

ANNUAL BUDGET OF
NKANGALA DISTRICT
MUNICIPALITY
(DC31)

2011/12 TO 2013/14
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

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Abbreviations and Acronyms

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

Part 1 – Annual Budget

1.1 Mayor's Report

In his Budget Speech to Parliament on 17 February 2010, the Minister of Finance said: "We cannot expect to do the same old things and expect different results". In the past three years, the world economy has gone through its deepest recession in over 70 years. Signals are that the recovery is still fragile and many commentators caution that current positive economic trends may be short-lived and that the world economy may yet experience a second recessionary wave. Nkangala District Municipality was in no way immune to the harsh economic realities associated with the recession.

Management within local government has a significant role to play in strengthening the link between the citizen and government's overall priorities and spending plans. The goal should be to enhance service delivery aimed at improving the quality of life for all people within the Nkangala District Municipality. Budgeting is primarily about the choices that the municipality has to make between competing priorities and fiscal realities. The challenge is to do more with the available resources. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

The application of sound financial management principles for the compilation of the District's financial plan is essential and critical to ensure that the District remains financially viable and that sustainable municipal services are provided economically and equitably to all communities.

The consultative process leading to the formulation of this budget is reflective of the letter and spirit of the Constitution of the Republic of South Africa.

It is in keeping with our view that participation is intrinsic to democracy. The District has, by engaging in this process, given a voice to the people to place specific issues on the agenda.

We will continue to do so. We intend to remain accountable and transparent at all times.

In this public participation process, both political representatives and officials have learnt from the people and vice versa. This has also helped us to gain an insight into our communities.

Clearly with this budget, our people will experience a significant improvement in their quality of life. But it is only with the co-operation of the people that this budget will be able to meet their need.

The people can and must lend a hand. In the I.D.P we have set clear targets for measurable improvements on all our key goals.

We aim to deliver a social package that aims to improve the level of service delivery.

Yours in Service Delivery

1.2 Council Resolutions

On 4 May 2011 the Council of Nkangala District Municipality met in the Council Chambers of Nkangala District Municipality to consider the annual budget of the municipality for the financial year 2011/12. The Council approved and adopted the following resolutions:

1. The Council of Nkangala District Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The annual budget of the municipality for the financial year 2011/12 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 10 on page 14;
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 11 on page 16;
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 12 on page 18; and
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 15 on page 21.
 - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Budgeted Financial Position as contained in Table 16 on page 23;
 - 1.2.2. Budgeted Cash Flows as contained in Table 17 on page 25;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 18 on page 25;
 - 1.2.4. Asset management as contained in Table 19 on page 27; and
 - 1.2.5. Basic service delivery measurement as contained in Table 23 on page 40.
 - 1.3. The project priority list as submitted by local municipalities in table 62 pages 118 to 124 was confirmed.
 - 1.4. The organogram attached as figure 8 pages 125 to 135 with new positions aimed at strengthening the organisations' performance to ensure that the priorities set out in the IDP and matters raised by the Auditor General, was approved
 - 1.5. The Budget timetable for 2012/2013 attached as figure 9 page 136 was approved.

1.3 Executive Summary

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

The District's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items. This has resulted in savings to

the municipality of nearly R35 million in the current financial year's adjusted budget (2010/11). Key areas where savings were realized were on operational administrative expenditure.

The District has done a service deliver audit of the past five years. Furthermore, the District has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 51, 54 and 55 were used to guide the compilation of the 2011/12 MTREF.

The main challenges experienced during the compilation of the 2011/12 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;

The following budget principles and guidelines directly informed the compilation of the 2011/12 MTREF:

- The 2010/11 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2011/12 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;
- The following items and allocations to these items had to be supported by a list and/or motivation setting out the intention and cost of the expenditure which was used to prioritise expenditures:
 - Special Projects;
 - Consultant Fees;
 - Furniture and office equipment;
 - Special Events;
 - Refreshments and entertainment;
 - Ad-hoc travelling; and
 - Subsistence, Travelling & Conference fees (national & international).

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

Table 1 Consolidated Overview of the 2011/12 MTREF

R	2010/2011	2011/2012	2012/2013	2013/2014
Total Operating Revenue	305,420,000	325,207,000	345,145,720	360,543,443
Total Operating Expenditure	628,671,198	612,461,318	334,852,149	349,380,558
<i>(Surplus)/ Deficit for the year</i>	<i>(323,251,198)</i>	<i>(287,254,318)</i>	10,293,571	11,162,885
Total Capital Expenditure	27,384,643	36,007,082	7,893,571	8,362,885
Total Loan Redemption	1,489,000	2,200,000	2,400,000	2,800,000

Total operating revenue has grown by 6.48 per cent or R19,8 million for the 2011/12 financial year when compared to the 2010/11 Adjustments Budget. For the two outer years, operational revenue will increase by 6.13 and 4.46 per cent respectively, equating to a total revenue growth of R55,1 million over the MTREF when compared to the 2010/11 financial year.

Total operating expenditure for the 2011/12 financial year has been appropriated at R612.5 million and translates into a budgeted deficit of R287, 25 million, which will be funded from the accumulated operating surpluses. When compared to the 2010/11 Adjustments Budget, operational expenditure has decreased by 2.58 per cent in the 2011/12 budget and by 45.33 for the 2012/13 budget and grown by 4.34 per cent for the 2013/14 budget year of the MTREF. The operating surplus for the two outer years steadily increases to R10,29 million and then stabilise at R11,16 million. These surpluses will be used to fund capital expenditure and to further ensure cash backing of reserves and funds.

The capital budget of R36 million for 2011/12 increased with 31.49 per cent compared to the 2010/11 Adjustment Budget. The capital programme decreases to R7,89 million in the 2012/13 financial year and then evens out in 2013/12 to R8,36 million. The capital budget will be funded from internally generated funds and accumulated surplus.

1.4 Operating Revenue Framework

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

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the District and continued economic development;
- Efficient revenue management,;

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

Table 2 Summary of revenue classified by main revenue source

Description	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										
Rental of facilities and equipment	0	215044	1	0	0	0	0	0	0	0
Interest earned - external investments	22967319.48	39179690	34,074	20850000	20850000	24981827.21	10409094.67	22125000	23452500	24859650
Interest earned - outstanding debtors	220677.55	16412	2	97000	97000	0	0	103000	109100	115730.8
Agency services		14138	178							
Transfers recognised - operational	218601063.7	351825228	286,775	283162000	283162000	284426400	212984371	301595000	320117000	334013000
Other revenue	27832659.19	13111403	2,892	1311000	1311000	3765955.848	1589148.27	1384000	1467040	1555082.4
Gains on disposal of PPE										
Total Revenue (excluding capital transfers and contributions)	269,622	384,363	306,921	305,429	305,429	313,174	224,963	325,287	345,146	360,543

Table 3 Percentage growth in revenue by main revenue source

Description	2011/12 Medium Term Revenue & Expenditure Framework									
	Adjusted Budget		2011/12		2012/13		2013/14			
R thousands	R	%	R	%	R	%	R	%		
Financial Performance										
Property rates	-	-	-	0	-	0	-	0	-	-
Service charges	-	-	-	0	-	0	-	0	-	-
Investment revenue	20,850,000	6.83	22125000	6.80	23452500	6.79	24859650	6.90		
Transfers recognised - operational	283,162,000	92.71	301595000	92.74	320117000	92.75	334013000	92.64		
Other own revenue	1,408,000	0.46	1487000	0.46	1576220	0.46	1670793.2	0.46		
Total Revenue (including capital transfers and contributions)	305,420,000	100.00	325,207,000	100.00	345,145,720	100.00	360,543,443	100.00		

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

Operating Grants form a significant percentage of the revenue basket for the District. In the 2011/12 financial year, the operating grants totalled R301,6 million or 92.74 per cent. This increases to R320,12 million and R334,01 million in the respective financial years of the MTREF. The main portion of the operating grants is the RSC Levy Replacement grant, which can be classified as own revenue as well because it replaced the RSC Levies that were abolished in 2006.

Table 4 Operating Transfers and Grant Receipts

Description	2007/08	2008/09	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
RSC Replacement Levy	212,718,631	139,308,419	256,835,000	264,554,000	264,554,000	264,154,000	198,686,242	272,506,000	280,681,000	289,101,000
FMGrant	227,501	772,499	750,000	1,000,000	1,000,000	-	-	1,250,000	1,250,000	1,500,000
Equitable Share	2,858,250	8,710,000	11,113,513	16,858,000	16,858,000	16,858,000	13,042,129	19,468,000	20,636,000	20,883,000
Other Grants	601,092	1,615,358	528,888	-	-	1,214,400	506,000	5,863,000	15,000,000	20,000,000
MSIG	985,808	1,433,150	735,000	750,000	750,000	1,800,000	750,000	1,000,000	1,000,000	1,000,000
ELECTRIFICATION GRANT	-	-	-	-	-	-	-	1,508,000	1,550,000	1,529,000
Provincial Fire Grant	1,209,781	-	-	-	-	-	-	-	-	-
Total	218,601,064	251,839,425	269,952,401	283,162,000	283,162,000	284,426,400	212,984,171	301,595,000	320,117,000	334,013,000

Investment revenue is the second largest revenue source totalling 6.83 per cent or R20,85 million and increases to R24,59 million by 2013/14. The third largest source is 'other revenue'

which consists of various items such as income received from discounts, sale of tender documents and sundry income.

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

1.5 Operating Expenditure Framework

The District's expenditure framework for the 2011/12 budget and MTREF is informed by the following:

- The roads renewal strategy and the repairs and maintenance plan for Thembisile Hani Local Municipality Roads;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The contribution to local municipalities is aligned to the asset IDP and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the contribution to local municipalities and other core services; and
- Project lists submitted by local municipalities.

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

Table 5 Summary of operating expenditure by standard classification item

Expenditure	2007/08	2008/09	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
Employee related costs	23,646,371	21,021,261	29,344,237	63,599,194	41,451,872	37,194,874	15,497,864	70,011,180	80,322,036	87,552,604
Remuneration of councillors	7,267,838	8,127,734	8,528,867	12,501,158	9,930,158	9,904,953	4,127,064	12,164,008	13,372,544	14,572,571
Debt impairment	-585,441	-	8,543	120,000	40,000	14,304	3,960	127,000	134,620	142,697
Depreciation & asset impairment	4,279,130	4,033,373	6,055,932	5,420,000	7,437,000	7,889,107	3,287,128	5,775,000	6,121,500	6,488,790
Finance charges	3,737,395	1,744,077	3,372,430	4,420,400	4,420,400	3,889,789	1,620,745	3,000,000	2,700,000	2,400,000
Bulk purchases	-	-	-	-	-	-	-	-	-	-
Other materials	40,131	30,473	240,074	1,790,700	768,700	79,358	33,062	866,496	925,486	985,415
Contracted services	154,585	105,668	132,411	1,098,000	1,118,000	965,868	402,445	1,229,500	1,303,270	1,381,466
Transfers and grants	92,808,287	100,006,204	115,633,489	492,352,542	306,602,497	208,939,859	87,058,274	438,125,631	176,685,303	179,663,435
Other expenditure	12,383,446	14,527,509	12,125,729	54,626,047	56,902,571	18,462,849	7,692,854	81,162,504	53,287,390	56,193,580
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-
Total Expenditure	143,731,742	151,596,319	175,441,732	635,928,041	628,671,198	287,940,952	119,725,397	612,461,318	334,852,149	349,380,558

The budgeted allocation for employee related costs for the 2011/12 financial year totals R70,01 million, which equals 11.43 per cent of the total operating expenditure. Based on the collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 7 per cent for the 2011/12 financial year. An annual increase of 7.5 per cent has

been included in the two outer years of the MTREF. As part of the District's cost reprioritization and cash management strategy vacancies have been significantly rationalized downwards.

Provision has been made in the budget to include positions in the organogram to ensure that the priorities set out in the IDP and matters raised by the Auditor General are adequately attended to. These positions aim to strengthen the following areas of work, Internal audit, Risk management, Monitoring and Evaluation, Information Communication Technology Senior Administrator, Research and Development unit, Municipal Health Services and Accelerate Budget expenditure.

It should be noted that the total financial implication for salaries could not be determined as the applicable municipal wage curve (representing equal pay for equal work at all municipalities in South Africa) has not been finalised.

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

The provision of debt impairment was determined based on an annual collection rate of 99 per cent and the Credit Control and Debt Collection Policy of the District. For the 2011/12 financial year this amount equates to R127 000 and escalates to R142 697 by 2013/14. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R5,78 million for the 2011/12 financial and equates to 0.94 per cent of the total operating expenditure.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 0.49 per cent (R3 million) of operating expenditure excluding annual redemption for 2011/12 and decreases to R2,4 million by 2013/14.

Other materials comprises of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the District's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the District's infrastructure. For 2011/12 the appropriation against this group of expenditure has grown R866 496 and continues to grow for the two outer years of which budget allocation is in excess of R985 415 by 2013/14.

Contracted services has been identified as a cost saving area for the District. As part of the compilation of the 2011/12 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2011/12 financial year, this group of expenditure totals R1,23 million and has escalated by just 9.97 per cent, clearly demonstrating the application of cost efficiencies. For the two outer years growth has been limited to 6.00 per cent.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 42.63 per cent for 2011/12 and decrease at 34.34 and increased at 5.45 per cent for the two outer years, indicating that significant cost savings have been already realised. Further details relating to contracted services can be seen in table 58 MBRR SA1 (see page 113)

The following table gives a breakdown of the main expenditure categories for the 2011/12 financial year.

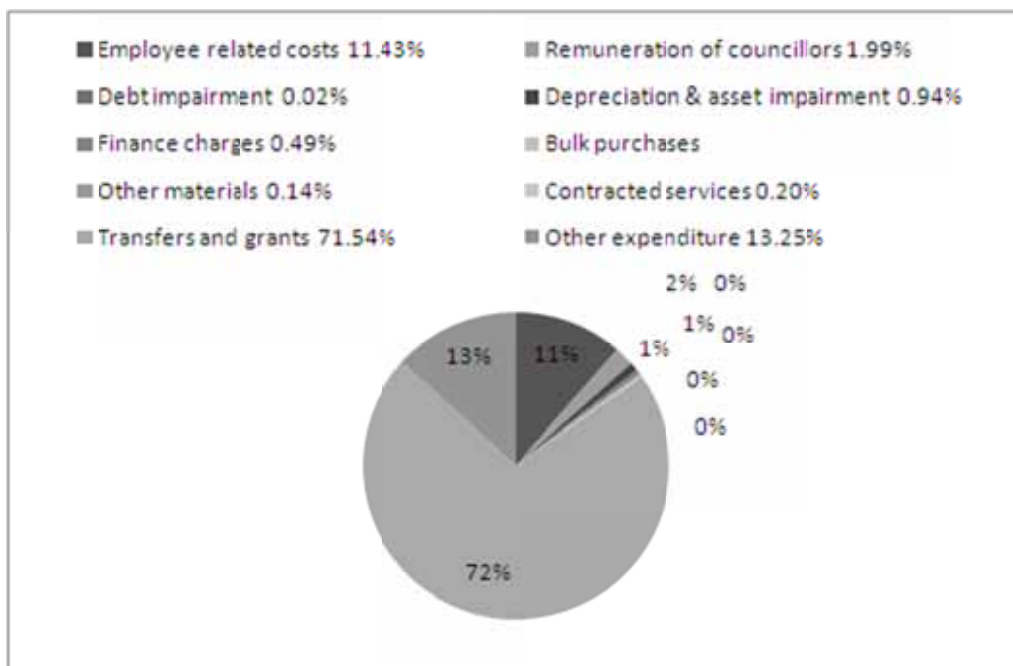


Figure 1 Main operational expenditure categories for the 2011/12 financial year

1.5.1 Priority given to Contribution to Local Municipalities

The prioritised projects submitted by Local Municipalities as contained in the approved 2011/2012 IDP of the District on page 192 to 260 to improve service delivery and eradicate backlogs was the main focus for this expenditure category.

In response to National priority Outcome 4: Decent employment through inclusive economic growth, the proposed budget provides for R30,99 million for Expanded Public Work Programme.

The following table gives a breakdown of the main expenditure categories per Local Municipality for the 2011/12 financial year.

Table 6 Breakdown of the main expenditure categories per Local Municipality

MUNICIPALITY	WATER	SEWER	ROADS & STORMWATER	URBAN DEVELOPMENT	ELECTRICITY	OTHER	Funded through EPWP	Funded through NDM	TOTAL
1. Victor Khanye	1,500,000	-	8,000,000	-	-	2,300,000	3,600,000	7,650,000	11,150,000
2. DR. J S Moroka	7,520,000	6,000,000	10,000,000	-	-	-	13,520,000	10,000,000	23,520,000
3. Emalahleni	8,120,000	1,000,000	11,000,000	-	13,000,000	-	3,000,000	30,120,000	33,120,000
4. Steve Tshwete	12,370,000	7,000,000	-	-	-	2,800,000	10,970,000	11,200,000	22,170,000
5. Emakhazeni	3,600,000	-	4,000,000	-	660,000	2,300,000	-	10,360,000	10,360,000
6. Thembisile Hani	4,000,000	-	13,200,000	3,490,000	4,000,000	-	-	24,690,000	24,690,000
Total New Projects	37,010,000	14,000,000	46,200,000	3,490,000	17,560,000	7,400,000	30,990,000	94,020,000	125,010,000

1.5.2 Priority given to repairs and maintenance

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

Table 7 Operational repairs and maintenance

	2007/08	2008/09	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast Actual	Pre-audit outcome Year to date	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Repairs & Maintenance	1,000,895	988,956	1,608,455	4,933,160	4,202,394	3,006,226	1,252,594	5,336,533	5,780,756	6,133,400
Repairs & Maintenance Thembisile Hani LM Roads	3,098,745	1,383,012	837,521	18,081,000	19,153,968	954,815	397,840	30,309,144	12,465,600	13,213,536

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

1.6 Capital expenditure

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

Table 8 2011/12 Medium-term capital budget per asset class

R thousand	Adjusted Budget	%	Budget Year 2011/12	%	Budget Year +1 2012/13	%	Budget Year +2 2013/14	%
Capital expenditure on new assets by Asset Class/Sub-class								
Infrastructure	2,944	10.75	2,262	6.28	-	-	-	-
Infrastructure - Road transport	2,944	10.75	2,262	6.28	-	-	-	-
Community	21,893	79.95	26,185	72.72	5,957	75.47	6,315	75.51
Fire, safety & emergency	21,893	79.95	26,185	72.72	5,957	75.47	6,315	75.51
Other assets	2,548	9.30	7,560	21.00	1,936	24.53	2,048	24.49
General vehicles	600	2.19	350	0.97	-	-	-	-
Plant & equipment	159	0.58	225	0.63	132	1.67	140	1.67
Computers - hardware/equipment	601	2.19	773	2.15	651	8.37	700	8.37
Furniture and other office equipment	892	3.26	1,112	3.09	1,049	13.29	1,108	13.24
Other Buildings	296	1.08	5,100	14.16	95	1.20	101	1.20
Total Capital Expenditure on new assets	27,385	100.00	36,007	100.00	7,894	100.00	8,363	100.00

For 2011/12 an amount of R2,26 million has been appropriated for the development of Infrastructure-Road transport which represents 6.28 per cent of the total capital budget.

Total new assets represent R36 million of the total budget. Further detail relating to asset classes and proposed capital expenditure is contained in Table 26 MBRR A9 (Asset Management) on page 27. In addition to the MBRR Table A9, MBRR Tables SA34a and SA34c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 107 and 109). Some of the salient projects to be undertaken over the medium-term includes, amongst others:

- Office Building – R5 million;
- Roads in Thembisile Hani Local Municipality – R2.3 million;
- Fire Station in Dr JS Moroka Local Municipality – R7 million;
- Fire Station in Thembisile Hani Local Municipality – R9.2 million;
- Fire fighting and security and emergency equipment – R10 million;

Furthermore pages 92 to 96 contain a detail breakdown of the capital budget per project over the medium-term.

1.6.1 Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table 56 MBRR SA35 on page 110. This table shows that future operational costs associated with the capital programme totals R5.337 million in 2012/12 and escalates to R5.781 million by 2012/13. This concomitant operational expenditure is expected to escalate to R6.133 million by 2013/14. It needs to be noted that as part of the 2011/12 MTREF, this expenditure has been factored into the two outer years of the operational budget.

1.7 Annual Budget Tables

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2011/12 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 9 MBRR 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	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-
Investment revenue	22,967	39,180	34,074	20,850	20,850	24,382	10,409	22,125	23,453	24,880
Transfers recognised - operational	216,501	251,825	269,776	283,162	283,162	284,426	212,984	301,595	320,117	334,013
Other own revenue	38,054	13,358	3,072	1,408	1,408	3,768	1,569	1,437	1,576	1,671
Total Revenue (excluding capital transfers and contributions)	269,522	304,363	306,921	305,420	305,420	313,174	224,960	325,207	345,148	360,543
Employee costs	23,546	23,021	29,344	63,599	41,482	37,165	15,498	10,011	80,322	87,553
Remuneration of councillors	7,268	8,128	8,529	12,501	9,930	9,905	4,127	12,184	13,373	14,573
Depreciation & asset impairment	4,279	6,033	6,056	5,420	7,437	7,888	3,287	5,775	6,122	6,489
Finance charges	3,737	3,744	3,372	4,420	4,420	3,890	1,621	3,000	2,700	2,400
Materials and bulk purchases	40	30	240	1,781	769	79	33	866	925	985
Transfers and grants	92,808	100,006	115,633	492,353	308,602	208,940	87,058	438,126	176,685	179,663
Other expenditure	11,653	16,633	12,267	55,944	58,061	19,443	8,101	82,519	54,325	37,718
Total Expenditure	143,732	157,598	175,442	635,926	628,671	287,341	119,725	512,481	334,852	348,381
Surplus/(Deficit)	125,890	146,765	131,479	(330,506)	(323,251)	25,833	105,237	(287,274)	10,294	11,163
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	125,890	146,765	131,479	(330,506)	(323,251)	25,833	105,237	(287,274)	10,294	11,163
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	125,890	146,765	131,479	(330,506)	(323,251)	25,833	105,237	(287,274)	10,294	11,163
Capital expenditure & funds sources										
Capital expenditure	(4,601)	6,264	5,341	20,128	30,328	23,268	9,894	38,007	7,894	8,363
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	(4,601)	6,264	5,341	20,128	30,328	23,268	9,894	38,007	7,894	8,363
Total sources of capital funds	(4,601)	6,264	5,341	20,128	30,328	23,268	9,894	38,007	7,894	8,363
Financial position										
Total current assets	356,111	524,929	660,802	291,311	293,248	660,002	737,414	417,854	424,110	430,742
Total non current assets	85,471	88,193	88,087	102,799	108,035	101,828	93,813	124,045	125,817	127,691
Total current liabilities	44,681	38,525	44,264	22,479	22,399	22,373	22,388	22,482	22,427	21,989
Total non current liabilities	65,192	80,050	96,596	54,109	54,109	55,598	55,588	53,388	51,198	48,998
Community wealth/Equity	331,719	516,547	648,026	317,518	334,774	673,858	753,263	488,009	476,302	487,485
Cash flows										
Net cash from (used) operating	(152,836)	137,432	60,339	(324,968)	(315,774)	33,737	108,530	(281,352)	16,550	17,794
Net cash from (used) investing	(9,305)	(6,968)	(5,948)	(20,128)	(27,385)	(21,830)	(9,013)	(36,007)	(7,894)	(8,363)
Net cash from (used) financing	(1,258)	(5,068)	(4,444)	(1,489)	(1,489)	-	-	(2,200)	(2,400)	(2,800)
Cash/cash equivalents at the year end	269,850	394,445	444,393	97,808	99,745	456,499	543,910	224,351	230,607	237,239
Cash backing/surplus reconciliation										
Cash and investments available	277,550	401,758	482,878	105,993	107,930	484,884	552,096	232,536	238,792	245,424
Application of cash and investments	39,187	31,192	17,333	18,158	18,078	20,072	22,333	18,880	18,915	18,388
Balance - surplus (shortfall)	238,363	370,567	465,545	87,835	89,852	464,812	529,763	213,656	219,877	227,036
Asset management										
Asset register summary (WCV)	9,305	12,195	105,354	20,128	27,385	21,830	36,007	36,007	7,894	8,363
Depreciation & asset impairment	4,279	6,033	6,056	5,420	7,437	7,888	5,775	5,775	6,122	6,489
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	1,901	989	1,606	4,933	4,202	3,008	5,337	5,337	6,781	6,133
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage	-	-	-	-	-	-	-	-	-	-
Energy	-	-	-	-	-	-	-	-	-	-
Refuse	-	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

