84 166	96 107	101 017
Capital Transfers and Grants										
National Government:		-	10 082	23 474	17 217	17 217	17 217	26 135	30 366	39 651
Municipal Infrastructure Grant (MIG)			10 082	22 744	15 978	15 978	15 978	19 217	23 366	24 651
Integrated National Electrification Programme								4 480	7 000	5 000
EPWP				730	1 239	1 239	1 239	2 438		
NDPG										10 000
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	5 082	2 050	3 300
SANITATION								2 282	750	2 000
WATER								2 800	1 300	1 300
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	-	10 082	23 474	17 217	17 217	17 217	31 217	32 416	42 951
TOTAL RECEIPTS OF TRANSFERS & GRANTS		25 519	41 623	65 658	61 072	61 322	61 322	115 383	128 523	143 968

EC136 Emalahleni (Ec) - 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
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		25 519	31 271	43 840	53 330	53 330	53 330	64 910	71 212	75 613
Local Government Equitable Share		24 535	30 036	42 105	51 330	51 330	51 330	61 620	68 112	72 563
Finance Management		250	500	1 000	1 250	1 250	1 250	1 500	1 500	1 500
Municipal Systems Improvement		734	735	735	750	750	750	790	800	850
NDPG								1 000	800	700
Provincial Government:		-	-	-	-	-	-	-	-	-
0										
District Municipality:		-	-	-	-	-	-	-	-	-
SANITATION										
WATER										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants:		25 519	31 271	43 840	53 330	53 330	53 330	64 910	71 212	75 613
Capital expenditure of Transfers and Grants										
National Government:		-	10 082	23 474	22 217	22 217	22 217	26 135	30 366	39 651
Municipal Infrastructure Grant (MIG)			10 082	22 744	15 978	15 978	15 978	19 217	23 366	24 651
Integrated National Electrification Programme		-	-	-	5 000	5 000	5 000	4 480	7 000	5 000
EPWP		-	-	730	1 239	1 239	1 239	2 438	-	-
NDPG		-	-	-	-	-	-	-	-	10 000
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	5 082	2 050	3 300
SANITATION								2 282	750	2 000
WATER								2 800	1 300	1 300
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total capital expenditure of Transfers and Grants		-	10 082	23 474	22 217	22 217	22 217	31 217	32 416	42 951
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		25 519	41 353	67 314	75 547	75 547	75 547	96 127	103 628	118 564

TARIFF SCHEDULE 2011-2012 AND THREE OUTER YEARS**ASSESSMENT RATES****Ratios**

Undeveloped land	1.0
Institutional	1.5
Land and Buildings	1.0
Business	1.5
Government	1.5
Agricultural	0.25
Public service infrastructure	0.25
Public benefit organisation	0.25

FINANCIAL YEARS	2009-2010		2010-2011		2011-2012		2012-2013		2013-2014	
	LADYFRERE	DORDRECHT	INDWE	LADYFRERE	DORDRECHT	INDWE	LADYFRERE	DORDRECHT	INDWE	LADYFRERE
LADYFRERE	0.0059	0.0062	0.0065	0.0062	0.0065	0.0068	0.0065	0.0068	0.0072	0.0072
DORDRECHT	0.0059	0.0062	0.0065	0.0062	0.0065	0.0068	0.0065	0.0068	0.0072	0.0072
INDWE	0.0059	0.0062	0.0065	0.0062	0.0065	0.0068	0.0065	0.0068	0.0072	0.0072

Interest will be charged on all late payments. Property rates for registered indigent customers will be subsidized as per the indigent policy.

ELECTRICITY**All The Tariffs are VAT exclusive**

Fees exclude cables, trenching and circuit breaker.