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

Table 10 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										
Revenue - Standard										
Governance and administration		268,412	304,363	306,921	305,420	305,420	313,174	323,699	343,596	359,014
Executive and council		-	-	1	-	-	-	-	-	-
Budget and treasury office		268,412	304,363	306,920	305,420	305,420	313,174	323,699	343,596	359,014
Corporate services		-	-	-	-	-	-	-	-	-
Community and public safety		1,219	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		1,219	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	1,500	1,550	1,529
Planning and development		-	-	-	-	-	-	1,500	1,550	1,529
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	269,622	304,363	306,921	305,420	305,420	313,174	325,297	345,146	360,543
Expenditure - Standard										
Governance and administration		37,318	37,709	40,525	65,136	58,208	54,415	68,492	76,092	81,638
Executive and council		22,711	23,487	25,857	35,578	32,289	33,537	33,168	39,249	41,790
Budget and treasury office		8,202	8,071	7,737	17,223	14,725	11,999	19,838	20,769	22,445
Corporate services		6,404	6,171	6,941	12,335	11,164	8,879	15,487	16,074	17,402
Community and public safety		7,823	6,748	8,679	21,395	19,362	12,201	26,753	24,034	25,078
Community and social services		3,983	3,969	4,115	11,098	9,834	5,366	13,154	13,150	14,151
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		3,840	3,078	4,565	10,297	9,727	6,835	15,600	10,884	11,727
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		97,700	112,828	126,237	545,797	547,502	219,690	511,500	238,872	237,700
Planning and development		94,364	111,401	125,288	518,878	524,023	218,670	474,125	207,367	212,657
Road transport		3,089	1,383	858	18,681	19,754	955	30,945	13,140	13,928
Environmental protection		258	45	112	8,238	3,725	65	6,510	10,365	11,194
Trading services		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other	4	891	311	-	3,600	3,600	1,835	3,636	3,854	4,085
Total Expenditure - Standard	3	143,732	157,596	175,442	635,928	628,571	287,341	612,461	334,852	349,381
Surplus/(Deficit) for the year		125,890	146,767	131,479	(330,508)	(323,251)	25,833	(287,254)	10,294	11,163

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

Table 11 MBRR 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
R thousand										
Revenue by Vote	1									
Vote1 - EXECUTIVE & COUNCIL		-	-	1	-	-	-	-	-	-
Vote2 - ADMINISTRATION		-	-	-	-	-	-	-	-	-
Vote3 - FINANCE - BUDGET & TREASURY OFFICE		268,412	304,363	306,920	305,430	305,420	313,174	323,699	343,696	359,014
Vote4 - COMMUNITY & SOCIAL SERVICES		1,210	-	-	-	-	-	-	-	-
Vote5 - PLANNING & DEVELOPMENT		-	-	-	-	-	-	1,508	1,550	1,529
Vote6 - PLANNING & DEVELOPMENT CONTRIBUTION		-	-	-	-	-	-	-	-	-
Vote7 - REGIONAL SERVICES		-	-	-	-	-	-	-	-	-
Vote8 - Example 8		-	-	-	-	-	-	-	-	-
Vote9 - Example 9		-	-	-	-	-	-	-	-	-
Vote10 - Example 10		-	-	-	-	-	-	-	-	-
Vote11 - Example 11		-	-	-	-	-	-	-	-	-
Vote12 - Example 12		-	-	-	-	-	-	-	-	-
Vote13 - Example 13		-	-	-	-	-	-	-	-	-
Vote14 - Example 14		-	-	-	-	-	-	-	-	-
Vote15 - Example 15		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	269,622	304,363	306,921	305,420	305,420	313,174	325,207	345,146	360,543
Expenditure by Vote to be appropriated	1									
Vote1 - EXECUTIVE & COUNCIL		23,347	24,267	26,993	37,175	35,074	35,918	35,689	41,984	44,740
Vote2 - ADMINISTRATION		5,549	5,078	5,393	10,034	7,765	5,939	12,185	12,482	13,521
Vote3 - FINANCE - BUDGET & TREASURY OFFICE		8,423	8,364	8,140	17,927	15,989	12,559	20,618	21,625	23,377
Vote4 - COMMUNITY & SOCIAL SERVICES		5,555	7,459	10,856	26,066	19,456	13,828	27,321	32,006	34,647
Vote5 - PLANNING & DEVELOPMENT		(171)	205	2,324	10,812	421	3,013	11,371	12,274	13,345
Vote6 - PLANNING & DEVELOPMENT CONTRIBUTION		92,808	105,599	120,990	492,353	506,602	208,940	438,126	176,685	179,663
Vote7 - REGIONAL SERVICES		8,222	6,624	756	41,561	43,984	7,144	67,151	37,795	40,087
Vote8 - Example 8		-	-	-	-	-	-	-	-	-
Vote9 - Example 9		-	-	-	-	-	-	-	-	-
Vote10 - Example 10		-	-	-	-	-	-	-	-	-
Vote11 - Example 11		-	-	-	-	-	-	-	-	-
Vote12 - Example 12		-	-	-	-	-	-	-	-	-
Vote13 - Example 13		-	-	-	-	-	-	-	-	-
Vote14 - Example 14		-	-	-	-	-	-	-	-	-
Vote15 - Example 15		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	143,732	157,596	175,442	635,928	626,571	287,341	612,461	334,852	349,381
Surplus/(Deficit) for the year	2	125,890	146,767	131,479	(330,508)	(323,251)	25,833	(287,254)	10,294	11,163

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

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

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

Description	Ref	2001/0	2000/9	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 thousand	1										
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - other											
Rental of facilities and equipment		-	218	1	-	-	-	-	-	-	-
Interest earned - external investments		22,967	39,180	34,074	20,850	20,850	24,982	10,409	22,125	23,453	24,880
Interest earned - outstanding debtors		221	18	2	87	87	-	-	103	109	118
Dividends received											
Fines											
Licences and permits											
Agency services			14	178							
Transfers recognised - operational		218,801	251,825	269,775	283,162	283,162	294,426	212,984	301,595	320,117	334,013
Other revenue	2	27,833	13,111	2,892	1,311	1,311	3,785	1,589	1,384	1,467	1,555
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		269,622	304,363	306,921	305,420	305,420	313,174	224,963	325,297	345,146	360,543
Expenditure By Type											
Employee related costs	2	25,546	23,021	29,344	63,599	41,452	37,195	15,498	70,011	80,322	87,553
Remuneration of councillors		7,258	8,128	8,529	12,501	9,900	9,905	4,127	12,154	13,973	14,573
Debt impairment	3	(505)	-	9	120	40	14	5	127	135	143
Depreciation & asset impairment	2	4,275	6,033	6,056	5,420	7,437	7,889	3,287	5,775	6,122	6,489
Finance charges		3,737	3,744	3,372	4,420	4,420	3,890	1,821	3,000	2,700	2,400
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8	40	30	240	1,791	789	75	33	656	925	985
Contracted services		155	108	132	1,088	1,118	956	402	1,230	1,303	1,301
Transfers and grants		92,808	100,008	115,633	492,353	506,902	208,940	87,058	438,126	176,685	179,683
Other expenditure	4, 5	12,383	16,528	12,126	54,526	56,903	18,483	7,693	61,163	53,267	56,194
Loss on disposal of PPE											
Total Expenditure		143,732	157,596	173,442	635,928	628,671	287,341	119,725	612,461	334,852	349,381
Surplus/(Deficit)		125,890	146,767	131,479	(330,508)	(323,251)	25,833	105,237	(287,254)	10,294	11,163
Transfers recognised - capital											
Contributions recognised - capital											
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		125,890	146,767	131,479	(330,508)	(323,251)	25,833	105,237	(287,254)	10,294	11,163
Taxation											
Surplus/(Deficit) after taxation		125,890	146,767	131,479	(330,508)	(323,251)	25,833	105,237	(287,254)	10,294	11,163
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		125,890	146,767	131,479	(330,508)	(323,251)	25,833	105,237	(287,254)	10,294	11,163
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		125,890	146,767	131,479	(330,508)	(323,251)	25,833	105,237	(287,254)	10,294	11,163

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

1. Total revenue is R325,307 million in 2011/12 and escalates to R360,543 million by 2013/14. This represents a year-on-year increase of 6.48 per cent for the 2011/12 financial year, 6.13 per cent for the 2012/13 and 4.46 per cent for the 2013/14 financial year.
2. Operating Grants form a significant percentage of the revenue basket for the District. In the 2011/12 financial year, the operating grants totalled R301 595 000 or 92.74 per cent. This increases to R320,117 million and R334,013 million in the respective financial years of the MTREF. Operating Grants includes the RSC Levy Replacement, local government equitable share and other operating grants from national government.
3. Investment revenue is the second largest revenue source totalling 6.83 per cent or R20,850 million and increases to R24,590 million by 2013/14. The third largest sources is 'other revenue' which consists of various items such as income received from discounts, sale of tender documents and sundry income.
4. The following graph illustrates the major expenditure items per type.

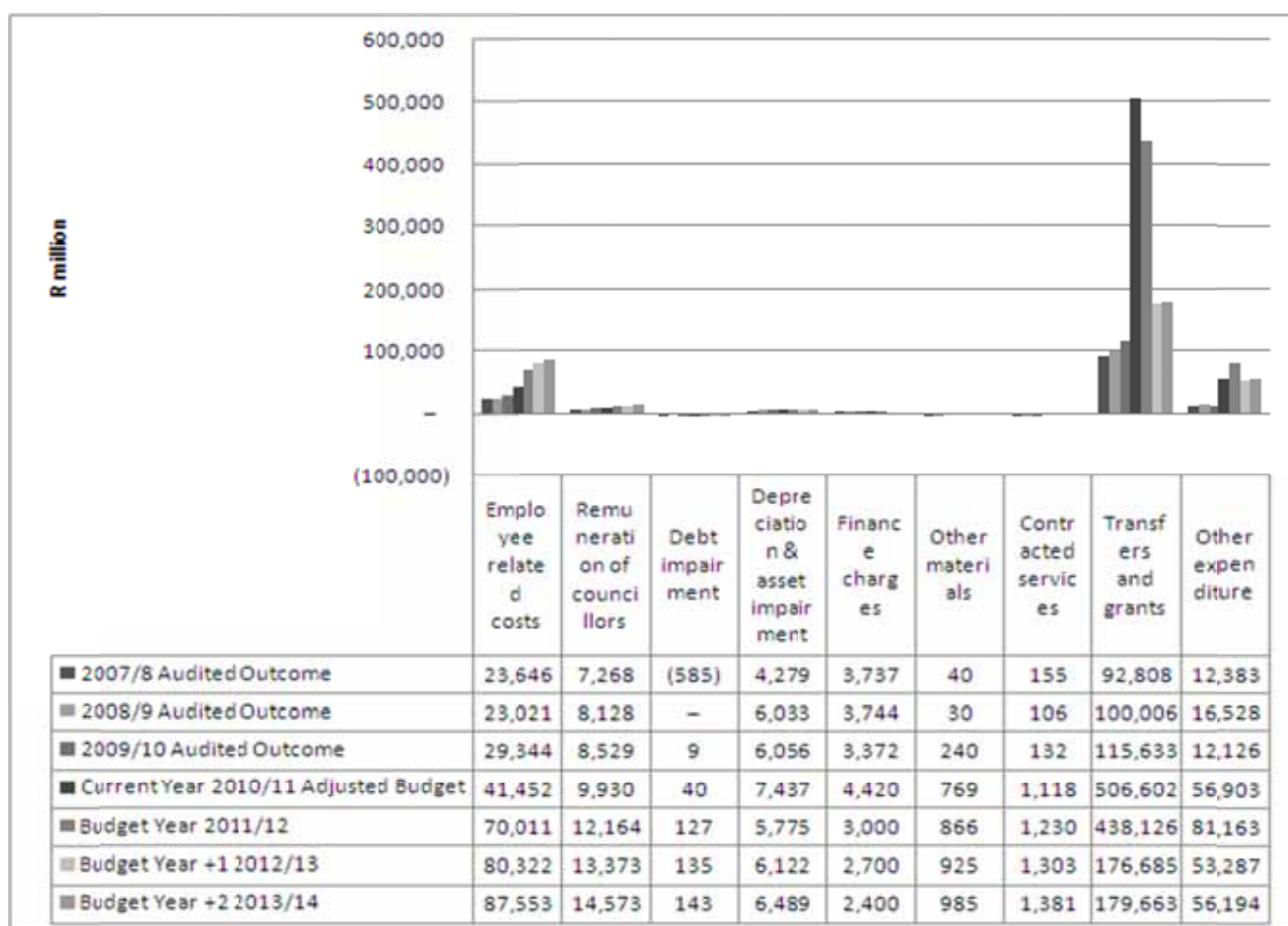


Figure 2 Expenditure by major type

5. Transfers and grants is the main expenditure type, which are the Contribution to Local Municipalities an amounts to R438,126 million for the 2011/12 financial year, This includes the new contributions of R192,919 million and the current commitments of R245,207 million. The Contribution to Local Municipalities can be summarised below.

Table 13 Contributions to Local Municipalities per municipality

MUNICIPALITY	WATER	SEWER	ROADS & STORMWATER	URBAN DEVELOP MENT	ELECTRICITY	OTHER	EPWP	NDM	TOTAL
1. Victor Khanye	1,500,000	-	8,000,000	-	-	2,300,000	3,500,000	7,650,000	11,150,000
2. DR. J S Moroka	7,520,000	6,000,000	10,000,000	-	-	-	13,520,000	10,000,000	23,520,000
3. Emalahleni	8,120,000	1,000,000	11,000,000	-	13,000,000	-	3,000,000	30,120,000	33,120,000
4. Steve Tshwete	12,370,000	7,000,000	-	-	-	2,800,000	10,970,000	11,200,000	22,170,000
5. Emakhazeni	3,500,000	-	4,000,000	-	560,000	2,300,000	-	10,360,000	10,360,000
6. Thembisile Hani	4,000,000	-	13,200,000	3,490,000	4,000,000	-	-	24,690,000	24,690,000
Total New Projects	37,010,000	14,000,000	46,200,000	3,490,000	17,560,000	7,400,000	30,990,000	94,020,000	125,010,000

The following table illustrates the contribution for local municipalities for the 2011/12, 2012/13 and 2013/14 financial years:

Table 14 Indicative - Contributions to Local Municipalities per municipality

Municipality	2011/2012	2012/2013	2012/2014
Emakhazeni	10,360,000	10,930,000	11,586,000
Victor Khanye Delmas	11,150,000	11,770,000	12,476,000
Thembisile Hani	24,690,000	26,100,000	27,666,000
Steve Tshwete	22,170,000	23,420,000	24,825,000
DR. J S Moroka	23,520,000	24,840,000	26,330,000
Emalahleni	33,120,000	34,970,000	37,068,000
Total	125,010,000	132,030,000	139,951,000

6. Employee related costs and contribution to local municipalities are the main cost drivers within the district.

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

Vote Description	Ref	2008/9	2009/9	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 thousand	1										
Capital expenditure - Vote											
Multi-year expenditure - to be appropriated	2										
Vote1 - EXECUTIVE & COUNCIL		(61)	758	532	2,919	1,854	121	51	6,202	1,238	1,308
Vote2 - ADMINISTRATION		(10)	8	45	181	161	101	42	189	200	212
Vote3 - FINANCE - BUDGET & TREASURY OFFICE		(1)	144	5	196	206	166	69	205	217	230
Vote4 - COMMUNITY & SOCIAL SERVICES		1	(0)	(27)	113	1,704	3,355	1,388	825	132	140
Vote5 - PLANNING & DEVELOPMENT		-	-	-	150	200	117	49	160	170	180
Vote6 - PLANNING & DEVELOPMENT CONTRIBUTION		-	-	-	-	-	-	-	-	-	-
Vote7 - REGIONAL SERVICES		(6,530)	5,354	4,793	16,600	23,231	17,769	7,404	28,427	5,938	6,292
Vote8 - Example 8		-	-	-	-	-	-	-	-	-	-
Vote9 - Example 9		-	-	-	-	-	-	-	-	-	-
Vote10 - Example 10		-	-	-	-	-	-	-	-	-	-
Vote11 - Example 11		-	-	-	-	-	-	-	-	-	-
Vote12 - Example 12		-	-	-	-	-	-	-	-	-	-
Vote13 - Example 13		-	-	-	-	-	-	-	-	-	-
Vote14 - Example 14		-	-	-	-	-	-	-	-	-	-
Vote15 - Example 15		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	(6,601)	6,264	5,347	28,128	27,385	21,638	9,913	36,007	7,894	8,363
Single-year expenditure - to be appropriated	2										
Vote1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote2 - ADMINISTRATION		-	-	-	-	-	-	-	-	-	-
Vote3 - FINANCE - BUDGET & TREASURY OFFICE		-	-	-	-	-	-	-	-	-	-
Vote4 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote5 - PLANNING & DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote6 - PLANNING & DEVELOPMENT CONTRIBUTION		-	-	-	-	-	-	-	-	-	-
Vote7 - REGIONAL SERVICES		-	-	-	-	-	-	-	-	-	-
Vote8 - Example 8		-	-	-	-	-	-	-	-	-	-
Vote9 - Example 9		-	-	-	-	-	-	-	-	-	-
Vote10 - Example 10		-	-	-	-	-	-	-	-	-	-
Vote11 - Example 11		-	-	-	-	-	-	-	-	-	-
Vote12 - Example 12		-	-	-	-	-	-	-	-	-	-
Vote13 - Example 13		-	-	-	-	-	-	-	-	-	-
Vote14 - Example 14		-	-	-	-	-	-	-	-	-	-
Vote15 - Example 15		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total											
Total Capital Expenditure - Vote		(6,601)	6,264	5,347	28,128	27,385	21,638	9,913	36,007	7,894	8,363
Capital Expenditure - Standard											
Governance and administration		(72)	918	581	3,265	2,258	389	162	6,596	1,656	1,751
Executive and council		(61)	758	675	2,807	1,742	121	51	6,080	1,109	1,171
Budget and treasury office		(1)	144	5	196	206	166	69	205	217	230
Corporate services		(10)	8	(80)	262	272	101	42	311	330	350
Community and public safety		(6,538)	5,354	2,385	16,675	21,953	19,489	8,121	26,249	6,025	6,387
Community and social services		1	(0)	(0)	50	80	16	7	64	68	72
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		(6,530)	5,354	2,385	16,615	21,863	19,473	8,114	26,185	5,957	6,315
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services				2,374	188	6,125	3,388	1,412	3,163	213	226
Planning and development		-	-	-	188	238	117	49	201	213	226
Road transport		-	-	2,374	-	5,887	3,271	1,383	2,962	-	-
Environmental protection		-	-	-	-	-	-	-	700	-	-
Trading services											
Electricity		-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	(6,601)	6,264	5,341	28,128	30,328	23,266	9,694	36,007	7,894	8,363
Funded by:											
National Government		-	-	-	-	-	-	-	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4										
Public contributions & donations	5										
Borrowing	6										
Internally generated funds		(6,601)	6,264	5,341	20,128	30,328	23,266	9,694	36,007	7,894	8,363
Total Capital Funding	7	(6,601)	6,264	5,341	20,128	30,328	23,266	9,694	36,007	7,894	8,363

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2011/12 R36,007 million has been allocated of the total budget for capital expenditure and R7,894 million and R8,363 million for the 2012/13 and 2013/14 financial years respectively. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the District. For the purpose of funding assessment of the MTREF.
3. The capital programme is funded from internally generated funds from current year surpluses and accumulated surpluses.

Table 16 MBRR Table A6 - Budgeted Financial Position

Description	Ref	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 thousand											
ASSETS											
Current assets											
Cash		22,519	13,918	16,918	5,000	5,000	15,000	10,000	5,000	6,000	8,000
Call investment deposits	1	245,532	380,828	425,475	92,808	94,745	441,499	533,910	219,351	224,607	229,226
Consumer debtors	1	-	-	-	-	-	-	-	-	-	-
Other debtors		1,796	6,440	27,906	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Current portion of long-term receivables		93	-	-	-	-	-	-	-	-	-
Inventory	2	79,182	124,043	188,503	188,503	188,503	188,503	188,503	188,503	188,503	188,503
Total current assets		356,111	524,929	660,802	291,311	293,248	650,002	737,414	417,854	424,119	430,742
Non current assets											
Long-term receivables		-	-	-	-	-	-	-	-	-	-
Investments		8,500	7,313	8,185	8,185	8,185	8,185	8,185	8,185	8,185	8,185
Investment property		-	-	-	-	-	-	-	-	-	-
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	75,971	80,880	79,902	94,910	96,850	93,843	85,628	115,860	117,832	116,508
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		85,471	88,193	88,087	102,795	108,035	101,828	93,813	124,045	125,817	127,691
TOTAL ASSETS		441,582	613,122	748,889	394,106	401,283	751,831	831,226	541,899	549,927	558,433
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	5,022	5,069	5,432	5,509	5,509	3,890	1,821	5,200	5,100	5,200
Consumer deposits		-	-	-	-	-	-	-	-	-	-
Trade and other payables	4	37,310	29,258	36,245	14,973	14,893	16,887	19,148	15,895	15,730	15,173
Provisions		1,341	1,179	1,597	1,597	1,597	1,597	1,597	1,597	1,597	1,597
Total current liabilities		44,681	36,325	44,264	22,479	22,399	22,373	22,365	22,492	22,427	21,969
Non current liabilities											
Borrowing		81,426	58,292	51,514	48,024	48,024	50,513	50,513	48,313	48,113	43,913
Provisions		1,765	3,758	5,085	5,085	5,085	5,085	5,085	5,085	5,085	5,085
Total non current liabilities		83,192	62,050	56,599	54,109	54,109	55,598	55,598	53,398	53,198	48,998
TOTAL LIABILITIES		127,873	98,375	100,863	76,588	76,508	77,971	77,963	75,890	75,625	70,967
NET ASSETS	5	313,709	514,747	648,026	317,518	324,774	673,859	753,263	466,009	474,302	487,465
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		331,710	516,547	648,026	317,518	324,774	673,859	753,263	466,009	476,302	487,465
Reserves	4	-	-	-	-	-	-	-	-	-	-
Minorities' interests		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	331,710	516,547	648,026	317,518	324,774	673,859	753,263	466,009	476,302	487,465

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table A6 is supported by an extensive table of notes (SA3 which can be found on page 102) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 17 MBRR Table A7 - Budgeted Cash Flow Statement

Description	Ref	2001/0	2000/9	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 thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		-	13,342	3,070	1,311	1,311	3,766	1,560	1,304	1,467	1,555
Government - operating	1	221,895	251,825	269,775	283,162	283,162	284,426	212,664	301,565	320,117	334,013
Government - capital	1										
Interest		5,645	38,417	34,076	20,947	20,947	24,902	10,409	22,228	23,562	24,975
Dividends											
Payments											
Suppliers and employees		(89,388)	(82,401)	(127,413)	(133,615)	(110,171)	(66,608)	(27,753)	(166,434)	(148,211)	(160,666)
Finance charges		(5,110)	(3,744)	(3,536)	(4,420)	(4,420)	(3,890)	(1,621)	(3,000)	(2,700)	(2,400)
Transfers and Grants	1	(285,877)	(100,006)	(115,633)	(492,353)	(506,602)	(208,940)	(87,056)	(438,126)	(176,665)	(178,663)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(152,836)	137,432	60,339	(324,968)	(315,774)	33,737	108,538	(261,352)	16,558	17,794
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE											
Decrease (increase) in non-current debtors			83								
Decrease (increase) other non-current receivables											
Decrease (increase) in non-current investments			2,000	(672)							
Payments											
Capital assets		(9,305)	(9,062)	(5,076)	(20,128)	(27,385)	(21,630)	(9,013)	(36,007)	(7,894)	(8,363)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(9,305)	(6,969)	(3,948)	(20,128)	(27,385)	(21,630)	(9,013)	(36,007)	(7,894)	(8,363)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing		(1,250)	(5,068)	(4,444)	(1,489)	(1,489)	-	-	(2,200)	(2,400)	(2,800)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1,250)	(5,068)	(4,444)	(1,489)	(1,489)	-	-	(2,200)	(2,400)	(2,800)
NET INCREASE/(DECREASE) IN CASH HELD		(163,392)	125,396	49,947	(346,585)	(344,648)	12,106	99,518	(319,539)	6,256	6,631
Cash/cash equivalents at the year begin:	2	432,442	269,958	394,446	444,393	444,393	444,393	444,393	543,919	224,351	230,687
Cash/cash equivalents at the year end:	2	269,050	394,446	444,393	97,808	99,745	456,499	543,919	224,351	230,687	237,239

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

Description	Ref	2001/0	2000/9	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 thousand											
Cash and investments available											
Cash/cash equivalents at the year end:	1	269,050	394,446	444,393	97,808	99,745	456,499	543,919	224,351	230,687	237,239
Other current investments > 90 days		0	-	0	-	-	-	-	-	-	-
Non-current assets - investments	1	8,500	7,313	8,165	8,165	8,165	8,165	8,165	8,165	8,165	8,165
Cash and investments available:		277,550	401,759	452,578	105,993	107,930	464,664	552,096	232,536	238,792	245,424
Application of cash and investments											
Unspent conditional transfers		1,586	601	606	-	-	-	-	-	-	-
Unspent borrowing											
Statutory requirements	2										
Other working capital requirements	3	26,532	22,618	6,338	9,673	9,663	11,667	14,148	10,665	10,730	10,173
Other provisions											
Long term investments committed	4	8,500	7,313	8,165	8,165	8,165	8,165	8,165	8,165	8,165	8,165
Reserves to be backed by cash/investments	5	566	460								
Total Application of cash and investments:		39,187	31,192	17,333	18,156	18,878	29,872	22,333	18,869	18,915	18,338
Surplus(shortfall)		238,363	370,567	435,245	87,837	89,052	444,612	529,763	213,666	219,877	227,086

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the District raised from R269 million over the 2007/08 to R444.4 million in 2009/10 period owing directly to a net increase in cash for the 2008/09 and 2009/10 financial years of R175.4 million.
4. The approved 2010/11 MTREF provide for a further net decrease in cash of R344.6 million for the 2010/11 financial year resulting in an overall projected positive cash position of R99.7 million at year end.
5. Cash and cash equivalents totals R224.3 million as at the end of the 2011/12 financial year and escalates to R237.2 million by 2013/14.

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2007/08 to 2010/11 the surplus raised from R238.4 million to R444.4 million.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2010/11 MTREF was sufficiently funded.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2011/12 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

Table 19 MBRR 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	(460)	6,264	5,347	20,128	27,385	21,638	36,007	7,894	8,363
Infrastructure - Road transport		-	-	2,380	-	2,944	1,835	2,262	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	2,380	-	2,944	1,835	2,262	-	-
Community		(4530)	5,354	2,385	16,615	21,880	19,473	26,185	5,957	8,315
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		(71)	910	581	3,513	2,548	522	7,560	1,938	2,048
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		-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	-	2,380	-	2,944	1,835	2,262	-	-
Infrastructure - Road transport		-	-	2,380	-	2,944	1,835	2,262	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	2,380	-	2,944	1,835	2,262	-	-
Community		(4,530)	5,354	2,385	16,615	21,880	19,473	26,185	5,957	8,315
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		(71)	910	581	3,513	2,548	522	7,560	1,938	2,048
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	(460)	6,264	5,347	20,128	27,385	21,638	36,007	7,894	8,363
ASSET REGISTER SUMMARY - PPE (NDV)										
Infrastructure - Road transport	5	-	-	1,070	-	2,944	1,835	2,262	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		9,305	12,195	95,034	-	-	-	-	-	-
Infrastructure		9,305	12,195	95,104	-	2,944	1,835	2,262	-	-
Community		-	-	9,250	16,615	21,880	19,473	26,185	5,957	8,315
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	3,513	2,548	522	7,560	1,938	2,048
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (NDV)	5	9,305	12,195	105,334	20,128	27,385	21,638	36,007	7,894	8,363
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		4,279	6,033	6,056	5,420	7,437	7,889	5,775	6,122	6,489
Repairs and Maintenance by Asset Class	3	1,001	989	1,808	4,933	4,202	1,006	5,337	5,781	6,133
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	1,001	989	1,808	4,933	4,202	1,006	5,337	5,781	6,133
TOTAL EXPENDITURE OTHER ITEMS		5,280	7,022	7,864	10,353	11,639	18,895	11,112	11,902	12,622
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecⁿ		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE		1.3%	1.2%	2.0%	5.2%	4.2%	3.2%	4.6%	4.9%	5.9%
Renewal and R&M as a % of PPE		11.0%	8.0%	2.0%	25.0%	15.0%	14.0%	15.0%	73.0%	73.0%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The District does not meet both these recommendations as the District move into new office buildings in 2006 and R5 million has been budgeted for renewal of the office building. The District further provided for the building of fire stations in Dr JS Moroka and Thembisile Hani Local Municipalities, which amounts to R7 million and R9.2 million respectively. The District also provided for R2.6 million for Thembisile Hani Roads

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

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

The Budget Steering Committee consists of the MMC for Finance, Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the Mayor.

The primary aims of the Budget Steering Committee are to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the District's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

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

The Mayor tabled in Council the required the IDP and budget time schedule on 28 May 2010. Key dates applicable to the process were:

- **August 2010** – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2011/12 MTREF;
- **November 2010** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **3 to 7 January 2011** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;

- **January 2011** – Multi-year budget proposals are submitted to the Mayoral Committee for endorsement;
- **28 January 2011** - Council considers the 2010/11 Mid-year Review and Adjustments Budget;
- **February 2011** - Recommendations of the Mayoral Committee are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2011/12 MTREF is revised accordingly;
- **25 March 2011** - Tabling in Council of the draft 2011/12 IDP and 2011/12 MTREF for public consultation;
- **21 April 2011** – Budget Indaba;
- **6 May 2011** - Closing date for written comments;
- **6 to 21 May 2011** – finalisation of the 2011/12 IDP and 2011/12 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- **23 May 2011** - Tabling of the 2011/12 MTREF before Council for consideration and approval.

Given that the municipal budget process coincides directly with the run-up to the 2011 local government elections, the National Treasury provided guidance in Treasury Circular 54 in the form of two options for the 2011/12 municipal budget preparation process. Council opted for option 1. Option 1 allows that the budget be prepared and adopted by the outgoing council. All district councils were strongly advised by Treasury Circular 54 to adopt option 1 as there is high probability that they may not be constituted in time to consider the annual budgets since they are dependent on the results of the local municipality elections within the district being finalized first.

The following amendments from the key dates set out in the Budget Time Schedule were tabled in Council on the 25 January 2011.

- **23 February 2011** - Tabling in Council of the draft 2011/12 IDP and 2011/12 MTREF for public consultation;
- **7 April 2011** – Budget Indaba;
- **21 April 2011** - Closing date for written comments;
- **7 April to 30 April 2011** – finalisation of the 2011/12 IDP and 2011/12 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- **4 May 2011** - Tabling of the 2011/12 MTREF before Council for consideration and approval.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

This is the fourth review of the IDP as adopted by Council in May 2006. It started in September 2010 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2011/12 MTREF in August.

The District's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2011/12 MTREF, based on the approved 2010/11 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2011/12 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2010/11 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2011/12 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2011/12 MTREF:

- District growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, household debt, migration patterns)
- Performance trends
- The approved 2010/11 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Investment possibilities
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51, 54 and 55 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The draft 2011/12 MTREF as tabled before Council on 23 February 2011 for community consultation was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries.

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

Local Municipalities were utilised to facilitate the community consultation process from 12 February to 7 April 2011, and included six public briefing sessions and the Budget Indaba on the 7 April 2011. The applicable dates and venues were published in all the local newspapers and on average attendance of 150 were recorded per meeting. This is up on the previous year's process. This can be attributed to the additional initiatives that were launched during the consultation process, including the specific targeting of ratepayer associations. Individual sessions were scheduled with organised business and Imbizo's were held to further ensure transparency and interaction. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organisations.

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

- Capital expenditure is not allocated to the areas in the same ratio as the income derived from those areas. This is a normal practice in a collective taxation environment. The District is responsible for managing the equitable use of resources to ensure that constitutional imperative to progressively improve basic services in undeveloped areas is realized in a sustainable manner over a reasonable period of time;
- Several complaints were received regarding poor service delivery, especially the state of road infrastructure and slow implementation of projects in local municipalities;
- Poor performance of contractors relating to infrastructure development and maintenance especially in the areas of road construction and maintenance were raised;
- Environmental problems of the mines and climate change;
- High levels of poverty and unemployment.

Significant changes effected in the final 2011/12 MTREF compared to the draft 2011/12 MTREF that was tabled for community consultation, include:

- The 2011 Division of Revenue Act (DORA) grant allocations were finalized and aligned to the gazetted allocations; and
- Funding was allocated to address job creation initiative.

2.2 Overview of alignment of annual budget with IDP

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

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

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

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

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

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

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its

IDP. The following table highlights the IDP's five strategic objectives for the 2011/12 MTREF and further planning refinements that have directly informed the compilation of the budget:

IDP Strategic Objectives

- Local Economic Development
- Infrastructure Development and Service Delivery
- Institutional Development and Municipal Transformation
- Good Governance and Public Participation
- Build more united, non-racial, integrated and safer communities;
- Financial Viability
- Ensure more effective, accountable and clean Local Government that works together with National and Provincial Spheres of Government.

In order to ensure integrated and focused service delivery between all spheres of government it was important for the District to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide electricity;
 - Provide water;
 - Provide sanitation;
 - Provide waste removal;
 - Provide housing;
 - Provide roads and storm water;
 - Provide public transport;
 - Provide district planning services; and
 - Maintaining the infrastructure of the District.
2. Economic growth and development that leads to sustainable job creation by:
 - Ensuring there is a clear structural plan for the District;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
 - Working with strategic partners such as SAPS to address crime;
 - Ensuring safe working environments
 - Promote viable, sustainable communities through proper zoning; and
 - Promote environmental sustainability by protecting wetlands and key open spaces.
 - Implementing initiatives to reduce the effect of climate change.
- 3.2 Integrated Social Services for empowered and sustainable communities

- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
- Optimising effective community participation in the ward committee system; and
 - Implementing Batho Pele in the revenue management strategy.
- 5.1 Promote sound governance through:
- Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
- Reviewing the use of contracted services
 - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
- Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the District. The five-year programme responds to the development challenges and opportunities faced by the District by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- Strengthening the analysis and strategic planning processes of the District;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

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

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

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
R thousand											
POWERS, DUTIES AND FUNCTIONS											
ORGANISATION RESTRUCTURING AND TRANSFORMATION											
FINANCIAL VIABILITY			268,412	304,363	306,920	305,420	305,420	313,174	325,207	345,146	360,543
GOOD GOVERNANCE AND COMMUNICATION											
SPATIAL RESTRUCTURING AND SERVICE PROVISION											
HEALTH											
EDUCATION											
WELFARE											
CULTURE, SPORT AND RECREATION											
SAFETY AND SECURITY			1,210	-	-	-	-	-	-	-	-
EMERGENCY SERVICES											
WATER AND SANITATION											
ELECTRICITY SUPPLY											
ROADS AND STORMWATER											
TRANSPORTATION											
ENVIRONMENTAL MANAGEMENT											
WASTE MANAGEMENT											
ECONOMIC DEVELOPMENT AND JOB CREATION											
Total Revenue (excluding capital transfers and contributions)		1	269,622	304,363	306,920	305,420	305,420	313,174	325,207	345,146	360,543

Table 21 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted 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
R thousand											
POWERS, DUTIES AND FUNCTIONS			5,009	4,391	5,174	8,932	6,896	5,295	11,071	11,273	12,210
ORGANISATION RESTRUCTURING AND TRANSFORMATION			540	687	219	1,101	853	644	1,114	1,210	1,311
FINANCIAL VIABILITY			8,423	8,384	8,140	17,927	15,369	12,559	20,618	21,625	23,377
GOOD GOVERNANCE AND COMMUNICATION			23,347	24,267	26,990	37,175	35,074	35,918	35,889	41,984	44,740
SPATIAL RESTRUCTURING AND SERVICE PROVISION			97,106	107,685	125,287	523,744	521,953	217,124	477,992	211,320	216,736
CULTURE, SPORT AND RECREATION			3,130	3,437	3,917	8,098	6,834	4,508	10,548	10,368	11,177
SAFETY AND SECURITY			3,840	3,078	4,566	9,122	9,571	6,835	14,415	9,582	10,311
EMERGENCY SERVICES			-	-	9	1,175	157	-	1,185	1,301	1,417
ROADS AND STORMWATER			2,338	4,482	(1,548)	18,081	19,154	655	30,309	12,488	13,214
ENVIRONMENTAL MANAGEMENT			-	13	100	7,038	2,525	56	8,338	9,017	9,766
ECONOMIC DEVELOPMENT AND JOB CREATION			-	1,172	2,588	3,533	1,469	3,439	4,285	4,706	5,124
			143,732	157,596	175,442	635,926	620,671	287,341	612,461	334,832	349,381

Table 22 MBRR Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue &		
			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
<i>R (thousand)</i>											
POWERS, DUTIES AND FUNCTIONS		A	(3)	8	45	136	140	101	172	153	163
ORGANISATION RESTRUCTURING AND TRANSFORMATION		B	(7)	--	--	16	16	--	17	17	16
FINANCIAL VIABILITY		C	(1)	144	5	196	206	196	205	217	200
GOOD GOVERNANCE AND COMMUNICATION		D	(81)	768	533	2,919	1,864	121	6,202	1,238	1,308
SPATIAL RESTRUCTURING AND SERVICE PROVISION		E	(4,530)	4,650	--	9,150	12,039	6,967	9,311	170	180
CULTURE, SPORT AND RECREATION		I	1	(2)	(2)	60	60	16	64	68	72
SAFETY AND SECURITY		J	--	696	2,305	7,819	10,065	13,023	17,030	5,967	6,316
EMERGENCY SERVICES		K	--	--	--	--	--	--	--	--	--
ROADS AND STORMWATER		N	--	--	2,500	--	2,944	1,518	2,262	--	--
ENVIRONMENTAL MANAGEMENT		P	--	--	--	--	--	--	700	--	--
ECONOMIC DEVELOPMENT AND JOB CREATION		Q	--	--	--	33	33	--	41	41	46
			(4,691)	6,264	3,347	28,129	27,303	21,638	36,667	7,694	8,363

2.3 Measurable performance objectives and indicators

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

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

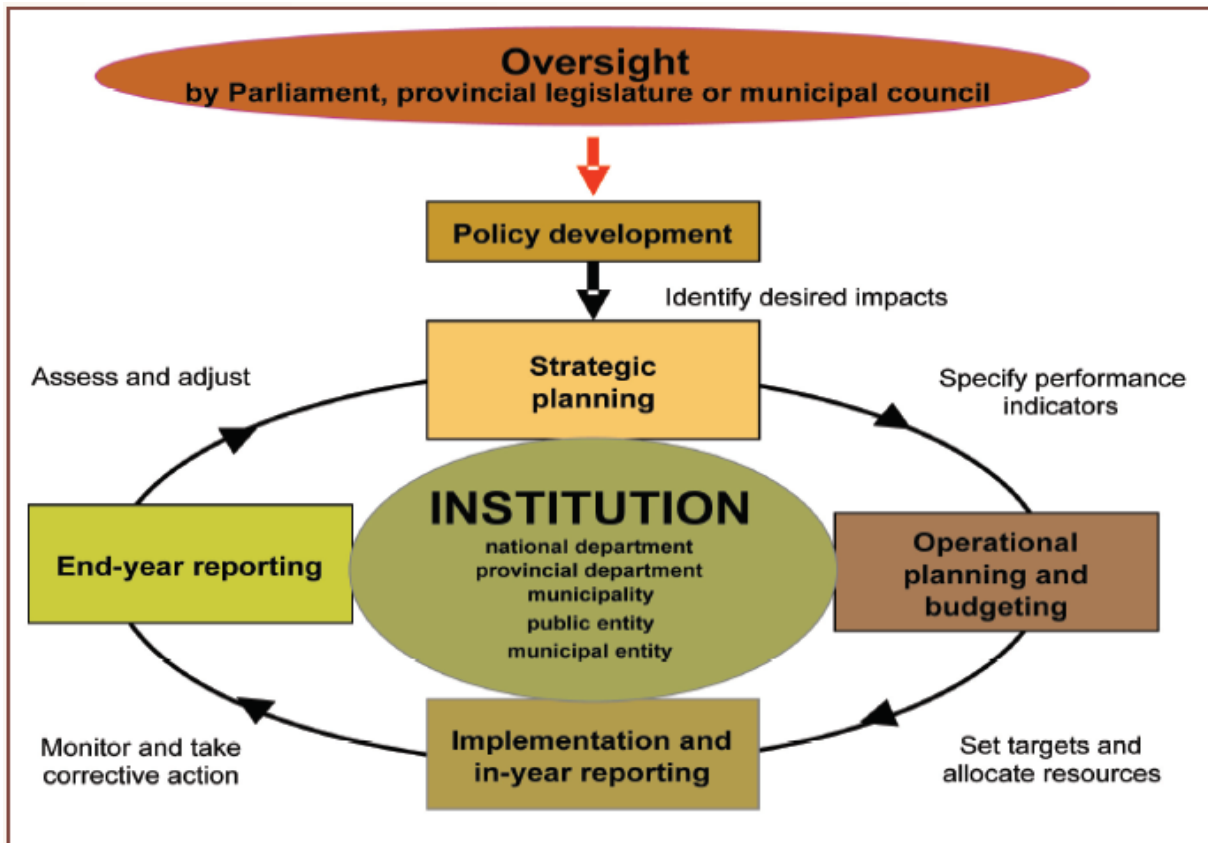


Figure 3 Planning, budgeting and reporting cycle

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

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

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

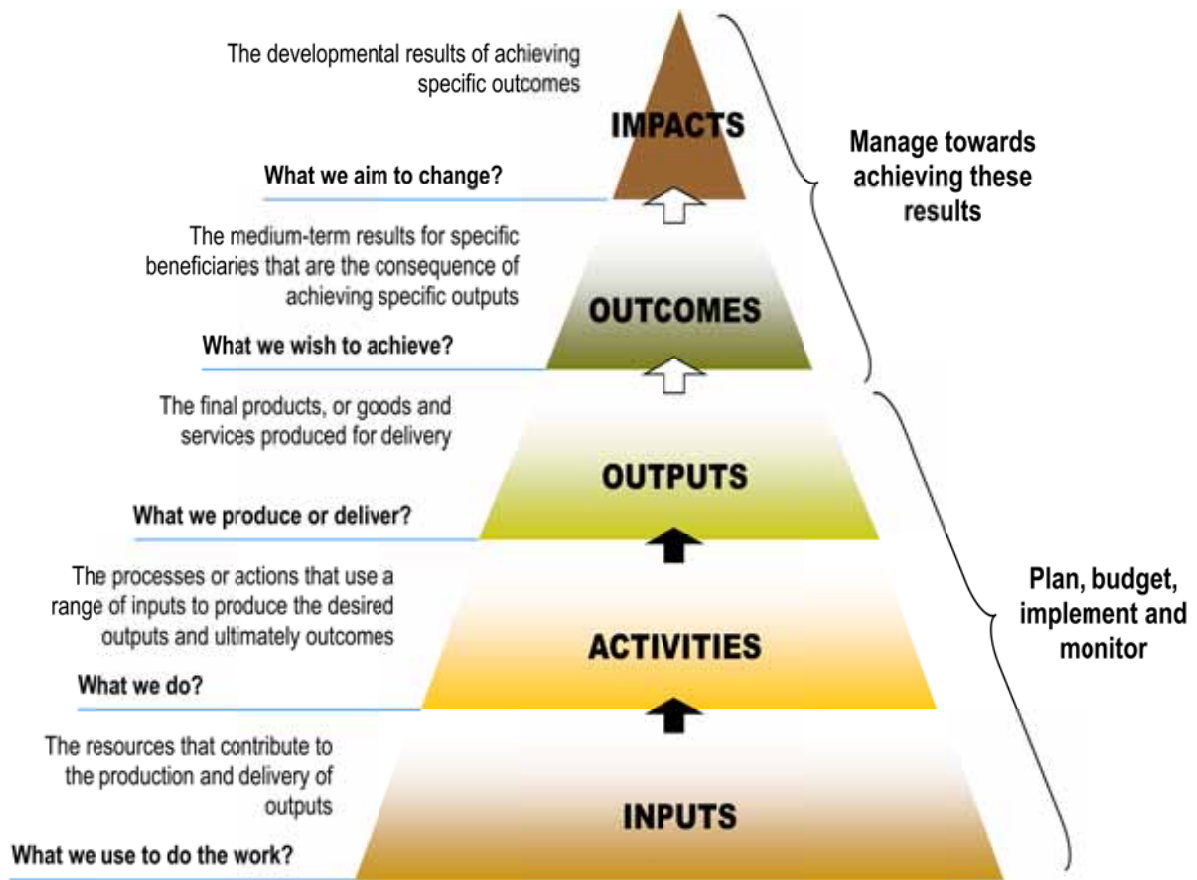


Figure 4 Definition of performance information concepts

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

Table 23 MBRR Table SA7 - Measurable performance objectives

Description	Unit of measurement	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue &		
		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
KPA1: Infrastructure Development and Service Delivery										
Strategic Priority 3 Inclusive Programme to build Economic and Social Infrastructure										
To promote sustainable Rural Development across the District										
Progress report on Land Reform Programme								1		
Progress Report on implementation of the CACP								1		
To promote an integration between Spatial Planning and Transportation Planning to achieve sustainable Human Settlements										
Revised Physical Planning Strategy								1		
Report on status of LVMS across the District								1		
Progress Report on implementation of the Strategy								2		
Report on the motorable Programme								1		
Progress report on the implementation of the Strategy								2		
Progress report on the implementation of the Plan								1		
To ensure that every household has security of tenure by 2015										
Progress report on upgrading of Land Tenure Projects								2		
To establish an integrated fully operational web-based GIS throughout the District										
Progress reports on implementation of GIS Strategy								4		
Strategic Priority 8 Sustainable Resource Management and Use										
To ensure provision of adequate portable water to all by within NDM by 2015										
Council Resolution accompanied by the revised Water Master Plan								1		
Report on Free basic water provision								4		
To ensure provisioning of adequate Sanitation to all within NDM BY 2015										
Report on Free basic sanitation provision								4		
To facilitate an efficient, competitive and responsive economic infrastructure network across the District										
Report on implementation of capital projects								4		
To provide an effective and sustainable Infrastructure maintenance Plans										
Report on the status of water purification and water treatment works								2		
To ensure provision of adequate portable water to all by within NDM by 2015										
Report on blue dip certification for WSA4								2		
To ensure provisioning of adequate Sanitation to all within NDM BY 2015										
Report on blue dip certification for WSA4										
To ensure provision of Electricity to all communities by 2012										
Report on support provided to Local Municipalities								2		
To facilitate increased mobility and accessibility across the District										
Report on road maintenance in Thembeke Hani Local Municipality								4		
Report on standardised road specification								1		
Review Road maintenance function in Thembeke Hani Local Municipality										
Report on capacity of Thembeke Hani Local Municipality road maintenance								1		

Description	Unit of measurement	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue &		
		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
KPA 2: Local Economic Development										
Strategic Priority 1 Speeding up growth and transforming the Economy to create decent work and sustainable livelihoods										
To grow the District Economy to achieve year – on – year growth rate										
Council Resolutions accompanied the requisite Economic Development Strategies								2		
Feasibility study for the LED initiatives								1		
Report on Strategic Partnerships established								2		
Report on Development of respective Sectors								2		
Progress Report on implementation of the Growth and Development Summit Agreements								2		
Report on approved planning application processes								3		
Progress report on implementation of the Resolutions of the Summit								1		
Council Resolution accompanied by the new Growth Path										
To ensure efficient, competitive and responsive economic infrastructure network										
An extract from the SCF on Commuter Rail Corridor								1		
To halve Poverty and Unemployment by 50% by 2015										
Report on number of jobs created through Capital Projects								2		
Report on the level of poverty in the District								1		
Strategic Priority 3: Comprehensive Rural Development Strategy linked to Land and Agrarian reform and food security										
To facilitate availability of Land for Economic Development										
Report on State Land transferred to Municipalities for Economic Development								1		
To facilitate creation of vibrant, equitable and sustainable rural communities and food security										
Council Resolution accompanied by the Strategy								1		
Report on Rural Development initiatives in the District								3		
To facilitate availability of Land for Economic Development										
Progress report on transfer of state Land within Dr JB Moyo and Thembaile Mari								2		
To ensure adequate transport systems for the efficient movement of people & goods										
Council Resolution accompanied by Road Safety Strategy								1		
Freight Management /MSHAZIMAT								1		
To integrate Public Transport services by 2015										
Report on provisioning of multi-modal Public Transport								1		
Council Resolutions accompanied by the Public Service Plans								1		
Strategic Priority 7 Building cohesive, caring and sustainable communities										
To facilitate upbringing of skilled, healthy and vibrant youth in the district										
Report on establishment of Youth Cooperatives								2		

Description	Unit of measurement	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue &		
		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
KPA 3: Financial Viability										
Strategic Priority 9 Sustainable Resource Management and Use										
To strengthen the administrative and Financial capacity of the District										
Reports on Financial Performance of LMs								4		
Report on shared services								2		
Quarterly Financial Reports								4		
Monthly Financial Reports								12		
Report on Budget Regulation implementation								4		
Report on the Audit opinions of all Municipalities in the District								1		
Council Resolutions accompanied by Revised Policies								2		
To improve effectiveness in Municipal Revenue generation and Financial Management										
Progress Report on installation of Water Meters								2		