FINANCIAL YEARS	2009-2010		2010-2011		2011-2012		2012-2013		2013-2014	
	LADYFRERE	DORDRECHT	INDWE	LADYFRERE	DORDRECHT	INDWE	LADYFRERE	DORDRECHT	INDWE	LADYFRERE
Single Phase (per kWh consumed)	1.2	1.2238	1.2238	1.2	1.2238	1.2238	1.2238	1.2238	1.2238	1.2238
DORDRECHT	0.76	0.92	0.92	0.76	0.92	0.92	0.76	0.92	0.92	0.92
INDWE	0.76	0.92	0.92	0.76	0.92	0.92	0.76	0.92	0.92	0.92

Three Phase (per kWh consumed)

DORDRECHT	0.86	1.03	1.26	1.54	1.88
-----------	------	------	------	------	------

Domestic Consumers: (Metered)

Basic/Availability Charge per month (Single Phase)

DORDRECHT	48.60	58.32	71.37	87.34	106.89
INDWE	48.60	58.32	71.37	87.34	106.89

Basic/Availability Charge per month (Three Phase)

DORDRECHT	104.31	125.17	153.18	187.46	229.42
-----------	--------	--------	--------	--------	--------

Per kWh consumed

DORDRECHT	0.61	0.73	0.89	1.09	1.33
INDWE	0.61	0.73	0.89	1.09	1.33

Small Commercial Consumers: (Metered)

Basic/Availability Charge per month (Single Phase)

DORDRECHT	170.00	204.00	249.66	305.54	373.91
INDWE	170.00	204.00	249.66	305.54	373.91

Basic/Availability Charge per month (Three Phase)

DORDRECHT	346.27	415.52	508.52	622.32	761.60
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TARIFF SCHEDULE 2011-2012 AND THREE OUTER YEARS

Appendix A
Per kwh consumed

DORDRECHT	0.61	0.73	0.89	1.09	1.33
INDWE	0.61	0.73	0.89	1.09	1.33

Small Commercial Consumers: (Pre-paid meters)

Single Phase (per kWh consumed)

DORDRECHT	0.86	1.03	1.26	1.54	1.88
INDWE	0.86	1.03	1.26	1.54	1.88

Three Phase (per consumed)

DORDRECHT	0.86	1.04	1.27	1.55	1.90
INDWE	0.86	1.04	1.27	1.55	2.78

Large Commercial Consumers: (Metered)

Basic/Availability Charge per month (Single Phase)

DORDRECHT	333.75	400.50	490.13	599.82	734.06
INDWE	433.79	520.54	637.04	779.61	954.09

Per kWh consumed

DORDRECHT	0.33	0.40	0.49	0.60	0.73
INDWE	0.30	1.50	1.84	2.25	2.75

Per KVA consumed

DORDRECHT	108.31	129.97	159.06	194.65	238.22
INDWE	108.31	129.97	159.06	194.65	238.22

Indigent Households

50 Kw free electricity

Per KVA consumed

DORDRECHT	0.58	0.69	0.84	1.03	1.26
INDWE	0.58	0.69	0.84	1.03	1.26

Re-connection fee:

	183.00	223.96	274.08	335.41	
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Tampering with meters

	2 200.60	2 693.09	3 295.81	4 033.41	
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New connections:

Single phase:- Residential	512.00	626.59	766.82	938.43	
Business	963.04	1 178.57	1 442.33	1 765.13	

Three phase:- Business Commercial(50KVA)

	2 900.00	3 549.02	4 343.29	5 315.32	
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Business/Commercial (100KVA)

	7 400.00	9 056.12	11 082.88	13 563.23	
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WATER

FINANCIAL YEARS 2009-2010 2010-2011 2011-2012 2012-2013 2013-2014

Tarrifs exclude VAT

Domestic Consumers : (Metered)

Basic/Availability Charge per month (6kl free water included)

DORDRECHT	29.66	31.44	32.95	34.69	36.60
INDWE	29.66	31.44	32.95	34.69	36.60

TARIFF SCHEDULE 2011-2012 AND THREE OUTER YEARS

Per KL consumed	3.33	3.53	3.70	3.90	4.11
DORDRECHT	3.33	3.53	3.70	3.90	4.11
INDWE					

Domestic Consumers: (Unmetered)

Basic/Availability Charge per month (Unmetered on site)