Description	Unit of measurement	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue &		
		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
KPA 4: Institutional Deployment and Municipal Transformation										
Strategic Priority 4 Strengthen the Skills and Human Resource Base										
To entrench a culture of Development-oriented Municipal Governance and inclusive citizenship										
Report on functionality of Sectoral Fora within the District								5		
Report on the Status of the District's PMS								1		
Report on number of LMs having adopted Performance Management Framework								1		
Facilitate improvement of the local supply of critical and scarce skills in order to reduce reliance on imported skills and create more opportunities for the communities to take up available opportunities										
Resolution accompanied by the revised employment equity Plan								1		
Council Resolution accompanied by revised HRD Strategy								1		
Report on training of personnel towards attainment of minimum competencies								2		
Number of interns employed by the District								3		
Lobbying the Private Sector to Adopt Local Schools and organise campaigns to ascertain the "Future after Grade 12"										
Report on number of learners recruited through the Learnership programme								1		
Strategic Priority 3 Improve the Health Profile of all South Africans										
To ensure sustained building of a Healthy Team within the employ of Nkangala										
Report on implementation of the EAP								1		
Strategic Priority 6 Intensify the fight against Crime and Corruption										
To facilitate creation of ethically efficient, effective, excellent and sustainable Organization										
Progress report on implementation of Fraud and Corruption Policies								1		

Description	Unit of measurement	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue &		
		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
KPA 4: Institutional Deployment and Municipal Transformation										
Strategic Priority 18: Building a Developmental State including improvement of Public Services and Strengthening Democratic Institutions										
To ensure a responsive, accountable, effective and efficient Local Governance system										
Council Resolution accompanied by the Framework Plan								1		
Report on IDP Analysis by CGTA								1		
Report on participation of Ward Committees in the Municipal IDP and Budget processes								2		
Strategic Priority 6 Intensely the fight against Crime and Corruption										
To advocate for the achievement of universal access to quality basic education										
Report on District Education Indaba Expo								2		
Strategic Priority 18: Building a Developmental State including improvement of Public Services and Strengthening Democratic Institutions										
To advocate finalisation of outstanding matters pertaining to powers, duties and functions between the three spheres of government										
Report on interactions held								2		
Report on Organizational Study								1		
To facilitate the process of ensuring cooperation between traditional leadership and municipal councils within the District										
Report on participation in Council meetings								3		
To Strengthen Participatory Governance throughout the District										
Attendance Registers and Minutes of the meeting								4		
Attendance Registers and Minutes of the meeting								4		
To facilitate creation of a pool of skilled and capable workforce to support inclusive growth										
Report on appointment of interns								1		
Report on Work Study								1		
To continually review and ensure optimal usage of all the ICT systems with Nkangala District Municipality viz GIS, EDMS, Intranet, Website, financial and HR and project management systems and other systems										
Minutes of the Steering Committee with signed Attendance registers								4		
Report on Support and capacitating of ICT users								1		
Report on Maintenance of ICT systems										
Report on the Upgrade of NDM Website								1		
Installation of network cables and voice/data facilities at KwaMhlanga fire station										
Report on Implementation and maintenance of DRPECP								1		

Description	Unit of measurement	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue &		
		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
KPA 5: Good Governance and Public Participation										
Strategic Priority 7 Building Cohesive caring and Sustainable Communities.										
To facilitate the upbringing of skilled, healthy and vibrant Youth and Women in the District										
Council Resolution on Women Summit Report/Women Summit Implementation Report								1		
Report on progress made towards the implementation of the summit resolutions								6		
Report on participation of Women in the IDP processes								1		
Comprehensive Report on participation of Youth of Municipal IDP Processes								1		
To facilitate the upbringing of skilled, healthy and vibrant Youth in the District										
Council approved strategy								1		
Programme of action								4		
Council resolutions on the Youth Summit report								1		
To ensure mainstreaming of designated groups through Integrated Planning within the District										
Report on the soccer tournament								2		
To facilitate creation of awareness of cultural diversity										
Database of names to be added to the cenotaph								1		
Copy of Appointment Letter								1		
Council Resolution								1		
Council Resolution accompanied by the Close-up report of the Indaba								1		
Council Resolution								4		
Council Resolution accompanied by the close-up report on Mbral Regeneration								1		

Description	Unit of measurement	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue &		
		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
KPA 3: Good Governance and Public Participation										
To ensure provision and standardization of fire services within the District										
Quarterly Report on the functionality of the District Disaster Management Centre								4		
To ensure provision and standardization of fire services within the District										
An approved strategy								1		
Attendance Registers										
Report on procurement of equipment in support to LMs								6		
Progress reports on construction of the Station								2		
Report on Training programme								3		
Report on awareness programme								4		
Strategic Priority 6 Intensely the fight against Crime and Corruption										
To minimize the level of District's Risk exposure										
Council Resolution on the risk assessment								1		
Council resolution accompanied by the plan								1		
Strategic Priority 5: Improve the Health profile of the South African										
Ensure appropriate Municipal Health Services are effectively and equitably rendered in all the Municipalities within the District										
6 Appointment letters								6		
Report on No of samples conducted								Minimum of 200 samples		
To reduce the impact of HIV/AIDS in the District										
DAC Induction Report								Programme of action adopted		

Description	Unit of measurement	2007/8	2008/9	2009/10	Current Year 2010/11			2011/12 Medium Term Revenue &		
		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
KPA 3: Good Governance and Public Participation										
Strategic Priority 9 Sustainable Resource Management and Use										
To facilitate protection and enhancement of Environmental sustainability										
Council Resolution accompanied by the EMP Report								1		
The Report on the Section 78 Investigation and Implementation Plan on AEL Function completed								1		
Appointment of a Service Provider in respect of NDM Climate Change Management and Mitigation Strategy								1		
Climate Change Summit Report noted by Council								1		
To facilitate creation of waste free neighbourhoods across the District										
A minimum of 2 strategies from the NDM's Integrated Waste Management Plan (IWMP) implemented								2		
A minimum of 2 of NDM's Integrated Waste Management Plan (IWMP) strategies on waste collection equipment and vehicles implemented								2		
A minimum of 2 of NDM's SCER recommendations fully implemented								2		
Strategic Priority 3 Inclusive Programme to build Economic and Social Infrastructure										
To facilitate sustainable Human Settlement and improved quality of household life										
Report on % of land used for housing across the District								2		
Council Resolution accompanied by the strategy document								1		
Council Resolution accompanied by the revised IHST								1		
Strategic Priority 10: Building a Developmental State including improvement of Public Services and Strengthening Democratic Institutions										
To Strengthen Participatory Governance throughout the District										
Report on the launch of WC								1		
Report on the training of WCs								1		
Consolidated Quarterly WC Reports received								3		
Report on the WC & CDWs Conference								1		
Report on integration of CDWs within WCs								1		
Reports on Community Outreach Programme								2		
To ensure effective Branding of NDM and communication with all its stakeholders										
Copies of the advertisements								5		
Copies of the compiled and distributed District Wide Newsletter								2		
Report on development of Promotional Items and Brochure								1		
Revised Communication and community participation Strategy								1		

The following table sets out the municipalities main performance objectives and benchmarks for the 2011/12 MTREF.

Table 24 MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	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
Borrowing Management											
Borrowing to Asset Ratio	Total Long-Term Borrowing/Total Assets	13.9%	9.2%	6.9%	12.4%	12.2%	6.7%	6.1%	9.9%	8.4%	7.9%
Credit Rating		Net = AA- INT NAT = BBB+	Net = AA- INT NAT = BBB+	Net = AA- INT NAT = BBB+	Net = AA- INT NAT = BBB+	Net = AA- INT NAT = BBB+	Net = AA- INT NAT = BBB+	Net = AA- INT NAT = BBB+			
Capital Charges to Operating Expenditure	Interest & Principal Paid/Operating Expenditure	3.5%	3.8%	4.5%	0.9%	0.9%	1.4%	1.4%	0.8%	1.5%	1.5%
Borrowed funding of own capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Debt to Equity	Loans, Creditors, Overdraft & Tax Provision/ Funds & Reserves	33.1%	18.7%	15.6%	24.1%	23.6%	11.6%	10.4%	16.2%	15.3%	14.6%
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	6.0	14.4	14.9	13.0	13.1	29.1	30.0	18.6	18.9	19.8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	6.0	14.4	14.9	13.0	13.1	29.0	33.0	18.6	18.9	19.8
Liquidity Ratio	Monetary Assets/Current Liabilities	6.0	10.8	10.0	4.4	4.5	20.4	24.3	10.0	10.3	10.8
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	100.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	3.3%	2.1%	9.1%	1.6%	1.6%	1.6%	2.2%	1.5%	1.4%	1.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Debtors System Efficiency	% of Creditors Paid Within Terms (within MPMA s 65(a))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Funding of Provisions											
Provisions not funded - %	Unfunded Provis. /Total Provisions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Indicators											
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	8.8%	7.6%	6.6%	20.8%	13.6%	11.0%	6.9%	21.5%	23.3%	24.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	11.5%	10.2%	12.3%	24.9%	16.8%	15.0%		27.2%	28.1%	28.4%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	3.0%	3.2%	3.1%	3.2%	3.0%	3.6%	2.2%	2.7%	2.6%	2.5%
IDP regulation financial stability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	1.2	1.4	1.7	1.0	1.0	1.0	0.5	0.9	0.9	1.0
ii. D/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.0%	2680.7%	3181288.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
iii. Cost coverage	(Available cash + investments)/monthly fixed operational expenditure	25.2	34.8	33.8	3.0	2.1	20.9	39.7	3.1	6.0	9.9

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely

dependent on its creditworthiness and financial position. As with all other municipalities, Nkangala District Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the District's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2011/12 MTREF:

- *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality. While this ratio is decreasing over the MTREF from 8.9 per cent in 2011/12 to 7.9 per cent in 2013/14, it needs to be noted that the increased capital grants and transfers has contributed to the decrease and must not be considered a measure on borrowing capacity in isolation of other ratios and measures.
- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing has steadily decreased from 3.5 per cent in 2007/08 to 1.4 per cent in 2010/11. This decrease can be attributed to the fact that the District decided not to take up more loans. It is estimated that the cost of borrowing as a percentage of the operating expenditure will stabilise at 1.5 per cent at the end of the MTREF.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over MTREF is 64 per cent.

The District's debt profile provides some interesting insights on the District's future borrowing capacity. Firstly, the use of amortising loans leads to high debt service costs at the beginning of the loan, which declines steadily towards the end of the loan's term.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the District to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs.

2.3.1.2 Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors and tax provisions as a percentage of funds and reserves. In the 2009/10 financial year the ratio is at a level 15.6 per cent and remains relatively stable at 14.6 in the 2013/14 financial year.

2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the District has set a limit of 1, hence at no point in time should this ratio be less than 1. The 2009/10 current ratio of the District is 14.9 per cent. For the 2011/12 MTREF the current ratio is 18.6 in the 2011/12 financial year and 18.9 and 19.6 for the two outer years of the MTREF respectively.

- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2010/11 financial year the ratio was 4.5 and as part of the financial planning strategy it has been increased to 10 in the 2011/12 financial year.

2.3.1.4 Revenue Management

- With the abolishment of the RSC Levies the outstanding debtors has declined to a point where the total outstanding debtors to annual revenue is very positive. The estimated ratio for 2011/12 is 1.5 per cent and remains stable at 1.4 per cent for the two outer years.

2.3.1.5 Creditors Management

- The District has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the District, which is expected to benefit the District in the form of more competitive pricing of tenders, as suppliers compete for the District's business.

2.3.1.6 Other Indicators

- Employee costs as a percentage of operating revenue continues to remain stable at 21.5 per cent for the 2011/12 budget year and 24.3 for the 2013/14 budget year.
- Repairs and maintenance as percentage of operating revenue is very low as the District has only the office building and Thembisile Hani roads as infrastructure assets.
- The filling of vacancies has commenced and the Finance department will embark on a training programme to ensure compliance with minimum competency requirements;

2.4 Overview of budget related-policies

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

2.4.1 Review of credit control and debt collection procedures/policies

The Credit Control and Debt Collection Policy as approved by Council in October 2003 and will be review in the 2011/12 year. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions will include the lowering of the credit periods for the down payment of debt.

The 2011/12 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 99 per cent on debtors. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the District's cash levels.

2.4.2 Asset Management Policy

The asset management policy was adopted by Council in August 2002. The policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment. The depreciation and capitalization of assets are dealt with in terms of this policy.

Provision has been made to review all budget related policies in the 2011/12 year.

2.4.3 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in October 2006. An amended policy will be adopted by Council in August 2008. The policy provides for processes to be followed in the procurement of goods and services. The principles of this policy is to give effect to a fair, equitable, transparent, competitive and cost effective system for the procurement of goods and services, disposing of goods and selection of contractors in the provision of municipal services.

Provision has been made to review all budget related policies in the 2011/12 year

2.4.4 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the District's system of delegations. The Budget and Virement Policy will be considered by Council in 2011/12.

2.4.5 Cash Management and Investment Policy

The policy provides for the management of cash and investment of surplus funds. The aim of the policy is to ensure that surplus cash and investments are adequately managed especially the funds set aside for the cash banking of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduce time frames to achieve certain benchmarks. This policy was adopted by Council in March 2005

2.4.6 Donation Policy

The policy provides for the conditions and procedures for which donations can be made and accounted for.

2.4.7 Fraud and Corruption Prevention Policy

The policy provides for the mitigating, preventing, and reporting any corrupt or fraudulent activities.

All the above policies are available on the District's website, as well as the following budget related policies:

- Budget - Allocation to local municipalities;
- Accounting Policies;
- Asset Capitalisation Policy;
- Audit Charter;
- Vehicle replacement Policy;
- Subsistence Policy;
- Performance Bonus Policy;
- EPWP learnership Programme;

2.5 Overview of budget assumptions

2.5.1 External factors

Domestically, after five years of strong growth, during which about two million jobs were created, our economy shrank by an estimated 1.8 per cent last year and about 900 000 people lost their jobs. It is expected that recovery from this deterioration will be slow and uneven, and that growth for 2011 will be 2.3 per cent rising to 3.6 per cent by 2012.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2011/12 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on District's residents and businesses;
- The impact of municipal cost drivers; and
- The increase in the cost of remuneration. Employee related costs comprise 10.76 per cent of total operating expenditure in the 2011/12 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget. The wage agreement SALGBC concluded with the municipal workers unions on 31 July 2009 as well as the categorisation and job evaluation wage curves collective agreement signed on 21 April 2010 must be noted.

2.5.3 Credit rating outlook

Table 25 Credit rating outlook

Security class	Currency	Rating	Annual rating 2009/10	Previous Rating
National Short Term	Rand	F1+	31 March 2011	F1
National Long Term	Rand	AA-	31 March 2011	AA-
International	ZAR	BBB+	31 March 2011	BBB+

The Districts credit rating was done by Fitch Ratings, an international credit rating firm.

Fitch's Ratings provide a relative measure of creditworthiness for rated entities in countries with relatively low international sovereign ratings and where there is demand for such ratings. The best risk within a country is rated 'AAA' and other credits are rated only relative to this risk. National ratings are designed for use mainly by local investors in local markets and are signified by the addition of an identifier for the country concerned, such as 'AAA(zaf)' for National ratings in South Africa.

2.5.4 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The District engaged in a number of financing arrangements to minimise its interest rate costs and risk. However, in 2011/12 MTREF is based on the assumption that no additional borrowings are undertaken.

2.5.5 Collection rate for revenue services

The rate of revenue collection is currently expressed as a percentage (99 per cent) of budgeted income. Cash flow is assumed to be 99 per cent of budgeted income.

2.5.6 Salary increases

The collective agreement regarding salaries/wages came into operation on 1 July 2009 and shall remain in force until 30 June 2012. Year three is an across the board increase of 8.54 per cent.

2.5.7 Impact of national, provincial and local policies

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

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

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

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

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 98 per cent on the capital programme for the 2011/12 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

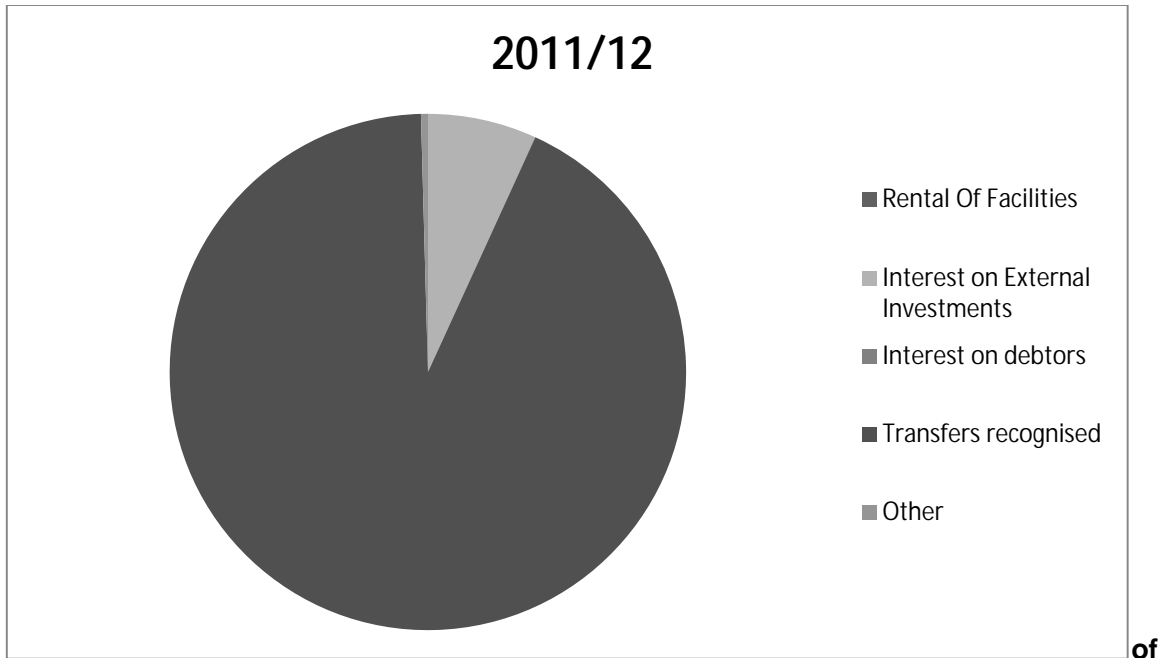
The following table is a breakdown of the operating revenue over the medium-term:

Table 26 Breakdown of the operating revenue over the medium-term

Description	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue &		
	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										
Rental of facilities and equipment	0	215044	1	0	0	0	0	0	0	0
Interest earned - external investments	22967319.48	39179690	34,074	20850000	20850000	24981827.21	10409094.67	22125000	23452500	24859650
Interest earned - outstanding debtors	220577.55	16412	2	97000	97000	0	0	103000	109180	115730.3
Agency services		14138	178							
Transfers recognised - operational	218601063.7	351825228	269,775	283182000	283182000	284426400	212984371	301585000	320117000	334013000
Other revenue	27832659.19	13111403	2,892	1311000	1311000	3785955.848	1589148.27	1384000	1467040	1555082.4
Gains on disposal of PPE										
Total Revenue (excluding capital transfers and contributions)	269,622	384,363	386,921	385,429	385,429	313,174	224,963	325,297	345,146	369,543

The following graph is a breakdown of the operational revenue per main category for the 2011/12 financial year.

Figure 5 Breakdown operating revenue over the 2011/12 MTREF



Operating Grants form a significant percentage of the revenue basket for the District. In the 2011/12 financial year, the operating grants totalled R301,6 million or 92.74 per cent. This increases to R320,12 million and R334,01 million in the respective financial years of the MTREF.

Investment revenue is the second largest revenue source totalling 6.83 per cent or R20,85 million and increases to R24,59 million by 2013/14. The third largest sources is 'other revenue' which consists of various items such as income received from discounts, sale of tender documents and sundry income

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

Table 27 MBRR SA15 – Detail Investment Information

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 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		255,032	388,142	433,660	100,993	102,930	449,684	227,536	232,792	237,424
Municipality sub-total	1	255,032	388,142	433,660	100,993	102,930	449,684	227,536	232,792	237,424
Entities										
Securities - National Government Listed Corporate Bonds Deposits - Bank Deposits - Public Investment Commissioners Deposits - Corporation for Public Deposits Bankers Acceptance Certificates Negotiable Certificates of Deposit - Banks Guaranteed Endowment Policies (sinking) Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		255,032	388,142	433,660	100,993	102,930	449,684	227,536	232,792	237,424

Table 28 MBRR SA16 – Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of investment	Expiry date of investment	Monetary value	Interest to be realised
		Name of institution & investment ID			Yrs/Months	Rand thousand
Parent municipality						
4 Major Banks		Call	Call		203,806	
4 Major Banks		30 Days	Short term	31 May 2011	129,000	1,950
4 Major Banks		60 days	Short term	30 June 2011	129,056	1,757
Investec		5 years	Long term	30 June 2013	6,185	
Investec		5Years	Long term	30 June 2015	25,000	
Municipality sub-total					495,047	3,707
Entities						
Entities sub-total					-	-
TOTAL INVESTMENTS AND INTEREST	1				495,047	3,707

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted surplus to be invested. This surplus is intended to partly fund contribution to local municipalities from own sources as well as ensure adequate cash backing of reserves and funds.

Operating Grants form a significant percentage of the revenue basket for the District. In the 2011/12 financial year, the operating grants totalled R301,595 million or 92.74 per cent. This increases to R320,117 million and R334,013 million in the respective financial years of the MTREF. Operating Grants includes the RSC Levy Replacement, local government equitable share and other operating grants from national government.

Investment revenue is the second largest revenue source totalling 6.83 per cent or R20,850 million and increases to R24,590 million by 2013/14. The third largest sources is 'other revenue' which consists of various items such as income received from discounts, sale of tender documents and sundry income.

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

Table 29 MBRR Table SA 17 - Detail of borrowings

Borrowing - Categorized by 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										
Long-Term Loans (annuity/reducing balance)		67,445	62,380	57,936	54,934	54,934	54,403	52,134	53,513	51,213
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	67,445	62,380	57,936	54,934	54,934	54,403	52,134	53,513	51,213
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	67,445	62,380	57,936	54,934	54,934	54,403	52,134	53,513	51,213

The following graph illustrates the growth in outstanding borrowing for the 2007/08 to 2013/14 period.

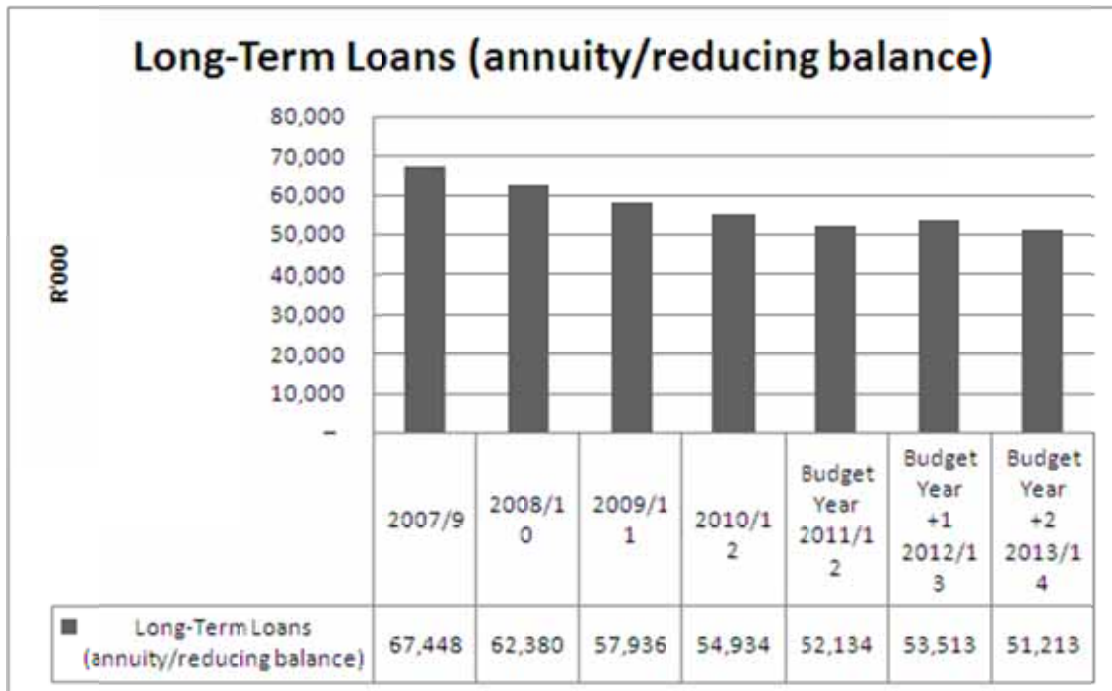


Figure 6 Decline in outstanding borrowing (long-term liabilities)

Table 30 MBRR Table SA 18 - Capital 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
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		216,790	250,224	269,708	283,162	283,162	284,426	301,595	320,117	334,013
Local Government Equitable Share		2,858	8,710	11,114	16,858	16,858	16,858	19,468	20,636	20,883
RSC Levy Replacement		212,719	239,308	256,825	264,554	264,554	264,554	272,506	280,881	289,101
Finance Management		228	772	750	1,000	1,000	-	1,250	1,250	1,500
Municipal Systems Improvement		906	1,433	735	750	750	1,800	1,000	1,000	1,000
Water Services Operating Subsidy		-	-	-	-	-	-	1,000	15,000	20,000
Integrated National Electrification Programme		-	-	-	-	-	-	1,508	1,550	1,529
EPWP Incentive		-	-	285	-	-	1,214	4,863	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
EPWP Incentive		-	-	-	-	-	-	-	-	-
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	216,790	250,224	269,708	283,162	283,162	284,426	301,595	320,117	334,013
Capital Transfers and Grants										
National Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert desc]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	-	-	-	-	-	-	-	-	-
TOTAL RECEIPTS OF TRANSFERS & GRANTS		216,790	250,224	269,708	283,162	283,162	284,426	301,595	320,117	334,013

2.6.2 Cash Flow Management

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

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

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

Table 31 MBRR Table A7 - Budget cash flow statement

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
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		-	13,342	3,070	1,311	1,311	3,766	1,566	1,364	1,467	1,555
Government - operating	1	221,895	251,825	269,775	263,162	263,162	284,426	212,964	301,565	320,117	334,013
Government - capital	1										
Interest		5,645	38,417	34,076	20,947	20,947	24,662	10,406	22,228	23,562	24,975
Dividends											
Payments											
Suppliers and employees		(69,388)	(62,401)	(127,413)	(133,615)	(110,171)	(66,608)	(27,783)	(165,434)	(148,211)	(160,666)
Finance charges		(4,110)	(3,744)	(3,536)	(4,420)	(4,420)	(3,850)	(1,821)	(3,000)	(2,700)	(2,400)
Transfers and Grants	1	(265,877)	(100,006)	(115,633)	(492,353)	(506,602)	(200,940)	(97,056)	(438,126)	(176,665)	(179,663)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(152,836)	137,432	69,339	(324,968)	(315,774)	33,737	106,530	(261,352)	16,559	17,794
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE											
Decrease (increase) in non-current debtors			93								
Decrease (increase) other non-current receivables			2,000	(672)							
Decrease (increase) in non-current investments											
Payments											
Capital issues		(9,305)	(9,062)	(5,076)	(20,128)	(27,365)	(21,630)	(9,013)	(36,007)	(7,894)	(8,363)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(9,305)	(6,969)	(5,948)	(20,128)	(27,365)	(21,630)	(9,013)	(36,007)	(7,894)	(8,363)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/financing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing		(1,250)	(5,068)	(4,444)	(1,489)	(1,489)	-	-	(2,290)	(2,400)	(2,600)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1,250)	(5,068)	(4,444)	(1,489)	(1,489)	-	-	(2,290)	(2,400)	(2,600)
NET INCREASE/ (DECREASE) IN CASH HELD		(169,392)	125,396	49,947	(346,585)	(344,648)	12,106	99,518	(319,559)	6,256	6,631
Cash/cash equivalents at the year begin:	2	432,442	269,959	394,446	444,393	444,393	444,393	444,393	343,919	224,351	239,697
Cash/cash equivalents at the year end:	2	269,050	394,446	444,393	97,808	99,745	456,499	543,910	224,351	239,697	237,239

The budgeted cash flow statement is the first measurement in determining if the budget is funded.

It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

It can be seen that the cash levels of the District raised from R269 million over the 2007/08 to R444.4 million in 2009/10 period owing directly to a net increase in cash for the 2008/09 and 2009/10 financial years of R175.4 million.

The approved 2010/11 MTREF provide for a further net decrease in cash of R344.6 million for the 2010/11 financial year resulting in an overall projected positive cash position of R99.7 million at year end.

Cash and cash equivalents totals R224.3 million as at the end of the 2011/12 financial year and escalates to R237.2 million by 2013/14.

2.6.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

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

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

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

Table 32 MBRR 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	269,050	354,445	444,393	97,800	99,745	458,499	543,910	224,351	230,607	237,299
Other current investments - > 90 days		0	-	0	-	-	-	-	-	-	-
Non current assets - investments	1	8,500	7,313	8,165	8,165	8,165	8,165	8,165	8,165	8,165	8,165
Cash and investments available:		277,550	461,758	452,558	105,965	107,910	466,664	552,076	232,516	238,772	245,464
Application of cash and investments											
Unspent conditional transfers		1,586	801	806	-	-	-	-	-	-	-
Unspent bonding											
Statutory requirements	2										
Other working capital requirements	3	29,532	22,818	8,339	9,973	9,893	11,887	14,145	10,695	10,730	10,173
Other provisions											
Long term investments committed	4	5,500	7,313	8,165	8,165	8,165	8,165	8,165	8,165	8,165	8,165
Reserves to be backed by cash/investments	5	568	480								
Total Application of cash and investments:		39,187	31,192	17,333	18,158	18,078	29,972	22,333	18,860	18,915	18,338
Surplus(shortfall)		238,363	430,567	435,225	87,807	89,832	436,692	529,743	213,656	219,857	227,126

From the above table it can be seen that the cash and investments available total R213,656 million in the 2011/12 financial year and progressively increase to R2.4 billion by 2013/14, including the projected cash and cash equivalents as determined in the cash flow forecast. The following is a breakdown of the application of this funding:

- The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
- In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
- The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".

- Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
- From the table it can be seen that for the period 2007/08 to 2010/11 the surplus raised from R238.4 million to R444.4 million.
- Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2010/11 MTREF was sufficiently funded.
- As part of the budgeting and planning guidelines that informed the compilation of the 2011/12 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.

The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven year perspective.

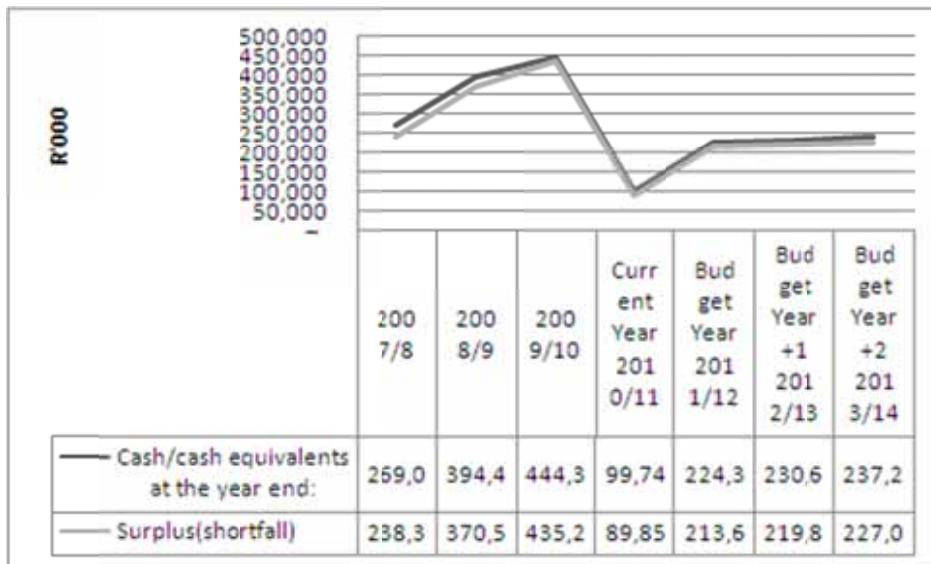


Figure 7 Cash and cash equivalents / Cash backed reserves and accumulated funds

2.6.4 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 33 MBRR SA10 – Funding compliance 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	289,050	394,445	444,383	97,806	99,745	458,499	543,910	224,351	230,607	237,239
Cash + investments at the yr end less applications - R'000	18(1)(b)	2	238,363	370,567	435,245	87,835	89,952	444,512	529,763	213,656	219,877	227,066
Cash year end/monthly employee/supplier payments	18(1)(b)	3	25.2	34.8	33.8	2.0	2.1	20.9	59.7	5.1	9.9	9.8
Surplus/(Deficit) excluding depreciation offset: R'000	18(1)	4	125,890	148,767	131,479	(330,508)	(323,251)	25,833	105,237	(287,284)	10,294	11,183
Service charge rev % change - macro CPIX target exclusive	18(1)(a),(2)	5	N.A.	(8.0%)	(8.0%)	(8.0%)	(8.0%)	(8.0%)	(8.0%)	(8.0%)	(8.0%)	(8.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)(a),(2)	6	0.0%	82.4%	12.5%	(1647.2%)	(1647.2%)	(508.2%)	(1396%)	100.0%	100.0%	100.0%
Debt impairment expense as a % of total billable revenue	18(1)(a),(2)	7	0.0%	0.0%	374.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital payments % of capital expenditure	18(1)(c),(8)	8	(202.2%)	144.7%	94.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)(c)	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)(a)	10								0.0%	0.0%	0.0%
Current consumer debtors % change - in/ordior	18(1)(a)	11	N.A.	(27.9%)	333.3%	(82.1%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Long term receivables % change - in/ordior	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 Priority Plant & Equipment	20(1)(v)	13	1.3%	1.2%	2.0%	5.2%	4.2%	3.2%	8.2%	5.0%	5.2%	0.0%
Asset renewals % of capital budget	20(1)(v)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

2.6.4.1 Cash/cash equivalent position

The District's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2011/12 MTREF shows R224,4 million, R230.6 million and R237.2 million for each respective financial year.

2.6.4.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 25, on page 25. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.4.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality

be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the District to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection. The ratio has been increasing for the period 2007/08 to 2010/11, moving from 25.2 to 33.8 with the adopted 2010/11 MTREF. As part of the 2011/12 MTREF the municipalities improving Project expenditure the cash position causes the ratio to down to 5.1 and then raises to 9.9 for the 2012/13 and move slightly downwards to 9.8 in the 2013/14 year. It can be concluded that the District maintains a stable cash position.

2.6.4.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs.

The surplus excluding depreciation offsets raises from R125.9 million in 2007/2008 to R131,5 million in 2009/10. It should be noted that the deficit of R287.6 million estimated in 2011/12 is mainly due to the current commitments on contributions to local municipalities, which is funded from accumulated surpluses.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.6.4.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

This ratio does not apply to the District as no property rates /service charges is collected by the District.

2.6.4.6 Cash receipts as a percentage of other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 100 per cent for each of the respective financial years. Given that the assumed collection rate was based on a 99 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

2.6.4.7 Debt impairment expense as a percentage of billable revenue

With effect from 1 July 2006 RSC levies were abolished and replaced with a transitional replacement grant and the District has no billable revenue.

2.6.4.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

2.6.4.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. No additional borrowings are undertaken.

2.6.4.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The District has budgeted for all transfers.

2.6.4.11 Consumer debtors change (Current and Non-current)

The purpose of these measures are to ascertain whether budgeted reductions in outstanding consumer debtors are realistic. With effect from 1 July 2006 RSC levies were abolished and replaced with a transitional replacement grant and the District has no consumer debtors.

2.6.4.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the District's strategy pertaining to asset management and repairs and maintenance is contained in Table 60 MBRR SA34C on page 90.

2.6.4.13 Asset renewal/rehabilitation expenditure level

The District's only infrastructure assets are the office building and Thembisile Hani roads. The District has budgeted R5 million to renew the office building. This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 59 MBRR SA34b on page 89.

2.7 Expenditure on grants and reconciliations of unspent funds

Table 34 MBRR SA19 - Expenditure on transfers and grant programmes

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										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		216,790	250,224	269,700	283,162	283,162	284,426	301,595	320,117	334,013
Local Government Equitable Share		2,850	8,710	11,114	16,650	16,650	16,650	19,460	20,538	20,883
RSC Levy Replacement		212,719	239,308	256,825	264,554	264,554	264,554	272,506	280,681	289,101
Finance Management		220	772	750	1,000	1,000	-	1,250	1,250	1,500
Municipal Systems Improvement		986	1,433	735	750	750	1,800	1,000	1,000	1,000
Water Services Operating Subsidy		-	-	-	-	-	-	1,000	15,000	20,000
Integrated National Electrification Programme		-	-	-	-	-	-	1,500	1,550	1,529
EPWP Incentive		-	-	285	-	-	1,214	4,863	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
EPWP Incentive		-	-	-	-	-	-	-	-	-
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants		216,790	250,224	269,700	283,162	283,162	284,426	301,595	320,117	334,013
Capital expenditure of Transfers and Grants										
National Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert desc]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		216,790	250,224	269,700	283,162	283,162	284,426	301,595	320,117	334,013

Table 35 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

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										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts		216,790	250,224	269,708	263,162	263,162	264,426	301,595	320,117	334,013
Conditions met - transferred to revenue		216,790	250,224	269,708	263,162	263,162	264,426	301,595	320,117	334,013
Conditions still to be met - transferred to liabilities		-	-	-	-	-	-	-	-	-
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		216,790	250,224	269,708	263,162	263,162	264,426	301,595	320,117	334,013
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		-	-	-	-	-	-	-	-	-
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		216,790	250,224	269,708	263,162	263,162	264,426	301,595	320,117	334,013
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

2.8 Councillor and employee benefits

Table 36 MBRR SA22 - Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration	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
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Salary		7,268	8,128	8,529	12,501	9,930	9,905	8,579	10,528	11,485
Pension Contributions										
Medical Aid Contributions										
Motor vehicle allowance								2,352	2,365	2,796
Cell phone allowance								338	372	465
Housing allowance										
Other benefits or allowances										
In-kind benefits										
Sub Total - Councillors		7,268	8,128	8,529	12,581	9,938	9,905	12,248	13,473	14,686
% increase	4		11.8%	4.9%	46.8%	(9.8%)	(9.3%)	23.7%	18.9%	9.8%
Senior Managers of the Municipality	2									
Salary								5,308	5,835	6,260
Pension Contributions										
Medical Aid Contributions										
Motor vehicle allowance										
Cell phone allowance										
Housing allowance										
Performance Bonus								757	832	907
Other benefits or allowances										
In-kind benefits										
Sub Total - Senior Managers of Municipality		-	-	-	-	-	-	6,065	6,667	7,267
% increase	4		-	-	-	-	-	-	18.9%	9.8%
Other Municipal Staff										
Basic Salaries and Wages		23,646	23,021	29,344	63,599	41,432	37,195	44,091	49,448	53,696
Pension Contributions								4,368	4,606	5,238
Medical Aid Contributions								3,572	3,500	4,283
Motor vehicle allowance								4,831	5,318	5,793
Cell phone allowance										
Housing allowance								1,111	1,222	1,322
Overtime								3,000	3,300	3,887
Performance Bonus								4,012	4,412	4,810
Other benefits or allowances								4,185	4,581	4,994
In-kind benefits										
Sub Total - Other Municipal Staff		23,646	23,021	29,344	63,599	41,432	37,195	76,811	77,812	83,943
% increase	4		(2.6%)	27.3%	116.7%	(34.8%)	(19.3%)	88.2%	18.9%	9.8%
Total Parent Municipality		38,914	31,149	37,873	76,180	51,372	47,100	88,321	97,153	105,897
% increase			8.3%	21.6%	108.9%	(32.5%)	(8.3%)	87.3%	18.9%	9.8%
Board Members of Entities										
Salary										
Pension Contributions										
Medical Aid Contributions										
Motor vehicle allowance										
Cell phone allowance										
Housing allowance										
Board Fees										
Other benefits and allowances										
In-kind benefits										
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Senior Managers of Entities										
Salary										
Pension Contributions										
Medical Aid Contributions										
Motor vehicle allowance										
Cell phone allowance										
Housing allowance										
Performance Bonus										
Other benefits or allowances										
In-kind benefits										
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Other Staff of Entities										
Basic Salaries and Wages										
Pension Contributions										
Medical Aid Contributions										
Motor vehicle allowance										
Cell phone allowance										
Housing allowance										
Overtime										
Performance Bonus										
Other benefits or allowances										
In-kind benefits										
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS										
		38,914	31,149	37,873	76,180	51,372	47,100	88,321	97,153	105,897
% increase	4		8.3%	21.6%	108.9%	(32.5%)	(8.3%)	87.3%	18.9%	9.8%
TOTAL MANAGERS AND STAFF	5	23,646	23,021	29,344	63,599	41,432	37,195	76,872	83,688	91,211

Table 38 MBRR SA24 – Summary of personnel numbers

Summary of Personnel Numbers	Ref	2009/10			Current Year 2010/11			Budget Year 2011/12		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)								55		53
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3							5		4
Other Managers	7							19		8
Professionals		-	-	-	-	-	-	19	1	16
Finance								1	1	
Spatial/town planning								4		3
Information Technology								1		1
Roads								1		1
Electricity								1		1
Water								1		1
Sanitation										
Refuse										
Other								10		9
Technicians		-	-	-	-	-	-	19	13	4
Finance								1		1
Spatial/town planning								3		3
Information Technology								2	2	
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other								13	11	
Clerks (Clerical and administrative)								47	29	4
Service and sales workers								31	23	
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations								5	2	
TOTAL PERSONNEL NUMBERS		-	-	-	-	-	-	290	66	89
% increase								-	-	-
Total municipal employees headcount	6									
Finance personnel headcount	8							26	11	3
Human Resources personnel headcount	8								2	

2.9 Monthly targets for revenue, expenditure and cash flow

Table 39 MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand																
Revenue By Source																
Property rates																
Property rates - penalties & collection charges																
Service charges - electricity revenue																
Service charges - water revenue																
Service charges - sanitation revenue																
Service charges - refuse revenue																
Service charges - other																
Rental of facilities and equipment																
Interest earned - external investments		1,844	1,844	1,844	1,844	1,844	1,844	1,844	1,844	1,844	1,844	1,844	1,844	22,125	23,453	24,860
Interest earned - outstanding debtors		9	9	9	9	9	9	9	9	9	9	9	9	9	103	116
Dividends received																
Fines																
Licences and permits																
Agency services																
Transfers recognised - operational		100,532				100,532			100,532					301,595	320,117	334,013
Other revenue		115	115	115	115	115	115	115	115	115	115	115	115	1,384	1,467	1,555
Gains on disposal of PPE																
Total Revenue (excluding capital transfers and contributions)		102,499	1,968	1,968	1,968	102,499	1,968	1,968	102,499	1,968	1,968	1,968	1,968	325,207	345,146	360,543
Expenditure By Type																
Employee related costs		5,131	5,131	5,131	5,131	5,131	5,131	5,131	5,131	5,131	5,131	5,131	13,567	70,011	80,322	87,553
Remuneration of councillors		1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014	12,154	13,373	14,573
Debt impairment		11	11	11	11	11	11	11	11	11	11	11	11	127	135	143
Depreciation & asset impairment		481	481	481	481	481	481	481	481	481	481	481	481	5,775	6,122	6,489
Finance charges				750			750			750			750	3,000	2,700	2,400
Bulk purchases																
Other materials		159	159	159	159	159	159	159	159	159	159	159	(878)	888	925	985
Contracted services		102	102	102	102	102	102	102	102	102	102	102	102	1,230	1,303	1,381
Transfers and grants		8,548	8,548	21,364	21,364	32,048	32,048	34,182	42,720	64,092	64,092	85,458	23,668	438,128	176,885	179,653
Other expenditure		6,858	6,858	6,858	6,858	6,858	6,858	6,858	6,858	6,858	6,858	6,858	5,742	81,183	83,387	86,194
Loss on disposal of PPE																
Total Expenditure		22,300	22,300	35,868	35,118	45,800	46,350	47,937	36,482	78,396	77,846	99,210	44,454	612,461	334,852	349,381
Surplus/(Deficit)		80,199	(20,332)	(33,901)	(33,151)	56,699	(44,383)	(45,969)	46,017	(76,620)	(75,878)	(97,242)	(42,487)	(287,254)	10,294	11,163
Transfers recognised - capital																
Contributors recognised - capital																
Contributed assets																
Surplus/(Deficit) after capital transfers & contributions		80,199	(20,332)	(33,901)	(33,151)	56,699	(44,383)	(45,969)	46,017	(76,620)	(75,878)	(97,242)	(42,487)	(287,254)	10,294	11,163
Taxation																
Atributable to minorities																
Share of surplus/ (deficit) of associate																
Surplus/(Deficit)	1	80,199	(20,332)	(33,901)	(33,151)	56,699	(44,383)	(45,969)	46,017	(76,620)	(75,878)	(97,242)	(42,487)	(287,254)	10,294	11,163

Table 40 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	
R thousand																	
Revenue by Vote																	
Vote1 - EXECUTIVE & COUNCIL													-	-	-	-	-
Vote2 - ADMINISTRATION													-	-	-	-	-
Vote3 - FINANCE - BUDGET & TREASURY OFFICE		101,997	1,968	1,968	1,968	101,997	1,968	1,968	101,997	1,968	1,968	1,968	1,968	323,699	343,566	359,014	-
Vote4 - COMMUNITY & SOCIAL SERVICES														-	-	-	-
Vote5 - PLANNING & DEVELOPMENT		503				503			503					1,509	1,550	1,529	-
Vote6 - PLANNING & DEVELOPMENT CONTRIBUTIONS TO LOCAL MUNIS														-	-	-	-
Vote7 - REGIONAL SERVICES														-	-	-	-
Vote8 - Example 8														-	-	-	-
Vote9 - Example 9														-	-	-	-
Vote10 - Example 10														-	-	-	-
Vote11 - Example 11														-	-	-	-
Vote12 - Example 12														-	-	-	-
Vote13 - Example 13														-	-	-	-
Vote14 - Example 14														-	-	-	-
Vote15 - Example 15														-	-	-	-
Total Revenue by Vote		102,499	1,968	1,968	1,968	102,499	1,968	1,968	102,499	1,968	1,968	1,968	1,968	325,207	345,146	360,543	
Expenditure by Vote to be appropriated																	
Vote1 - EXECUTIVE & COUNCIL		2,359	2,359	3,109	2,359	2,359	3,109	2,359	2,359	3,109	2,359	2,359	7,490	35,699	41,964	44,740	-
Vote2 - ADMINISTRATION		928	928	928	928	928	928	928	928	928	928	928	1,979	12,185	12,482	13,521	-
Vote3 - FINANCE - BUDGET & TREASURY OFFICE		1,609	1,609	1,609	1,609	1,609	1,609	1,609	1,609	1,609	1,609	1,609	2,914	20,618	21,626	23,377	-
Vote4 - COMMUNITY & SOCIAL SERVICES		2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	2,350	1,470	27,321	32,006	34,647	-
Vote5 - PLANNING & DEVELOPMENT		948	948	948	948	948	948	948	948	948	948	948	948	11,371	12,274	13,348	-
Vote6 - PLANNING & DEVELOPMENT CONTRIBUTIONS TO LOCAL MUNIS		8,548	8,548	21,364	21,364	32,048	32,048	34,182	42,728	64,092	64,092	85,458	23,666	438,126	176,668	176,663	-
Vote7 - REGIONAL SERVICES		5,560	5,560	5,560	5,560	5,560	5,560	5,560	5,560	5,560	5,560	5,560	5,560	67,151	37,796	40,087	-
Vote8 - Example 8														-	-	-	-
Vote9 - Example 9														-	-	-	-
Vote10 - Example 10														-	-	-	-
Vote11 - Example 11														-	-	-	-
Vote12 - Example 12														-	-	-	-
Vote13 - Example 13														-	-	-	-
Vote14 - Example 14														-	-	-	-
Vote15 - Example 15														-	-	-	-
Total Expenditure by Vote		22,300	22,300	35,865	35,118	45,800	46,558	47,937	56,482	78,596	77,246	99,210	44,454	612,461	334,652	349,381	
Surplus/(Deficit) before assoc.		80,199	(20,332)	(33,901)	(33,151)	56,699	(44,583)	(45,969)	46,017	(76,628)	(75,878)	(97,242)	(42,487)	(267,254)	10,294	11,163	
Taxation														-	-	-	-
Attributable to minorities														-	-	-	-
Share of surplus/ (deficit) of associate														-	-	-	-
Surplus/(Deficit)	1	80,199	(20,332)	(33,901)	(33,151)	56,699	(44,583)	(45,969)	46,017	(76,628)	(75,878)	(97,242)	(42,487)	(267,254)	10,294	11,163	