LADY FRERE	43.15	45.74	47.93	50.47	53.25
DORDRECHT	43.15	45.74	47.93	50.47	53.25
INDWE	43.15	45.74	47.93	50.47	53.25

Basic/Availability Charge per month (Standpipes)

LADY FRERE	43.15	45.74	47.93	50.47	53.25
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Commercial Consumers: (Metered)

Basic/Availability Charge per month

DORDRECHT	43.15	45.74	47.93	50.47	53.25
INDWE	43.15	45.74	47.93	50.47	53.25

Per KL consumed

DORDRECHT	3.33	3.53	3.70	3.90	4.11
INDWE	3.33	3.53	3.70	3.90	4.11

Government Consumers: (Metered)

Basic/Availability Charge per month

DORDRECHT	179.69	190.47	199.61	210.19	221.75
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Per KL consumed

DORDRECHT	3.33	3.53	3.70	3.90	4.11
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Indigents

LADY FRERE	0	0.00	0.00	0.00	0.00
DORDRECHT	0	0.00	0.00	0.00	0.00
INDWE	0	0.00	0.00	0.00	0.00

6 kl free plus 2 kl for HIV/AIDS positive, usage exceeding 6 kl standard tariff will apply

New connection fees

Residential	625.00	655.00	689.72	727.65
Business	1 590.00	1 666.32	1 754.63	1 851.14

SANITATION/SEWERAGE**FINANCIAL YEARS**

Tarrifs exclude VAT

Domestic Consumers: (Water-borne system)

Basic/Availability Charge per month

LADY FRERE	55.71	59.05	61.89	65.17	68.75
DORDRECHT	55.71	59.05	61.89	65.17	68.75

Domestic Consumers: (Bucket System)

TARIFF SCHEDULE 2011-2012 AND THREE OUTER YEARS

Appendix A

Basic/Availability Charge per month

LADY FRERE	55.71	59.05	61.89	65.17	68.75
DORDRECHT	55.71	59.05	61.89	65.17	68.75
INDWE	55.71	59.05	61.89	65.17	68.75

Domestic Consumers: (Septic Tanks)

Charge per removal

LADY FRERE	55.71	59.05	61.89	65.17	68.75
DORDRECHT	55.71	59.05	61.89	65.17	68.75
INDWE	55.71	59.05	61.89	65.17	68.75

Small Commercial Consumers : (Water-borne system)

Basic/Availability Charge per month

DORDRECHT	71.76	76.07	79.72	83.94	88.56
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Small Commercial Consumers : (Septic Tanks)

Charge per removal

LADY FRERE	71.76	76.07	79.72	83.94	88.56
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Large Commercial Consumers : (Water-borne system)

Basic/Availability Charge per month

DORDRECHT	805.66	854.00	894.99	942.43	994.26
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Government Consumers : (Water-borne system)

Basic/Availability Charge per month

DORDRECHT	1 209.13	1 281.68	1 343.20	1 414.39	1 492.18
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Government Consumers : (Septic-Tanks)

Charge per removal

LADY FRERE	88.63	93.95	98.46	103.68	109.38
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Indigents

Basic/Availability Charge per month

LADY FRERE	0	0.00	0.00	0.00	0.00
DORDRECHT	0	0.00	0.00	0.00	0.00
INDWE	0	0.00	0.00	0.00	0.00

REFUSE REMOVAL

FINANCIAL YEARS

2009-2010 2010-2011 2011-2012 2012-2013 2013-2014

Tariffs exclude VAT

Domestic Consumers:

Basic/Availability Charge per month

LADY FRERE	50.83	53.73	56.31	59.29	62.55
DORDRECHT	50.83	53.73	56.31	59.29	62.55
INDWE	50.83	53.73	56.31	59.29	62.55

Commercial Consumers:

Basic/Availability Charge per month

LADY FRERE	101.65	107.44	112.60	118.57	125.09
DORDRECHT	101.65	107.44	112.60	118.57	125.09
INDWE	101.65	107.44	112.60	118.57	125.09