Table 41 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year #1 2012/13	Budget Year #2 2013/14
Revenue - Standard																
<i>Governance and administration</i>		101,997	1,968	1,968	1,968	101,997	1,968	1,968	101,997	1,968	1,968	1,968	1,968	323,699	343,596	359,014
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		101,997	1,968	1,968	1,968	101,997	1,968	1,968	101,997	1,968	1,968	1,968	1,968	323,699	343,596	359,014
Corporate services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		503	-	-	-	503	-	-	503	-	-	-	-	1,508	1,550	1,529
Planning and development		503	-	-	-	503	-	-	503	-	-	-	-	1,508	1,550	1,529
Road transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard		102,499	1,968	1,968	1,968	102,499	1,968	1,968	102,499	1,968	1,968	1,968	1,968	325,207	345,146	360,543
Expenditure - Standard																
<i>Governance and administration</i>		4,896	4,896	5,646	4,896	4,896	5,646	4,896	4,896	5,646	4,896	4,896	12,383	66,492	76,092	81,638
Executive and council		2,182	2,182	2,932	2,182	2,182	2,932	2,182	2,182	2,932	2,182	2,182	6,918	33,168	39,249	41,790
Budget and treasury office		1,544	1,544	1,544	1,544	1,544	1,544	1,544	1,544	1,544	1,544	1,544	2,849	19,036	20,789	22,448
Corporate services		1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170	2,515	16,487	16,074	17,402
<i>Community and public safety</i>		2,373	2,373	2,373	2,373	2,373	2,373	2,373	2,373	2,373	2,373	2,373	2,649	26,753	24,034	25,878
Community and social services		1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,349	13,154	13,150	14,151
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,500	15,600	10,884	11,727
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		14,727	14,727	27,346	27,346	38,228	38,228	48,364	48,918	70,274	70,274	91,617	29,120	311,988	230,872	237,780
Planning and development		11,420	11,420	24,239	24,239	34,920	34,920	37,057	45,602	66,966	66,966	88,330	28,044	474,126	207,567	212,657
Road transport		2,579	2,579	2,579	2,579	2,579	2,579	2,579	2,579	2,579	2,579	2,579	2,579	30,545	13,140	13,928
Environmental protection		728	728	728	728	728	728	728	728	728	728	728	(1,504)	6,510	10,365	11,194
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		303	303	303	303	303	303	303	303	303	303	303	303	3,636	3,854	4,005
Total Expenditure - Standard		22,309	22,309	35,065	35,110	45,000	46,350	47,937	56,482	78,596	77,846	99,210	44,454	612,461	334,652	349,381
Surplus/(Deficit) before assoc.		80,199	(20,332)	(33,901)	(33,151)	56,699	(44,383)	(45,969)	46,017	(76,628)	(75,878)	(97,242)	(42,487)	(287,254)	10,294	11,163
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	80,199	(20,332)	(33,901)	(33,151)	56,699	(44,383)	(45,969)	46,017	(76,628)	(75,878)	(97,242)	(42,487)	(287,254)	10,294	11,163

Table 42 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	
R thousand																	
Multi-year expenditure to be appropriated	1																
Vote1 - EXECUTIVE & COUNCIL		205	205	205	205	205	205	205	205	205	205	205	205	3,943	8,202	1,238	1,308
Vote2 - ADMINISTRATION		15	15	15	15	15	15	15	15	15	15	15	15	18	189	200	212
Vote3 - FINANCE - BUDGET & TREASURY OFFICE		17	17	17	17	17	17	17	17	17	17	17	17	17	205	217	230
Vote4 - COMMUNITY & SOCIAL SERVICES		10	10	10	10	10	10	10	10	10	10	10	10	710	825	132	140
Vote5 - PLANNING & DEVELOPMENT		13	13	13	13	13	13	13	13	13	13	13	13	13	160	170	180
Vote6 - PLANNING & DEVELOPMENT CONTRIBUTIONS TO LOCAL MUNIS		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote7 - REGIONAL SERVICES		2,369	2,369	2,369	2,369	2,369	2,369	2,369	2,369	2,369	2,369	2,369	2,369	2,369	28,427	5,936	6,292
Vote8 - Example 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote9 - Example 9		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote10 - Example 10		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote11 - Example 11		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote12 - Example 12		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote13 - Example 13		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote14 - Example 14		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote15 - Example 15		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	2,631	2,631	2,631	2,631	2,631	2,631	2,631	2,631	2,631	2,631	2,631	2,631	7,069	36,007	7,094	8,363
Single-year expenditure to be appropriated																	
Vote1 - EXECUTIVE & COUNCIL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote2 - ADMINISTRATION		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote3 - FINANCE - BUDGET & TREASURY OFFICE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote4 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote5 - PLANNING & DEVELOPMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote6 - PLANNING & DEVELOPMENT CONTRIBUTIONS TO LOCAL MUNIS		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote7 - REGIONAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote8 - Example 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote9 - Example 9		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote10 - Example 10		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote11 - Example 11		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote12 - Example 12		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote13 - Example 13		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote14 - Example 14		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote15 - Example 15		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	2	2,631	2,631	2,631	2,631	2,631	2,631	2,631	2,631	2,631	2,631	2,631	2,631	7,069	36,007	7,094	8,363

Table 43 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
Capital Expenditure - Standard	1															
<i>Governance and administration</i>		238	238	238	238	238	238	238	238	238	238	238	3,976	6,596	1,656	1,751
Executive and council		195	195	195	195	195	195	195	195	195	195	195	3,933	6,080	1,109	1,171
Budget and treasury office		17	17	17	17	17	17	17	17	17	17	17	17	205	217	230
Corporate services		26	26	26	26	26	26	26	26	26	26	26	26	311	330	350
<i>Community and public safety</i>		2,187	2,187	2,187	2,187	2,187	2,187	2,187	2,187	2,187	2,187	2,187	2,187	26,249	6,025	6,387
Community and social services		5	5	5	5	5	5	5	5	5	5	5	5	64	68	72
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety		2,182	2,182	2,182	2,182	2,182	2,182	2,182	2,182	2,182	2,182	2,182	2,182	26,185	5,957	6,315
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		205	205	205	205	205	205	205	205	205	205	205	905	3,163	213	226
Planning and development		17	17	17	17	17	17	17	17	17	17	17	17	201	213	226
Road transport		189	189	189	189	189	189	189	189	189	189	189	189	2,262	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	700	700	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	2	2,631	2,631	2,631	2,631	2,631	2,631	2,631	2,631	2,631	2,631	2,631	7,069	36,007	7,894	8,363

Table 44 MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2011/12												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousand															
Cash Receipts By Source													1		
Property taxes															
Property taxes - penalties & collector charges															
Service charges - electricity revenue															
Service charges - water revenue															
Service charges - sanitation revenue															
Service charges - refuse revenue															
Service charges - other															
Rental of facilities and equipment															
Interest earned - external investments	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	1,044	22,125	23,453	24,880
Interest earned - outstanding debtors	9	9	9	9	9	9	9	9	9	9	9	9	103	109	116
Dividends received															
Fines															
Licences and permits															
Agency services															
Transfer receipts - operational	100,532				100,532			100,532					301,595	320,117	334,013
Other revenue	115	115	115	115	115	115	115	115	115	115	115	115	1,354	1,487	1,555
Cash Receipts by Source	102,499	1,968	1,968	1,968	102,499	1,968	1,968	102,499	1,968	1,968	1,968	1,968	323,207	343,146	360,343
Other Cash Flows by Source															
Transfer receipts - capital															
Contributions recognised - capital & contributed assets															
Proceeds on disposal of PPE															
Short term loans															
Borrowing long term/refinancing															
Increase (decrease) in consumer deposits															
Decrease (increase) in non-current debtors															
Decrease (increase) other non-current receivables															
Decrease (increase) in non-current investments															
Total Cash Receipts by Source	102,499	1,968	1,968	1,968	102,499	1,968	1,968	102,499	1,968	1,968	1,968	1,968	323,207	343,146	360,343
Cash Payments by Type															
Employee related costs	5,131	5,131	5,131	5,131	5,131	5,131	5,131	5,131	5,131	5,131	5,131	13,587	70,011	80,322	87,553
Remuneration of councillors	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014	1,014	12,164	13,373	14,573
Collection costs															
Interest paid			750			750			750			750	1,000	2,700	2,400
Bulk purchases - Electricity															
Bulk purchases - Water & Sewer															
Other materials	159	159	159	159	159	159	159	159	159	159	159	(878)	866	925	985
Contractor services	102	102	102	102	102	102	102	102	102	102	102	102	1,230	1,303	1,381
Grants and subsidies paid - other municipalities	5,548	5,548	21,364	21,364	32,045	32,045	34,182	42,720	64,092	64,092	65,416	23,666	432,126	176,665	179,863
Grants and subsidies paid - other															
General expenses	6,856	6,856	6,856	6,856	6,856	6,856	6,856	6,856	6,856	6,856	6,856	5,742	51,163	53,287	56,194
Cash Payments by Type	21,898	21,898	33,376	34,626	43,398	46,058	47,443	53,998	78,191	77,354	98,718	43,962	606,939	328,998	342,749
Other Cash Flows/Payments by Type															
Capital assets	2,631	2,631	2,631	2,631	2,631	2,631	2,631	2,631	2,631	2,631	2,631	7,099	36,007	7,894	8,363
Repayment of borrowing															
Other Cash Flows/Payments															
Total Cash Payments by Type	24,439	24,439	36,007	37,257	47,939	48,689	50,075	56,621	80,733	79,965	101,349	51,031	642,966	336,498	351,112
NET INCREASE/(DECREASE) IN CASH HELD	78,061	(22,471)	(36,039)	(35,289)	54,560	(46,721)	(48,108)	43,878	(78,767)	(78,017)	(99,381)	(49,063)	(317,359)	8,656	9,431
Cash/cash equivalents at the month/year begin:	78,061	55,589	19,550	(15,740)	38,821	(7,901)	(56,009)	(12,130)	(90,898)	(188,915)	(268,296)			(317,359)	(308,703)
Cash/cash equivalents at the month/year end:	78,061	55,589	19,550	(15,740)	38,821	(7,901)	(56,009)	(12,130)	(90,898)	(188,915)	(268,296)	(317,359)	(317,359)	(308,703)	(299,272)

2.10 Annual budgets and SDBIPs – internal departments

2.10.1 EXECUTIVE & COUNCIL

This vote is mainly responsible for the efficient and effective running of the Council and its committees and the administration of the municipality. The departments/sections within this vote are:-

- 01100 – Mayoral Committee
- 01101 – Council General
- 01102 – Municipal Manager
- 01107 – Office Building
- 01110 – Audit committee
- 01111 – Internal Audit
- 01116 – Information Technology

Council has established the following Section 79 Committees which are chaired the Executive Mayor or by members of the Mayoral Committee:-

- Human Resource & Admin
- Finance
- Infrastructure Development & Service Delivery
- Transport, Roads & Public Safety
- Social , Youth & Women Development
- Local Economic Development
- Geographic Names Committee
- Integrated Development Planning

Table 45 EXECUTIVE & COUNCIL - operating revenue by source, expenditure by type and total capital expenditure

Description	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue &		
	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										
Rental of facilities and equipment	-	-	1	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	-	-	1	-	-	-	-	-	-	-
Expenditure By Type										
Employee related costs	3,834	3,734	3,732	6,821	5,795	4,941	2,059	8,603	9,460	10,309
Remuneration of councillors	7,268	8,068	8,526	12,501	9,930	9,905	4,127	12,164	13,373	14,573
Debt impairment	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	3,954	3,535	3,566	3,122	5,302	5,381	2,242	3,012	3,511	3,721
Finance charges	3,737	3,561	3,372	4,420	4,420	3,890	1,621	3,000	2,700	2,400
Bulk purchases	-	-	-	-	-	-	-	-	-	-
Other materials	3	2	7	134	134	7	3	142	150	159
Contracted services	145	16	21	720	825	802	334	628	676	900
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	4,403	5,350	7,756	9,457	8,657	10,993	4,330	7,941	11,913	12,947
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-
Total Expenditure	23,347	24,267	26,993	37,175	35,074	35,910	14,966	35,689	41,904	44,740
Surplus/(Deficit) for the year	(23,347)	(24,267)	(26,992)	(37,175)	(35,074)	(35,910)	(14,966)	(35,689)	(41,904)	(44,740)
Capital Expenditure	(61)	758	532	2,919	1,654	121	51	6,292	1,230	1,308

There are currently three vacancies in this vote and the following four new positions were created:

- Assistant Manager – Researcher
- Internal Auditors (Three)

2.10.2 ADMINISTRATION

The corporate services department coordinates the day to day administrative functions of the municipality with specific focus on the human resources, legislative compliance and the provisioning of institutional support for the effective performance and functioning of municipalities within the District.

The corporate services department manages the corporate affairs of the Nkangala District Municipality to ensure that the best administrative, legal, secretarial and human resource services are rendered with the available funds.

The corporate services department provides strategic administrative, legal, secretarial and human resource services to the various Departments and units of the Nkangala District Municipality. As such it is the custodian of all the records of the Nkangala District Municipality to ensure that accurate information regarding the services rendered by the Department is available for internal and external role-players to make informed decisions. The departments/sections within this vote are:-

- 01103 – Corporate Services
- 01108 – Human

Table 46 ADMINISTRATION - operating revenue by source, expenditure by type and total capital expenditure

Description	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue &		
	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										
Total Revenue (excluding capital transfers and contributions)	-	-	-	-	-	-	-	-	-	-
Expenditure By Type										
Employee related costs	4 915	3 754	4 298	8 102	5 751	5 250	2 188	8 904	9 787	10 665
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-
Debt impairment	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	65	431	391	162	203	228	95	173	183	194
Finance charges	-	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-	-
Other materials	1	2	1	8	18	14	6	9	10	10
Contracted services	(84)	-	20	38	6	-	-	38	40	43
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	832	892	883	1 725	1 758	447	188	3 061	2 463	2 509
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-
Total Expenditure	5 549	5 075	5 393	10 034	7 765	5 939	2 474	12 185	12 402	13 521
Surplus/(Deficit) for the year	(5 549)	(5 075)	(5 393)	(10 034)	(7 765)	(5 939)	(2 474)	(12 185)	(12 402)	(13 521)
Capital Expenditure	(18)	8	45	151	161	181	42	189	288	212

There are currently nine vacancies in this vote, amongst other the Deputy Manager Corporate Services. The following seven new positions were created:

- Assistant Manager – Performance Management
- Occupational Health and Safety Officer
- Administrative Assistant
- Committee Officers (Three)
- Receptionist

2.10.3 FINANCE - BUDGET & TREASURY OFFICE

The Finance department is responsible for the management of the corporate financial affairs of the municipality and to ensure maximum utilisation of the available financial resources.

The department provides strategic financial management, is responsible for compiling the annual municipal budget and financial statements and maintaining an internal control system to ensure that accurate information about the municipality's financial position is available for internal and external role-players to take informed decisions. The departments/sections within this vote are:-

- 01104 – Finance
- 01105 – Data Processing
- 01117 – Salary Office
- 02113 – Financial Interns

Table 47 FINANCE - BUDGET & TREASURY OFFICE - operating revenue by source, expenditure by type and total capital expenditure

Description	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue &		
	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										
Rental of facilities and equipment	25	215	213	-	-	237	99	-	-	-
Interest earned - external investments	22 967	36 401	54 074	20 850	20 850	24 982	10 409	22 125	23 453	24 660
Interest earned - outstanding debtors	221	16	2	97	97	-	-	103	109	116
Transfers recognised - operational	217 391	251 839	269 952	283 162	283 162	284 426	212 904	300 087	318 567	332 484
Other revenue	27 107	12 763	2 892	1 311	1 311	3 766	1 569	1 384	1 467	1 555
Gains on disposal of PPE										
Total Revenue (excluding capital transfers and contributions)	267 711	303 236	307 133	305 429	305 429	313 411	225 061	323 699	343 596	359 014
Expenditure By Type										
Employee related costs	5 355	5 247	5 214	11 724	7 601	5 583	2 743	13 900	15 289	16 661
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-
Debt impairment	(565)	-	9	120	40	14	6	127	135	143
Depreciation & asset impairment	65	132	131	162	347	209	87	193	208	217
Finance charges	-	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-	-
Other materials	(7)	1	13	54	54	22	9	60	64	67
Contracted services	24	17	25	63	83	80	33	67	71	75
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	3 049	2 967	2 747	5 765	7 345	5 650	2 354	6 263	5 863	6 213
Loss on disposal of PPE										
Total Expenditure	8 423	8 364	8 149	17 927	15 369	12 559	5 233	20 618	21 625	23 377
Surplus/(Deficit) for the year	(8 398)	(8 148)	(7 927)	(17 927)	(15 369)	(12 322)	(5 134)	(20 618)	(21 625)	(23 377)
Capital Expenditure	(1)	144	5	196	236	166	69	205	217	238

There are currently nine vacancies in this vote, amongst other the Manager Finance and Deputy Manager Finance. The following two new positions were created:

- Project Performance Management (Monitoring and Evaluation)
- Risk Officer

2.10.4 SOCIAL SERVICES

This vote is mainly responsible for the efficient and effective running of issues of social services, Fire Fighting and Disaster Management. The departments/sections within this vote are:-

- 01106 – Social Services
- 01112 – Disaster Management
- 01113 – Local Economic Development
- 01118 – Fire Fighting Western Region

Table 48 SOCIAL SERVICES - operating revenue by source, expenditure by type and total capital expenditure

Description	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue &		
	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										
Transfers recognised - operational	1 210	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	1 210	-	-	-	-	-	-	-	-	-
Expenditure By Type										
Employee related costs	4 802	5 971	9 155	17 113	12 872	12 011	5 005	18 178	23 338	25 493
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-
Debt impairment	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	99	393	410	1 219	867	787	328	1 296	1 374	1 456
Finance charges	-	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-	-
Other materials	3	15	2	1 054	304	3	1	81	93	103
Contracted services	11	44	57	120	45	0	0	128	136	144
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	839	1 065	1 233	6 554	5 368	1 027	426	7 938	7 068	7 491
Loss or disposal of PPE	-	-	-	-	-	-	-	-	-	-
Total Expenditure	5 555	7 439	10 856	26 966	19 456	13 828	5 762	27 321	32 006	34 647
Surplus/(Deficit) for the year	(5 555)	(7 439)	(10 856)	(26 966)	(19 456)	(13 828)	(5 762)	(27 321)	(32 006)	(34 647)
Capital Expenditure	1	(8)	(27)	113	1 794	3 355	1 398	825	132	148

There are currently thirteen vacancies in this vote, amongst other the Head of Disaster Centre, Assistant Manager Environmental Pollution Control and Assistant Manager Municipal Health Services. The following new position was created:

- Programme Coordinator Transversal Issues

2.10.5 PLANNING & DEVELOPMENT

2.10.5.1 PLANNING & DEVELOPMENT- TECHNICAL SERVICES

The Technical Services Department manages the delivery of infrastructure (services) and the technical affairs of the Municipality. The department provides strategic support by facilitating the continuously updating of sectoral plans to inform integrated development planning. The department manages and monitors the implementation of projects emanating from the IDP, in accordance with policies adopted by the Municipality. The department also report on the projects executed and maintain control systems for each phase of project implementation. The department also plays a key role in the prioritisation and implementation of all projects on programmes executed in the Municipality's area of jurisdiction. The departments/sections within this vote are:-

- 01114 – Project Management Unit
- 01200 – Technical Services
- 02109 – DPU

Table 49 PLANNING & DEVELOPMENT- TECHNICAL SERVICES - operating revenue by source, expenditure by type and total capital expenditure

Description	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue &		
	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										
Transfers recognised - operational	-	-	-	-	-	-	-	1,508	1,550	1,529
Other revenue										
Gains on disposal of PPE										
Total Revenue (excluding capital transfers and contributions)	-	-	-	-	-	-	-	1,508	1,550	1,529
Expenditure By Type										
Employee related costs	4,440	4,316	8,946	19,834	9,433	1,410	3,504	20,419	22,449	24,484
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-
Debt impairment	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	76	177	182	130	183	177	74	143	152	181
Finance charges	-	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-	-
Other materials	40	10	218	540	280	54	14	575	610	648
Contracted services	35	20	9	159	159	84	35	169	179	189
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	(4,782)	(4,325)	(5,010)	(9,851)	(9,614)	(5,690)	(2,371)	(9,934)	(11,115)	(12,114)
Loss on disposal of PPE										
Total Expenditure	(171)	295	2,324	19,812	421	3,813	1,256	11,371	12,274	13,346
Surplus/(Deficit) for the year	171	(295)	(2,324)	(19,812)	(421)	(3,813)	(1,256)	(11,371)	(12,274)	(13,346)
Capital Expenditure	-	-	-	159	290	117	49	160	179	189

2.10.5.2 PLANNING & DEVELOPMENT CONTRIBUTIONS TO LOCAL MUNICIPALITIES

This vote provides mainly for the projects implementation at local municipal level. The departments/sections within this vote are:-

- 220 – NDM General Projects
- 250 – Victor Khanye Local Municipality
- 300 – Dr JS Moroka Local Municipality
- 350 – Emalahleni Local Municipality
- 400 – Steve Tshwete Local Municipality
- 450 – Emakhazeni Local Municipality
- 500 – Thembisile Hani Local Municipality

Table 50 PLANNING & DEVELOPMENT CONTRIBUTIONS TO LOCAL MUNICIPALITIES- operating revenue by source, expenditure by type and total capital expenditure

Description	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue &		
	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										
Total Revenue (excluding capital transfers and contributions)	-	-	-	-	-	-	-	-	-	-
Expenditure By Type										
Transfers and grants	92,808	113,356	115,633	492,353	506,602	200,940	87,058	438,126	176,665	179,663
Other expenditure										
Loss on disposal of PPE										
Total Expenditure	92,808	113,356	115,633	492,353	506,602	200,940	87,058	438,126	176,665	179,663
Surplus/(Deficit) for the year	(92,808)	(113,356)	(115,633)	(492,353)	(506,602)	(200,940)	(87,058)	(438,126)	(176,665)	(179,663)

There are currently five vacancies in this vote.

2.10.6 REGIONAL SERVICES

Due to capacity and establishment constraints, the NDM has assumed responsibility for several functions at the LMs, albeit at differing levels. Functions such as physical planning for Emakhazeni, Thembisile Hani and Dr JS Moroka were adjusted to the District in 2003. These municipalities are considered as low capacity municipalities. Engineering, planning, performance monitoring and evaluation are some of the critical skills that are required. The District should devise a long-term capacitation strategy for the concerned municipalities to enable them to perform these functions.

As far as powers and functions are concerned, the NDM performs certain function that in some cases are powers and functions of a local municipality. This is because some local municipalities within the District are low capacity municipalities and will over time build adequate capacity to execute such functions. The departments/sections within this vote are:-

- 01152 – NDM General regional functions
- 01157 – NDM Fire Fighting
- 01158 – NDM Municipal Planning
- 01164 - Victor Khanye Fire Fighting
- 01164 - Victor Khanye Municipal Planning
- 01168 - Dr JS Moroka Tourism
- 01170 - Dr JS Moroka Fire fighting
- 01171 - Dr JS Moroka Municipal Planning
- 01175 – Emalahleni Fire Fighting
- 01176 – Emalahleni Municipal Planning
- 01180 – Steve Tshwete Tourism
- 01181 – Steve Tshwete Fire Fighting
- 01182 – Steve Tshwete Municipal Planning
- 01186 – Emakhazeni Tourism

- 01187 – Emakhazeni Fire Fighting
- 01186 – Emakhazeni Municipal Planning
- 01191 – Thembisile Hani Tourism
- 01193 – Thembisile Hani Fire Fighting
- 01194 – Thembisile Hani Municipal Planning
- 01195 – Thembisile Hani Roads
- 01196 – Thembisile Hani

Table 51 REGIONAL SERVICES - operating revenue by source, expenditure by type and total capital expenditure

Description	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue &		
	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										
Total Revenue (excluding capital transfers and contributions)	-	-	-	-	-	-	-	-	-	-
Expenditure By Type										
Employee related costs	-	-	-	-	-	-	-	-	-	-
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-
Debt impairment	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	-	567	736	605	605	1,107	461	656	667	736
Finance charges	-	-	-	-	-	-	-	-	-	-
Bulk purchases	-	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	8,222	6,057	21	40,956	43,379	6,036	2,515	66,493	37,097	39,347
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-
Total Expenditure	8,222	6,624	756	41,561	43,984	7,144	2,977	67,151	37,795	49,987
Surplus/(Deficit) for the year	(8,222)	(6,624)	(756)	(41,561)	(43,984)	(7,144)	(2,977)	(67,151)	(37,795)	(49,987)
Capital Expenditure	(4,538)	5,354	4,793	16,600	23,231	17,769	7,404	26,427	5,936	6,292

Table 52 REGIONAL SERVICES – Performance objectives and indicators

Key Performance Element	Key Performance Indicator (KPI)	Annual Target	Quarter 1 - Target	Quarter 2 - Target	Quarter 3 - Target	Quarter 4 - Target	Portfolio of evidence
<i>Strategic Objective 1 : The provision of quality basic services and infrastructure</i>							
Provision of Water	% households in the urban edge provided with access to basic potable water supply within a 200 m radius	100.0%	100.0%	100.0%	100.0%	100.0%	Reports and Indigent Register
	Number of new households provided with water connection	20,105	3,250	3,500	5,500	7,900	Metering advice receipts
	% compliance with the drinking water standards in line with SANS (South African National Standards 241)	100.0%	100.0%	100.0%	100.0%	100.0%	Compliance reports (Blue Drop Report)
	Expansion of the functional Water Demand Management Unit	By March 2012	Status quo analysis	Draft organisational structure to be in place	Source office space and fill vacancies		Report on the level of functionality of the unit
	% reduction in non-revenue water (unaccounted for water/distribution losses)	1.0%	0.5%	0.5%	0.5%	0.5%	Reports

This vote is managed by the Manager Social Services and the Manager Technical Services. The Manager Social Services is responsible for the fire fighting and the Manager Technical Services for municipal planning.