Government Consumers:

TARIFF SCHEDULE 2011-2012 AND THREE OUTER YEARS

Appendix A
Basic/Availability Charge per month

LADY FRERE	253.90	268.37	281.25	296.16	312.45
DORDRECHT	253.90	268.37	281.25	296.16	312.45
INDWE	253.90	268.37	281.25	296.16	312.45

Indigents:

Basic/Availability Charge per month

LADY FRERE	-	-	-	-	-
DORDRECHT	-	-	-	-	-
INDWE	-	-	-	-	-

Special Refuse collection	185.93	196.53	205.96	216.88	228.81
Collection of Garden Refuse	185.93	196.53	205.96	216.88	228.81
Special Refuse collection - Government and Commercial	220.95	233.54	244.75	257.73	271.90
Tree- cutting inside yard :	2 100.00	2 219.70	2 326.25	2 449.54	2 584.26
Rubble per load/building remains	-	-	238.14	250.76	264.55

HALL RENTALS

FINANCIAL YEARS

	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
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Tariffs exclude VAT

	1.08	1.048	1.053	1.055	1.055
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Category 1: events organised with the purpose of making profit by: businesses, corporate bodies and functions such as disco's, beauty contests, concerts and films.

Town halls	360.00	390.00	408.72	430.38	454.05
Village halls	90.00	97.50	102.18	107.60	113.51

Category 2: fundraising events such as: bazaars, concerts, dances, high teas run by: Churches or Religious bodies, Cultural Organisations, Schools, Sports clubs and includes graduations, parties and weddings.

Town halls	-	-	359.67	378.73	399.56
Village halls	-	-	89.92	94.69	99.89

Category 3: events such as Church services, Funerals, Meetings and prize giving run by: Churches or religious bodies, Cultural organisations, schools, Service clubs and sports clubs.

Town halls	-	-	258.29	271.98	286.94
Village halls	-	-	63.84	67.22	70.92

NOTES

1. A refundable fee is R500.00 for town halls if no damages to property.
2. A refundable fee is R 220.00 for Village halls if no damage to property.
3. Sundays & public holidays - daily rate * 2

FINANCIAL YEARS

	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
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Tariffs exclude VAT

(i) Rates of Mileage

For all animals going to the Pound whether one or more per KM or portion of a KM..

	5.50	6.00	6.29	6.62	6.99
For animals transported by vehicle - per kilometer or portion of a kilometer	7.00	7.50	7.86	8.28	8.73

TARIFF SCHEDULE 2011-2012 AND THREE OUTER YEARS**(ii) Trespassing Fees**

Horses, Cattle, Ostriches, Donkeys and Pigs per head	55.00	60.00	62.88	66.21	69.85
Sheep and Goats per head	40.00	45.00	47.16	49.66	52.39

(iii) Pound Fees

Horses, Cattle, Ostriches, Donkeys and Pigs per head	40.00	45.00	47.16	49.66	52.39
Sheep and Goats per head	30.00	35.00	36.68	38.62	40.75

(iv) Sustenance Fees

Horses, Cattle, Ostriches, Donkeys and Pigs per head	65.00	70.00	73.36	77.25	81.50
Sheep and Goats per head	40.00	45.00	47.16	49.66	52.39

(v) Fees for Animals

To be separately herded:

For every stallion, horse, mule, bull per day	55.00	60.00	62.88	66.21	69.85
For every boar, ram, goat, or other separated animals per day	45.00	50.00	52.40	55.18	58.21

(vi) Call Outs

18:00 to 06:00 and over weekends per call out to impound animals.(to be paid by the owner of animals).

	260.00	280.00	293.44	308.99	325.99
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CEMETERY CHARGES**FINANCIAL YEARS**

Tariffs exclude VAT	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
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INDWE

	80.00	85.00	89.08	93.80	98.96
Site only	380.00	390.00	408.72	430.38	454.05
Digging					

DORDRECHT

	80.00	85.00	89.08	93.80	98.96
Site only	380.00	390.00	408.72	430.38	454.05
Digging					

LADY FRERE

	85.00	90.00	94.32	99.32	104.78
Site only	380.00	390.00	408.72	430.38	454.05
Digging					

Exhumation

	750.00	800.00	838.40	882.84	931.39
Wall of Remembrance	280.00	285.00	298.68	314.51	331.81

ACCOMODATION: INDWE RESORT**FINANCIAL YEARS**

Rates exclude VAT	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
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	1.048	1.053	1.053	1.053	1.055
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RONDAVELS - CHALETS

	190.00	200.00	209.60	220.71	232.85
IGLOO	85.00	85.00	89.08	93.80	98.96

STADIUM

	250.00	300.00	314.40	331.06	349.27
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RENTAL OF MUNICIPAL BUILDINGS**FINANCIAL YEARS**

Tariffs exclude VAT	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
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	1.048	1.053	1.053	1.053	1.055
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Appendix A

TARIFF SCHEDULE 2011-2012 AND THREE OUTER YEARS

House Tenants (residential purposes)	700.00	770.00	806.96	849.73	896.46
NGO's , Service Providers & Companies	1 500.00	1 650.00	1 729.20	1 820.85	1 920.99
Government Departments	2 000.00	2 200.00	2 305.60	2 427.80	2 561.33

BUILDING PLANS

FINANCIAL YEARS	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Tariffs exclude VAT		1.048		1.053	1.055

Area to be built in M2-Residential 0.85% by
Area to be built in M2-Business 0.85% by

			3 500.00	3 685.50	3 888.20
			4 500.00	4 738.50	4 999.12

PROPERTY CLEARANCE CERTIFICATE

		50.00	52.40	55.18	58.21
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Encroachment fees: per m2 Residential

	-	-	250.00	263.25	277.73
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Encroachment fees: per m2 Business

	-	-	300.00	315.90	333.27
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ADMINISTRATIVE CHARGES

FINANCIAL YEARS	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
		1.048		1.053	1.055

PHOTOCOPIES AND FAXES

Photocopies

A4(per sheet)		1.20	1.26	1.32	1.40
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A3(per sheet)

		1.80	1.89	1.99	2.10
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Faxes

Local		5.00	5.24	5.52	5.82
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National

		-	7.00	7.37	7.78
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International

		-	7.00	7.37	7.78
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Tender Documents

		100.00	104.80	110.35	116.42
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Note : that Tender documents will depend on the number of pages.

OTHER TARIFFS

FINANCIAL YEARS	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
		1.048		1.053	1.055

LIVESTOCK BRANDING

Cattle	10.00	12.00	12.58	13.24	13.97
Sheep	5.00	7.00	7.34	7.72	8.15

PLANT HIRE

TIPPER TRUCK	390.00	420.00	440.16	463.49	488.98
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GRADER

	700.00	750.00	786.00	827.66	873.18
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BACKACTOR

	280.00	300.00	314.40	331.06	349.27
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SMOOTH DRUM ROLLER

	390.00	420.00	440.16	463.49	488.98
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WATERCART

	410.00	440.00	461.12	485.56	512.27
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NOTES

1. The plant rates are hourly rates.

SAND

Per load

Bakkie		153.27	160.62	169.13	178.44
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4 ton truck

		698.89	732.44	771.25	813.67
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6 ton truck

		1 048.33	1 098.65	1 156.88	1 220.51
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8 ton truck

		1 397.78	1 464.87	1 542.51	1 627.35
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TARIFF SCHEDULE 2011-2012 AND THREE OUTER YEARS

DEPOSIT FEE FOR NEW ACCOUNTS

Deposit payable new consumer accounts for all towns		100.00	104.80	110.35	116.42
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ADVERTISING

Towers	1 375.00	1 375.00	1 441.00	1 517.37	1 600.83
Bill boards: big size	-	-	1 200.00	1 263.60	1 333.10
Bill boards: medium size	-	-	900.00	947.70	999.82
Bill boards: small size	-	-	600.00	631.80	666.55