2.10.7 Quarterly projections of service delivery targets and performance indicators

Table 53 Quarterly projections of service delivery targets and performance indicators

KPA1: INFRASTRUCTURE DELIVERY AND SERVICE PROVISION

KEY PERFORMANCE OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	BASELINE	2011/12 TARGET	QUARTERLY TARGETS				2011/12 BUDGET
					Q1	Q2	Q3	Q4	
Strategic Priority 3 Inclusive Programme to build Economic and Social Infrastructure									
To promote sustainable Rural Development across the District	Facilitate finalization of the Land Reform programme	Progress report on Land Reform Programme	1	1			1		-
	Multistakeholder implementation of Rural-Based Development Programme	Progress Report on implementation of the CRDP	1	1	1				-
To promote an integration between Spatial Planning and Transportation Planning to achieve sustainable Human Settlements	Review of Physical Planning functions strategy-(shared services)	Revised Physical Planning Strategy	1	1				1	500 000
	Land Use Management Systems	Report on status of LUMS across the District	1	1			1		2 000 000
	Implementation of the Feasibility study of Regional Cemetery	Progress Report on implementation of the Strategy	1	2		1		1	1 000 000
	Education awareness, Training and mentorship programmes for effective management of Land Use Scheme	Report on the mentorship Programme	1	1				1	500 000
	Implementation of Eradication of Informal Settlement Strategy-projects	Progress report on the implementation of the	1	2		1		1	100 000

KEY PERFORMANCE OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	BASELINE	2011/12 TARGET	QUARTERLY TARGETS				2011/12 BUDGET
					Q1	Q2	Q3	Q4	
		Strategy							
	Implementation of Small Town and Nodal Point Revitalisation Plan	Progress report on the implementation of the Plan	0	1				1	1 000 000
To ensure that every household has security of tenure by 2015	Finalisation of Upgrading of Land Tenure Projects	Progress report on upgrading of Land Tenure Projects	1	2		1		1	3 000 000
To establish an integrated fully operational web-based GIS throughout the District	Implementation of NDM-GIS strategy-Projects	Progress reports on implementation of GIS Strategy	0	4	1	1	1	1	1 000 000
Strategic Priority 9 Sustainable Resource Management and Use									
To ensure provision of adequate portable water to all by within NDM by 2015	Revised Water Master Plan.	Council Resolution accompanied by the revised Water Master Plan	1	1				1	700 000
	% decrease in Water Backlogs	Report on Free basic water provision	1	4	1	1	1	1	37 010 000
To ensure provisioning of adequate Sanitation to all within NDM BY 2015	% reduction in Sanitation Backlogs	Report on Free basic sanitation provision	1	4	1	1	1	1	14 000 000
To facilitate an efficient, competitive and responsive economic infrastructure	Average % increase in the cost of these three Services across the District	Report on implementation of capital projects	4	4	1	1	1	1	68 000 000

KEY PERFORMANCE OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	BASELINE	2011/12 TARGET	QUARTERLY TARGETS				2011/12 BUDGET
					Q1	Q2	Q3	Q4	
network across the District									
To provide an effective and sustainable Infrastructure maintenance Plans	Provide support to Water Services Authorities in the maintenance of Water purification works and Waste Water treatment works	Report on the status of water purification and water treatment works	0	2		1		1	1 500 000
To ensure provision of adequate portable water to all by within NDM by 2015	At least one Blue Drop Certification per water service authority	Report on blue drop certification for WSAs	2	2		1		1	5000 000
To ensure provisioning of adequate Sanitation to all within NDM BY 2015									
To ensure provision of Electricity to all communities by 2012	Number of LMs licensed to provide Electricity within NDM	Report on support provided to Local Municipalities	2	2		1		1	2 000 000
To facilitate increased mobility and accessibility across the District	% increase of the NDM Capital Grant invested in maintaining roads in Thembisile Hani Local Municipality	Report on road maintenance in Thembisile Hani Local Municipality	2	4	1	1	1	1	11 000 000
	Development of roads standards and specifications	Report on standardised road specification	0	1		1			500 000
Review Road maintenance function in Thembisile Hani Local Municipality	Conduct Section 78 and recommendation to the demarcation board	Report on capacity of Thembisile Hani Local Municipality road	0	1				1	500 000

KEY PERFORMANCE OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	BASELINE	2011/12 TARGET	QUARTERLY TARGETS				2011/12 BUDGET
					Q1	Q2	Q3	Q4	
		maintenance							

KPA2: LOCAL ECONOMIC DEVELOPMENT

KEY PERFORMANCE OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	BASELINE	2011/12 TARGET	QUARTERLY TARGETS				2011/12 BUDGET
					Q1	Q2	Q3	Q4	
Strategic Priority 1 Speeding up growth and transforming the Economy to create decent work and sustainable livelihoods									
To grow the District Economy to achieve year – on – year growth rate	Develop, review, adopt and implement all the requisite Strategies and Plans to optimise strategic intervention in the Regional Economic Development	Council Resolutions accompanied the requisite Economic Development Strategies	2	2		1		1	2000 000
	Undertake feasibility Study and Compile Bankable Business Plans of all the Anchor Projects within the District.	Feasibility study for the LED initiatives	0	1			1		
	Establish Strategic Partnerships with Strategic Players in the Economy of the District	Report on Strategic Partnerships established	1	2		1		1	
	Promote the development of all the Sectors in the District	Report on Development of respective Sectors	1	2		1		1	
	Monitor implementation of the District Growth and Development Summit Agreements.	Progress Report on implementation of the Growth and Development Summit Agreements	0	2	1			1	
	Create an enabling environment for investment by streamlining planning application processes	Report on approved planning application processes	1	2		1		1	

KEY PERFORMANCE OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	BASELINE	2011/12 TARGET	QUARTERLY TARGETS				2011/12 BUDGET
					Q1	Q2	Q3	Q4	
	Implement the Resolutions of the NDM Job Summit	Progress report on implementation of the Resolutions of the Summit	0	3		1	1	1	
	Develop New Economic Growth path for NDM's implementable programmes.	Council Resolution accompanied by the new Growth Path	0	1		1			
To ensure efficient, competitive and responsive economic infrastructure network	Improve maintenance of Municipal road networks								-
	Ensure Spatial Development Framework provides for commuter rail corridor, as well as other modes of Transport.	An extract from the SDF on Commuter Rail Corridor	1	1			1		-
To halve Poverty and Unemployment by 50% by 2015	Facilitate creation of jobs opportunities through LED initiatives and Capital Projects	Report on number of jobs created through Capital Projects	1	2		1		1	-
	Facilitate optimal implementation of poverty alleviation programmes	Report on the level of poverty in the District	1	1					-
Strategic Priority 3: Comprehensive Rural Development Strategy linked to Land and Agrarian reform and food security.									
To facilitate availability of Land for Economic Development	% State Land acquired for Dr JS Moroka and Thembisile Hani LMs	Report on State Land transferred to Municipalities for Economic Development	1	1				1	-

KEY PERFORMANCE OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	BASELINE	2011/12 TARGET	QUARTERLY TARGETS				2011/12 BUDGET
					Q1	Q2	Q3	Q4	
To facilitate creation of vibrant, equitable and sustainable rural communities and food security	Develop and review Comprehensive Rural Development Strategy	Council Resolution accompanied by the Strategy	1	1				1	-
	Advocate for optimal implementation of Provincial & National Government's Rural Development initiatives within NDM'-s jurisdictional area	Report on Rural Development initiatives in the District	0	3		2		2	-
To facilitate availability of Land for Economic Development	Advocate for the acquisition and transfer of State Land within Dr JS Moroka and Thembisile Hani Municipalities	Progress report on transfer of state Land within Dr JS Moroka and Thembisile Hani	1	2		1		1	-
To ensure adequate transport systems for the efficient movement of people & goods	Promote Public Transport usage by increasing existing facilities & services in rural and urban areas prioritizing low and middle income settlements	Council Resolution accompanied by Road Safety Strategy	0	1				1	500 000
		Freight Management /IMS/HAZMAT	0	1				1	550 000
	Ensure that Public Transport planning and implementation is catered for when new low and middle income housing development	Report on inclusion of Public Transport							
To integrate Public Transport services by 2015	Facilitate provisioning of multi-modal Public Transport facilities by 2015	Report on provisioning of multi-modal Public Transport	-	1			1		
	Ensure development of credible	Council Resolutions accompanied by the	-	1				1	

KEY PERFORMANCE OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	BASELINE	2011/12 TARGET	QUARTERLY TARGETS				2011/12 BUDGET
					Q1	Q2	Q3	Q4	
	Public Transport Services Plans (PSTP)	Public Service Plans							
Strategic Priority 7 Building cohesive, caring and sustainable communities									
To facilitate upbringing of skilled, healthy and vibrant youth in the district	Coordinate and facilitate establishment of youth cooperatives in all local municipalities within the district	Report on establishment of Youth Cooperatives	1	2		1		1	

KPA3: FINANCIAL VIABILITY

KEY PERFORMANCE OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	BASELINE	2011/12 TARGET	QUARTERLY TARGETS				2011/12 BUDGET
					Q1	Q2	Q3	Q4	
Strategic Priority 9 Sustainable Resource Management and Use									
To strengthen the administrative and Financial capacity of the District	Analysis of financial performance of the Local Municipalities and revenue enhancement mechanisms	Reports on Financial Performance of LMs	2	4	1	1	1	1	500 000
	Shared Services arrangements	Report on shared services	0	2		1		1	500 000
	Comply with Legal Financial reporting requirements	Quarterly Financial Reports	4	4	1	1	1	1	
		Monthly Financial Reports	12	12	3	3	3	3	
	Reporting and budget regulation implementation	Report on Budget Regulation implementation	4	4	1	1	1	1	-
	Operation Clean Audit	Report on the Audit opinions of all Municipalities in the District	1	1				1	100 000
	Review of Financial policies	Council Resolutions accompanied by Revised Policies	0	2		1		1	100 000
To improve effectiveness in Municipal Revenue generation and Financial	Revenue enhancement with installation of water meters	Progress Report on installation of Water	0	2		1		1	3 000 000

KEY PERFORMANCE OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	BASELINE	2011/12 TARGET	QUARTERLY TARGETS				2011/12 BUDGET
					Q1	Q2	Q3	Q4	
Management		Metres							

KPA 4: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

KEY PERFORMANCE OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	BASELINE	2011/12 TARGET	QUARTERLY TARGETS				2011/12 BUDGET
					Q1	Q2	Q3	Q4	
Strategic Priority 4 Strengthen the Skills and Human Resource Base									
To entrench a culture of Development-oriented Municipal Governance and inclusive citizenship	Improve Corporate Governance systems at both the District and the 6 LMs by resuscitating Sectoral Fora within the District.	Report on functionality of Sectoral Fora within the District	0	5	1	1	1	1	-
	Review the (PMS) of the District in line with relevant legislation and regulations	Report on the Status of the District's PMS	1	1			1		250 000
	Facilitate synergy in Performance monitoring & evaluation within the District through supporting LMs with the review of their (PMS) in line with relevant legislation and regulations	Report on number of LMs having adopted Performance Management Framework	100	100		50%		100%	
Facilitate improvement of the local supply of critical and scarce skills in order to reduce reliance on imported skills and create more opportunities for the communities to take up available opportunities	Revised employment equity Plan	Resolution accompanied by the revised employment equity Plan	1	1				1	--
	Revised HRD Strategy	Council Resolution accompanied by revised HRD Strategy	1	1		1			656,820
	Ensure compliance with minimum competency requirements amongst all	Report on training of personnel towards attainment of	1	2	1		1		500 000

KEY PERFORMANCE OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	BASELINE	2011/12 TARGET	QUARTERLY TARGETS				2011/12 BUDGET
					Q1	Q2	Q3	Q4	
	personnel	minimum competencies							
	Number of interns employed by the District		0	30				30	
Lobbying the Private Sector to Adopt Local Schools and organise campaigns to ascertain the "Future after Grade 12"	Number of Learners recruited through learnership programmes in terms of the Skills Development	Report on number of learners recruited through the Learnership programme	0	1				1	-
Strategic Priority 5 Improve the Health Profile of all South Africans									
To ensure sustained building of a Healthy Team within the employ of Nkangala	% increase in number of employee assisted through Council's EAP	Report on implementation of the EAP	0	1				1	-
Strategic Priority 6 Intensify the fight against Crime and Corruption									
To facilitate creation of ethically efficient, effective, excellent and sustainable Organization.	Number of anti- Fraud and Corruption prevention Policies adopted	Progress report on implementation of Fraud and Corruption Policies	0	1				1	-
Strategic Priority 10: Building a Developmental State including improvement of Public Services and Strengthening Democratic Institutions.									
To ensure a responsive, accountable, effective and efficient Local Governance	Adopt IDP planning processes appropriate to the capacity and sophistication of the District	Council Resolution accompanied by the Framework Plan	1	1	1				1 500 000

KEY PERFORMANCE OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	BASELINE	2011/12 TARGET	QUARTERLY TARGETS				2011/12 BUDGET
					Q1	Q2	Q3	Q4	
system	Adopt implementable and credible IDPs across the District	Report on IDP Analysis by CGTA	1	1			1		
	Ensure Ward Committees are representative and fully involved in community consultation processes around the IDP, Budget and other Strategic service delivery issues	Report on participation of Ward Committees in the Municipal IDP and Budget processes	1	2		1		1	
Strategic Priority 6 Intensify the fight against Crime and Corruption									
To advocate for the achievement of universal access to quality basic education	Number of District's Education Indaba/Career Expos held	Report on District Education Indaba/Expo	0	2				1	
Strategic Priority 10: Building a Developmental State including improvement of Public Services and Strengthening Democratic Institutions.									
To advocate finalisation of outstanding matters pertaining to powers, duties and functions between the three spheres of government	Number of interaction sessions held on Municipal Powers and Functions	Report on interactions held	0	2		1		1	
	Organizational Studies undertaken	Report on Organizational Study	0	1		1			22,562
To facilitate the process of ensuring cooperation between traditional leadership and municipal councils within -the District -	No of traditional leaders participating in the NDM Council and Council Committees	Report on participation in Council meetings	0	3	1	1		1	

KEY PERFORMANCE OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	BASELINE	2011/12 TARGET	QUARTERLY TARGETS				2011/12 BUDGET	
					Q1	Q2	Q3	Q4		
To Strengthen Participatory Governance throughout the District	Number of the Mayors' Forum meetings held as scheduled	Attendance Registers and Minutes of the meeting	2	4	1	1	1	1	--	
	Number of Municipal Managers' Forum meetings held as scheduled	Attendance Registers and Minutes of the meeting	3	4	1	1	1	1	-	
To facilitate creation of a pool of skilled and capable workforce to support inclusive growth	Number of interns employed	Report on appointment of interns	1	1				1	--	
		Report on Work Study	1	1				1	100 000	
To continually review and ensure optimal usage of all the ICT systems with Nkangala District Municipality viz GIS, EDMS, Intranet, Website, financial and HR and project management systems and other systems	Number of District ICT Steering Committee Meetings.	Minutes of the Steering Committee with signed Attendance registers	3	4	1	1	1	1	-	
	Annual Reviewal of ICT Policy.	Report on Support and capacitating of ICT users	1	1			1		80 000	
	Three-year Reviewal of Master Systems Plan	Report on Maintenance of ICT systems		1				1		120 000
		Report on the Upgrade of NDM Website		1	1		1		1	300 000
		Installation of network cables and voice/ data facilities at KwaMhlanga fire station								300 000
	Annual implementation of Disaster Recovery Plan	Report on Implementation and maintenance of DRP/BCP		1	1				1	2 293 000

KPA5: GOOD GOVERNANCE

KEY PERFORMANCE OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	BASELINE	2011/12 TARGET	QUARTERLY TARGETS				2011/12 BUDGET
					Q1	Q2	Q3	Q4	
Strategic Priority 7 Building Cohesive caring and Sustainable Communities.									
To facilitate the upbringing of skilled, healthy and vibrant Youth and Women in the District	Women Summit Report prepared and submitted	Council Resolution on Women Summit Report/Women Summit Implementation Report	1	1		1			212 000
	% increase in number of resolutions implemented	Report on progress made towards the implementation of the summit resolutions	Resolutions	60% of the resolutions to be implemented	15%	15%	15%	15%	212 000
	% increase in number of Women participating the Municipal IDP Processes	Report on participation of Women in the IDP processes	1	1			1		-
	% increase in number of Youths participating in the Municipal IDP processes	Comprehensive Report on participation of Youth of Municipal IDP Processes	0	1		1			-
To facilitate the upbringing of skilled, healthy and vibrant Youth in the District	Council Resolution on Launch of the Youth Development.	Council approved strategy	1	1		1			-

KEY PERFORMANCE OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	BASELINE	2011/12 TARGET	QUARTERLY TARGETS				2011/12 BUDGET
					Q1	Q2	Q3	Q4	
	% of Annual Youth Development Programmes implemented	Programme of action	1	4	1	1	1	1	1 272 000
	Youth Summit held	Council resolutions on the Youth Summit report	0	1				1	424 000
To ensure mainstreaming of designated groups through Integrated Planning within the District	Mayoral Soccer Tournament /SALGA Municipal Games Report	Report on the soccer tournament	6	2		1		1	R 100 000
	Number of funding sources identified		0	1				1	Funding to be sourced
To facilitate creation of awareness of cultural diversity	Further research on the other struggle heroes and heroines	Database of names to be added to the cenotaph	0	1				1	750 000
	Appointment of service provider	Copy of Appointment Letter	1	1		1			
	Actual development of the site	Council Resolution	0	1				1	
	Close-up report compiled	Council Resolution	0	1				1	2 524 000
	Reports of the LGNC	Council Resolution	3	4	1	1	1	1	-

KEY PERFORMANCE OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	BASELINE	2011/12 TARGET	QUARTERLY TARGETS				2011/12 BUDGET
					Q1	Q2	Q3	Q4	
	Close-up report on Moral Regeneration	Council Resolution accompanied by the close-up report on Moral Regeneration	1	1		1			50 000
To ensure provision and standardization of fire services within the District	functional of the District Disaster Management Centre	Quarterly Report on the functionality of the District Disaster Management Centre	0	4	1	1	1	1	-
To ensure provision and standardization of fire services within the District	Council Resolution accompanied by the District Fire Prevention Strategy	An approved strategy	1	1				1	1 000 000
	Number of Fire Protection Association meetings participated in	Attendance Registers	4		1	1	1	1	-
	Facilitate the procurement of equipments and vehicles in support to LM's	Report on procurement of equipment in support to LMs	6	6				6	8 400 000
	Construction of a fire station in Dr J S Moroka	Progress reports on construction of the Station	0	2		1		1	9 000 000
	Number of training programmes conducted	Report on Training programme	2	3		1	1	1	149 000
	Number of awareness campaigns and inspections conducted	Report on awareness programme	0	4	1	1	1	1	-

KEY PERFORMANCE OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	BASELINE	2011/12 TARGET	QUARTERLY TARGETS				2011/12 BUDGET
					Q1	Q2	Q3	Q4	
Strategic Priority 6 Intensify the fight against Crime and Corruption									
To minimize the level of District's Risk exposure	Identify and Monitor exposure to risk and improvements of risk management and internal control systems	Council Resolution on the risk assessment	1	1		1		1	-
	Review and implement risk Management Action Plan	Council resolution accompanied by the plan	1	1				1	-
Strategic Priority 5: Improve the Health profile of the South African									
Ensure appropriate Municipal Health Services are effectively and equitably rendered in all the Municipalities within the District	Actual appointment of EHO's	6 Appointment letters	1	6		6			1 272 000
	Conduct sampling in the NDM region	Report on No of samples conducted	None	Minimum of 200 samples	50	50	50	50	
To reduce the impact of HIV/AIDS in the District	Induction training of the District AIDS Council (DAC) members	DAC Induction Report	DAC launched	Program me of action adopted			1		424 000
Strategic Priority 9 Sustainable Resource Management and Use									
To facilitate protection and enhancement of Environmental sustainability	Development of Environmental Management Plan	Council Resolution accompanied by the EMP Report	1			1			-
	Air Quality Control	The Report on the Section 78	0	1				1	1 272 000

KEY PERFORMANCE OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	BASELINE	2011/12 TARGET	QUARTERLY TARGETS				2011/12 BUDGET
					Q1	Q2	Q3	Q4	
		Investigation and Implementation Plan on AEL Function completed							
	Management and mitigation of the impacts of Climate Change	Appointment of a Service Provider in respect of NDM Climate Change Management and Mitigation Strategy	Climate Change Response Plan Green Paper			1		1	1 000 000
	Organise and convene a Climate Change Summit	Climate Change Summit Report noted by Council	0	1		1			
To facilitate creation of waste free neighbourhoods across the District	Implementation of the waste minimization and recycling strategies in the reviewed NDM Integrated Waste Management Plan (IWMP)	A minimum of 2 strategies from the NDM's Integrated Waste Management Plan (IWMP) implemented.	0	2		1		1	Private funding
	Implementation of the waste collection equipment and vehicles strategies in the reviewed NDM Integrated Waste Management Plan (IWMP)	A minimum of 2 of NDM's Integrated Waste Management Plan (IWMP) strategies on waste collection equipment and vehicles implemented.	0	2		1		1	Private funding
	Implement recommendations of the NDM's State of the Environment	A minimum of 2 of NDM's SOER recommendations fully	0	2		1		1	Private funding

KEY PERFORMANCE OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	BASELINE	2011/12 TARGET	QUARTERLY TARGETS				2011/12 BUDGET
					Q1	Q2	Q3	Q4	
	Report on Waste	implemented							
Strategic Priority 3 Inclusive Programme to build Economic and Social Infrastructure									
To facilitate sustainable Human Settlement and improved quality of household life	% increase in Land set aside for Housing development	Report on % of land used for housing across the District	0	2	1			1	
	% increase in number of Low-income houses on state owned Land	Council Resolution accompanied by the strategy document	0	1			1		
	Develop, review and implement Integrated Human Settlement Strategy (IHST) in partnership with Local municipalities and stakeholders	Council Resolution accompanied by the revised IHST	0	1				1	
Strategic Priority 10: Building a Developmental State including improvement of Public Services and Strengthening Democratic Institutions.									
To Strengthen Participatory Governance throughout the District	Facilitate the launch of all the Ward Committees throughout the District	Report on the launch of WC	1	1	1				500 000
	Facilitate training of all the Ward Committees in the District	Report on the training of WCs	1	1		1			
	Facilitate assimilation and dissemination of Quarterly Ward Committee reports	Consolidated Quarterly WC Reports received	0	3		1	1	1	
	Convene Ward Committees & CDWs Conference	Report on the WC & CDWs Conference	1	1		1			

KEY PERFORMANCE OBJECTIVE	KEY PERFORMANCE INDICATOR	UNIT OF MEASUREMENT	BASELINE	2011/12 TARGET	QUARTERLY TARGETS				2011/12 BUDGET
					Q1	Q2	Q3	Q4	
	Facilitate the integration of CDWs within Ward Committee System	Report on integration of CDWs within WCs	1	1		1			
	Implement the District's Community Outreach Programme	Reports on Community Outreach Programme	2	2	1		1		700 000
To ensure effective Branding of NDM and communication will all its stakeholders	Number of NDM publicity publications issued	Copies of the advertisements							300 000
	Number of initiatives implemented to promote understanding & awareness of NDM Brand.	Copies of the compiled and distributed District Wide Newsletter	2	5				5	250 000
		Report on development of Promotional Items and Brochure	1	2		1		1	200 000
	Number of social network mechanism used to deepen interaction with stakeholders		0						300 000
	Ensure regular communication of Community Outreach Programme via various media/modes	Revised Communication and community participation Strategy	1	1			1		

2.11 Contracts having future budgetary implications

In terms of the District's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Finance Department.

2.12 Capital expenditure details

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

Table 54 MBRR SA 34a - Capital expenditure on new assets by asset class

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									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		--	--	2,300	--	2,944	1,635	2,262	--	--
Infrastructure - Road transport		--	--	2,300	--	2,944	1,635	2,262	--	--
Roads, Pavements & Bridges		--	--	2,300	--	2,944	1,635	2,262	--	--
Storm water		--	--	--	--	--	--	--	--	--
Infrastructure - Electricity		--	--	--	--	--	--	--	--	--
Generation		--	--	--	--	--	--	--	--	--
Transmission & Reticulation		--	--	--	--	--	--	--	--	--
Street Lighting		--	--	--	--	--	--	--	--	--
Infrastructure - Water		--	--	--	--	--	--	--	--	--
Dams & Reservoirs		--	--	--	--	--	--	--	--	--
Water purification		--	--	--	--	--	--	--	--	--
Reticulation		--	--	--	--	--	--	--	--	--
Infrastructure - Sanitation		--	--	--	--	--	--	--	--	--
Reticulation		--	--	--	--	--	--	--	--	--
Sewerage purification		--	--	--	--	--	--	--	--	--
Infrastructure - Other		--	--	--	--	--	--	--	--	--
Waste Management		--	--	--	--	--	--	--	--	--
Transportation	2	--	--	--	--	--	--	--	--	--
Gas		--	--	--	--	--	--	--	--	--
Other	3	--	--	--	--	--	--	--	--	--
Community		(4,530)	5,354	2,305	16,615	21,893	19,473	26,185	5,957	6,315
Parks & gardens		--	--	--	--	--	--	--	--	--
Sportsfields & stadia		--	--	--	--	--	--	--	--	--
Swimming pools		--	--	--	--	--	--	--	--	--
Community halls		--	--	--	--	--	--	--	--	--
Libraries		--	--	--	--	--	--	--	--	--
Recreational facilities		--	--	--	--	--	--	--	--	--
Fire, safety & emergency		(4,530)	5,354	2,305	16,615	21,893	19,473	26,185	5,957	6,315
Security and policing		--	--	--	--	--	--	--	--	--
Buses	7	--	--	--	--	--	--	--	--	--
Clinics		--	--	--	--	--	--	--	--	--
Museums & Art Galleries		--	--	--	--	--	--	--	--	--
Cemeteries		--	--	--	--	--	--	--	--	--
Social rental housing	8	--	--	--	--	--	--	--	--	--
Other		--	--	--	--	--	--	--	--	--
Heritage assets		--	--	--	--	--	--	--	--	--
Buildings		--	--	--	--	--	--	--	--	--
Other	9	--	--	--	--	--	--	--	--	--
Investment properties		--	--	--	--	--	--	--	--	--
Housing development		--	--	--	--	--	--	--	--	--
Other		--	--	--	--	--	--	--	--	--
Other assets		(71)	910	581	3,513	2,548	522	7,560	1,936	2,048
General vehicles		--	--	88	600	600	--	350	--	--
Specialised vehicles		--	--	--	--	--	--	--	--	--
Plant & equipment		(59)	17	56	119	159	32	228	132	140
Computers - hardware/equipment		(5)	237	(121)	586	601	241	775	661	700
Furniture and other office equipment		(7)	51	42	932	892	160	1,112	1,048	1,108
Abattoirs		--	--	--	--	--	--	--	--	--
Markets		--	--	--	--	--	--	--	--	--
Civic Land and Buildings		--	--	--	--	--	--	--	--	--
Other Buildings		--	605	518	1,296	286	89	5,100	95	101
Other Land		--	--	--	--	--	--	--	--	--
Surplus Assets - (Investment or Inventory)		--	--	--	--	--	--	--	--	--
Other		--	--	--	--	--	--	--	--	--
Agricultural assets		--	--	--	--	--	--	--	--	--
List sub-class		--	--	--	--	--	--	--	--	--
Biological assets		--	--	--	--	--	--	--	--	--
List sub-class		--	--	--	--	--	--	--	--	--
Intangibles		--	--	--	--	--	--	--	--	--
Computers - software & programming		--	--	--	--	--	--	--	--	--
Other (list sub-class)		--	--	--	--	--	--	--	--	--
Total Capital Expenditure on new assets	1	(4,601)	6,264	5,347	20,128	27,385	21,630	36,007	7,894	8,363
Specialised vehicles		--	--	--	--	--	--	--	--	--
Refuse		--	--	--	--	--	--	--	--	--
Fire		--	--	--	--	--	--	--	--	--
Conservancy		--	--	--	--	--	--	--	--	--
Ambulances		--	--	--	--	--	--	--	--	--

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									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure										
Infrastructure - Road transport										
Roads, Pavements & Bridges										
Storm water										
Infrastructure - Electricity										
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water										
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation										
Reticulation										
Sewerage purification										
Infrastructure - Other										
Waste Management										
Transportation	2									
Gas	3									
Other										
Community										
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing	7									
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
Heritage assets										
Buildings										
Other	9									
Investment properties										
Housing development										
Other										
Other assets		1,001	909	1,600	4,933	4,202	3,006	5,337	5,781	6,133
General vehicles										
Specialised vehicles										
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		1,001	909	1,600	4,933	4,202	3,006	5,337	5,781	6,133
Agricultural assets										
List sub-class										
Biological assets										
List sub-class										
Intangibles										
Computers - software & programming										
Other (list sub-class)										
Total Repairs and Maintenance Expenditure	1	1,001	909	1,600	4,933	4,202	3,006	5,337	5,781	6,133
Specialised vehicles										
Refuse										
Fire										
Conservancy										
Ambulances										

Table 55 MBRR SA34c - Repairs and maintenance expenditure by asset class

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									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure										
Infrastructure - Road transport										
Roads, Pavements & Bridges										
Storm water										
Infrastructure - Electricity										
Generation										
Transmission & Retiulation										
Street Lighting										
Infrastructure - Water										
Dams & Reservoirs										
Water purification										
Retiulation										
Infrastructure - Sanitation										
Retiulation										
Severage purification										
Infrastructure - Other										
Waste Management										
Transportation	2									
Gas										
Other	3									
Community										
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing	7									
Buses										
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
Heritage assets										
Buildings										
Other	9									
Investment properties										
Housing development										
Other										
Other assets		1,991	989	1,600	4,933	4,292	3,006	5,337	5,781	6,133
General vehicles										
Specialised vehicles										
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment										
Axators										
Motors										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other		1,001	989	1,600	4,933	4,292	3,006	5,337	5,781	6,133
Agricultural assets										
List sub-class										
Biological assets										
List sub-class										
Intangibles										
Computers - software & programming										
Other (list sub-class)										
Total Repairs and Maintenance Expenditure	1	1,991	989	1,600	4,933	4,292	3,006	5,337	5,781	6,133
Specialized vehicles										
Refuse										
Fire										
Convoyancy										
Ambulances										

Table 56 MBRR SA35 - Future financial implications of the capital budget

Vote Description	Ref	2011/12 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Forecast 2014/15	Forecast 2015/16	Forecast 2016/17	Present value
R thousand								
Capital expenditure	1							
Vote1 - EXECUTIVE & COUNCIL		6,202	1,238	1,308	1,439	1,511	1,662	1,795
Vote2 - ADMINISTRATION		189	200	212	233	245	269	291
Vote3 - FINANCE - BUDGET & TREASURY OFFICE		205	217	230	253	266	293	316
Vote4 - COMMUNITY & SOCIAL SERVICES		825	132	140	154	162	178	192
Vote5 - PLANNING & DEVELOPMENT		160	170	180	198	208	228	247
Vote6 - PLANNING & DEVELOPMENT CONTRIBUTIONS TO LOCAL MUNICIPALITIES		-	-	-	-	-	-	-
Vote7 - REGIONAL SERVICES		28,427	5,936	6,292	6,921	7,267	7,994	8,634
Vote8 - Example 8		-	-	-	-	-	-	-
Vote9 - Example 9		-	-	-	-	-	-	-
Vote10 - Example 10		-	-	-	-	-	-	-
Vote11 - Example 11		-	-	-	-	-	-	-
Vote12 - Example 12		-	-	-	-	-	-	-
Vote13 - Example 13		-	-	-	-	-	-	-
Vote14 - Example 14		-	-	-	-	-	-	-
Vote15 - Example 15		-	-	-	-	-	-	-
List entity summary if applicable								
Total Capital Expenditure		36,007	7,894	8,363	9,199	9,659	10,625	11,475
Future operational costs by vote	2							
Vote1 - EXECUTIVE & COUNCIL		3,955	4,309	4,568	5,025	5,276	5,804	6,268
Vote2 - ADMINISTRATION		41	43	46	51	53	59	63
Vote3 - FINANCE - BUDGET & TREASURY OFFICE		960	1,018	1,079	1,187	1,246	1,370	1,480
Vote4 - COMMUNITY & SOCIAL SERVICES		355	383	411	453	475	523	565
Vote5 - PLANNING & DEVELOPMENT		26	28	29	32	34	37	40
Vote6 - PLANNING & DEVELOPMENT CONTRIBUTIONS TO LOCAL MUNICIPALITIES		-	-	-	-	-	-	-
Vote7 - REGIONAL SERVICES		-	-	-	-	-	-	-
Vote8 - Example 8		-	-	-	-	-	-	-
Vote9 - Example 9		-	-	-	-	-	-	-
Vote10 - Example 10		-	-	-	-	-	-	-
Vote11 - Example 11		-	-	-	-	-	-	-
Vote12 - Example 12		-	-	-	-	-	-	-
Vote13 - Example 13		-	-	-	-	-	-	-
Vote14 - Example 14		-	-	-	-	-	-	-
Vote15 - Example 15		-	-	-	-	-	-	-
List entity summary if applicable								
Total future operational costs		5,337	5,781	6,133	6,747	7,084	7,792	8,416
Future revenue by source	3							
Property rates		-	-	-	-	-	-	-
Property rates - penalties & collection charges		-	-	-	-	-	-	-
Service charges - electricity revenue		-	-	-	-	-	-	-
Service charges - water revenue		-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-
RSC Levy Replacement Grant		40,644	13,674	14,496	15,946	16,743	18,418	19,891
List entity summary if applicable								
Total future revenue		40,644	13,674	14,496	15,946	16,743	18,418	19,891
Net Financial Implications		700	-	-	-	-	-	-

Table 57 MBRR SA36 - Detailed capital budget per municipal vote

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code 3.	Asset Class 4.	Asset Sub-Class 4.	Total Project Estimate	Prior year outcomes		2011/12 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2009/10	Current Year 2010/11 Full Year Forecast	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14	Ward location	New or renewal
Parent municipality:														
List all capital projects grouped by Municipal Vote														
					Examples	Examples								
Vote1 - EXECUTIVE & COUNCIL								532	91	6,202	1,238	1,388		
✓ CAP EX: BUILDINGS							519	37	5,100	95	101			
✓ CAP EX: FURNITURE & APPLIANCES							15	-	637	662	667			
✓ CAP EXP: EQUIPMENT							56	13	112	117	124			
✓ CAP EXP: OFFICE MACHINES							(144)	-	353	374	367			
✓ CAP EXP: VEHICLES							66	-	-	-	-			
Vote2 - ADMINISTRATION							49	42	189	200	212			
✓ CAP EX: FURNITURE & APPLIANCES							2	2	26	27	28			
✓ CAP EXP: EQUIPMENT							0	-	14	14	15			
✓ CAP EXP: OFFICE MACHINES							17	14	70	74	79			
✓ CAP EXP: BOOKS							25	27	60	65	90			
Vote3 - FINANCE - BUDGET & TREASURY OFFICE							5	89	205	217	230			
✓ CAP EX: FURNITURE & APPLIANCES							-	-	28	30	31			
✓ CAP EXP: OFFICE MACHINES							5	69	177	188	199			
Vote4 - COMMUNITY & SOCIAL SERVICES							(27)	1,398	625	132	148			
✓ CAP EX: FURNITURE & APPLIANCES							(6)	7	181	66	92			
✓ CAP EXP: EQUIPMENT							81	-	130	21	22			
✓ CAP EXP: OFFICE MACHINES							-	-	173	25	26			
✓ CAP EXP: VEHICLES							(109)	1,391	350	-	-			
Vote5 - PLANNING & DEVELOPMENT							-	49	160	178	188			
✓ CAP EX: FURNITURE & APPLIANCES							-	31	160	170	180			
✓ CAP EXP: OFFICE MACHINES							-	18	-	-	-			
Vote7 - REGIONAL SERVICES							4,793	7,404	26,427	5,936	6,292			
✓ CAP EX: BUILDINGS							-	2,687	17,351	-	-			
✓ CAP EXP: FIRE FIGHTING VEHICLES							2,413	4,035	8,813	5,506	6,262			
✓ CAP EXP: ROADS							2,380	681	2,262	-	-			
Total Capital expenditure	1							5,347	9,813	36,007	7,894	8,363		

2.13 Legislation compliance status

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

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the District's website.
2. Internship programme
The District is participating in the Municipal Financial Management Internship programme and has employed six interns undergoing training in various divisions of the Financial Services Department. Of the six interns two has resigned recently. It is estimated that the remaining four will complete their two year contract on 31 August 2012. Since the introduction of the Internship programme the District has successfully employed and trained 2 interns through this programme and one of them were appointed in the District and the other at Dr JS Moroka Local Municipality.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2011/12 MTREF in May 2011 directly aligned and informed by the 2011/12 MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training
The MFMA training is slow and the district plan to train all finance personnel to comply with the requirements of the minimum competency regulations.
8. Policies
All budget related policies will be review during 2011/12.

2.14 Other supporting documents

Table 58 MBRR Table SA1 - Supporting detail to budgeted financial performance

Description	2007/8	2008/9	2009/10	Current Year 2010/11				2011/12 Medium Term Revenue &		
	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 thousand										
REVENUE ITEMS:										
Other Revenue by source										
Fuel levy										
Other revenue	27,833	13,111	2,892	1,311	1,311	3,766	1,569	1,384	1,467	1,555
Total 'Other' Revenue	27,833	13,111	2,892	1,311	1,311	3,766	1,569	1,384	1,467	1,555
EXPENDITURE ITEMS:										
Employee related costs										
Salaries and Wages	17,177	19,815	21,904	51,983	32,883	29,245	12,185	55,816	54,507	70,313
Contributions to UIF, pensions, medical aid	5,126	2,797	5,336	8,254	5,684	5,301	2,209	9,387	11,053	12,060
Travel, motor car, accom. & other allowances	1,153	489	1,965	2,251	2,954	2,547	1,061	2,867	3,442	3,752
Housing benefits and allowances	191	141	139	1,091	321	102	43	1,111	1,310	1,438
sub-total	21,646	23,021	29,344	63,599	41,452	17,195	15,498	70,011	69,322	87,553
Less: Employees costs capitalised to PPE										
Total Employee related costs	21,646	23,021	29,344	63,599	41,452	17,195	15,498	70,011	69,322	87,553
Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment	4,279	5,974	6,056	5,420	7,437	7,889	3,267	5,775	6,122	6,489
Lease amortisation										
Capital asset impairment		59								
Total Depreciation & asset impairment	4,279	6,033	6,056	5,420	7,437	7,889	3,267	5,775	6,122	6,489
Contracted services										
Rental of office machines	155	106	132	1,096	1,118	966	402	1,230	1,303	1,381
sub-total	155	106	132	1,096	1,118	966	402	1,230	1,303	1,381
Total contracted services	155	106	132	1,096	1,118	966	402	1,230	1,303	1,381
Other Expenditure By Type										
Collection costs	14	135	16	-	-	-	-	-	-	-
Audit fees	1,386	1,094	1,021	1,780	3,181	4,092	1,705	1,717	1,920	1,929
General expenses	10,983	15,295	11,088	52,046	53,742	14,271	5,988	79,445	51,467	54,294
Total 'Other' Expenditure	12,383	16,524	12,125	54,626	56,903	18,463	7,693	81,163	53,287	56,194
Repairs and Maintenance by Expenditure Item										
Other Expenditure	1,001	989	1,808	4,933	4,202	3,006	1,253	5,337	5,781	6,133
Total Repairs and Maintenance Expenditure	1,001	989	1,808	4,933	4,202	3,006	1,253	5,337	5,781	6,133

Table 59 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

Description	Vote1 - EXECUTIVE & COUNCIL	Vote2 - ADMINISTR ATION	Vote3 - FINANCE - BUDGET & TREASURY OFFICE	Vote4 - COMMUNITY & SOCIAL SERVICES	Vote5 - PLANNING & DEVELOPME NT	Vote6 - PLANNING & DEVELOPME NT	Vote7 - REGIONAL SERVICES	Total
R thousand								
Revenue By Source								
Rental of facilities and equipment	-							-
Interest earned - external investments			22,125					22,125
Interest earned - outstanding debtors			103					103
Other revenue			1,384					1,384
Transfers recognised - operational			301,595					301,595
Gains on disposal of PPE								-
Total Revenue (excluding capital transfers and contributions)	-	-	325,207	-	-	-	-	325,207
Expenditure By Type								
Employee related costs	8,603	8,904	13,908	18,178	20,419	-	-	70,011
Remuneration of councillors	12,164	-	-	-	-	-	-	12,164
Debt impairment	-	-	127	-	-	-	-	127
Depreciation & asset impairment	3,312	173	193	1,295	143	-	656	5,775
Finance charges	3,000	-	-	-	-	-	-	3,000
Bulk purchases	-	-	-	-	-	-	-	-
Other materials	142	9	60	81	575	-	-	866
Contracted services	828	38	67	128	169	-	-	1,230
Transfers and grants	-	-	-	-	-	438,126	-	438,126
Other expenditure	7,641	3,061	6,263	7,638	(9,934)	-	66,493	81,163
Loss on disposal of PPE	-	-	-	-	-	-	-	-
Total Expenditure	35,689	12,185	20,618	27,321	11,371	438,126	67,151	612,461
Surplus/(Deficit)	(35,689)	(12,185)	304,589	(27,321)	(11,371)	(438,126)	(67,151)	(287,254)
Surplus/(Deficit) after capital transfers & contributions	(35,689)	(12,185)	304,589	(27,321)	(11,371)	(438,126)	(67,151)	(287,254)

Table 60 MBRR Table SA3 – Supporting detail to Statement of Financial Position

Description	Ref	2001/0	2000/9	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 thousand											
ASSETS											
<u>Call investment deposits</u>											
Call deposits < 90 days		348,532	380,828	425,475	92,808	94,745	441,499	533,910	219,351	224,607	229,239
Other current investments > 90 days											
Total Call investment deposits	2	348,532	380,828	425,475	92,808	94,745	441,499	533,910	219,351	224,607	229,239
<u>Consumer debtors</u>											
Consumer debtors		2,065	-	-	-	-	-	-	-	-	-
Less: Provision for debt impairment		(2,065)	-	-	-	-	-	-	-	-	-
Total Consumer debtors	2	-	-	-	-	-	-	-	-	-	-
<u>Debt impairment provision</u>											
Balance at the beginning of the year											
Contributions to the provision											
Bad debts written off											
Balance at end of year		-	-	-	-	-	-	-	-	-	-
<u>Property, plant and equipment (PPE)</u>											
PPE at cost valuation (excl. finance leases)		88,775	98,717	102,915	123,043	130,300	124,548	111,908	147,905	155,828	164,191
Leases recognised as PPE		3,838	3,838	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,439
Less: Accumulated depreciation		(15,843)	(21,676)	(25,452)	(30,872)	(32,889)	(33,341)	(28,740)	(34,515)	(40,838)	(47,125)
Total Property, plant and equipment (PPE)	2	76,770	80,879	79,902	94,610	99,850	93,646	85,607	115,829	117,429	119,505
LIABILITIES											
<u>Current liabilities - Borrowing</u>											
Short-term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		5,022	6,989	6,422	5,909	5,909	3,898	1,621	5,200	5,100	5,200
Total Current liabilities - Borrowing		5,022	6,989	6,422	5,909	5,909	3,898	1,621	5,200	5,100	5,200
<u>Trade and other payables</u>											
Trade and other creditors		36,732	28,957	35,436	14,973	14,893	16,887	19,148	15,695	15,730	15,173
Unspent conditional transfers		1,566	601	609	-	-	-	-	-	-	-
VAT		-	-	-	-	-	-	-	-	-	-
Total Trade and other payables	2	37,318	29,258	36,245	14,973	14,893	16,887	19,148	15,695	15,730	15,173
<u>Non current liabilities - Borrowing</u>											
Borrowing		50,293	55,489	50,513	49,024	49,024	50,513	50,513	48,313	48,113	43,913
Finance leases (including PPP asset element)		1,173	802	1,001	-	-	-	-	-	-	-
Total Non current liabilities - Borrowing	4	51,466	56,291	51,514	49,024	49,024	50,513	50,513	48,313	48,113	43,913
<u>Provisions - non-current</u>											
Retirement benefits		3,765	3,758	3,085	3,085	3,085	3,085	3,085	3,085	3,085	3,085
List other major provision items											
Refuse landfill site rehabilitation											
Other											
Total Provisions - non-current		3,765	3,758	3,085	3,085	3,085	3,085	3,085	3,085	3,085	3,085
CHANGES IN NET ASSETS											
<u>Accumulated Surplus/(Deficit)</u>											
Accumulated Surplus/(Deficit) - opening balance		474,691	661,671	516,547	648,026	648,026	648,026	648,026	753,263	466,099	476,302
GRAP adjustments											
Restated balance		474,691	661,671	516,547	648,026	648,026	648,026	648,026	753,263	466,099	476,302
Surplus/(Deficit)		125,890	148,767	131,479	(330,508)	(323,251)	25,833	105,237	(287,264)	10,294	11,163
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	600,582	800,438	648,026	317,518	324,774	673,859	753,263	466,099	476,302	487,465
<u>Reserves</u>											
Housing Development Fund											
Capital replacement											
Capitalisation											
Government grant											
Donations and public contributions											
Self-insurance											
Other reserves (list)											
Revaluation											
Total Reserves	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	600,582	800,438	648,026	317,518	324,774	673,859	753,263	466,099	476,302	487,465
Total capital expenditure includes expenditure on nationally significant priorities:											
Provision of basic services											
2010 World Cup											

Table 61 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

Description of economic indicator	Basis of calculation	1996 Census	2001 Census	2007 Survey	2007/8	2008/9	2009/10	Current Year 2010/11	2011/12 Medium Term Revenue & Expenditure Framework		
Demographics											
Population		963	1,019	1,227			1,292				1,394
Females aged 5 - 14											
Males aged 5 - 14											
Females aged 15 - 34											
Males aged 15 - 34											
Unemployed		182	318	321			338				357
Household income (households) (1.)											
None											
R1 - R400											
R400 - R900											
Poverty profiles (2.)											
Asset description											
Household demographics (300)											
Number of people in municipal area		962,995	1,018,827	1,226,501	-	-	1,291,800	-	-	-	1,394,200
Number of poor people in municipal area											
Number of households in municipal area											
Number of poor households in municipal area											
Definition of poor household (R per month)											
Housing statistics (3.)											
Formal											
Informal											
Total number of households		-	-	-	-	-	-	-	-	-	-
Dwellings provided by municipality (4.)											
Dwellings provided by province											
Dwellings provided by private sector (5.)											
Total new housing dwellings		-	-	-	-	-	-	-	-	-	-
Economic (6.)											
Inflation/Inflation outlook (CPI)									6.0%	6.0%	6.0%
Interest rate - borrowing									n/a	n/a	n/a
Interest rate - investment									6.0%	6.0%	6.0%
Remuneration increases									7.5%	7.5%	7.5%
Consumption growth (electricity)									n/a	n/a	n/a
Consumption growth (water)									n/a	n/a	n/a
Collection rates (7.)											
Property tax/service charges									n/a	n/a	n/a
Rental of facilities & equipment									100.0%	100.0%	100.0%
Interest - external investments									100.0%	100.0%	100.0%
Interest - debtors									99.0%	99.0%	99.0%
Revenue from agency services									100.0%	100.0%	100.0%

2.15 Municipal manager's quality certificate

I TC Makola, municipal manager of Nkangala District Municipality , hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name _____

Municipal manager of Nkangala District Municipality (DC31)

Signature _____

Date _____

Table 62 Contributions to local municipalities: New project list 2011/12

1. Victor Khanye									
PROJECT DESCRIPTION	WATER	SEWER	ROADS & STORMWATER	URBAN DEVELOPMENT	ELECTRICITY	OTHER	Funded through EPWP	Funded through NDM	TOTAL
1 Tipper truck						1,650,000		1,650,000	1,650,000
Replacement of asbestos pipes	1,500,000						1,500,000		1,500,000
Construction roads			3,000,000					3,000,000	3,000,000
Rebuild roads			3,000,000					3,000,000	3,000,000
Storm water (Motloug)			1,000,000				1,000,000		1,000,000
Storm water (Delpark X2))			1,000,000				1,000,000		1,000,000
TOTAL	1,500,000	-	8,000,000	-	-	1,650,000	3,500,000	7,650,000	11,150,000

2. DR. JS Moroka - 2011/2012									
PROJECT DESCRIPTION	WATER	SEWER	ROADS & STORMWATER	URBAN DEVELOPMENT	ELECTRICITY	OTHER	Funded through	Funded through NDM	TOTAL
Marapyane Water Reticulation	2,000,000						2,000,000		2,000,000
Semothlase Water Reticulation	2,000,000						2,000,000		2,000,000
Moletji water Reticulation	2,000,000						2,000,000		2,000,000
Nokaneng Bulk Water Supply	1,520,000						1,520,000		1,520,000
Construction of VIP Toilets at Mthambothini		1,000,000					1,000,000		1,000,000
Construction of VIP Toilets at Meetsemadiba		1,000,000					1,000,000		1,000,000
Construction of VIP toilets at Pieterskraal & Skimming		1,000,000					1,000,000		1,000,000
Construction of VIP toilets at Lefiso		1,000,000					1,000,000		1,000,000
Construction of VIP toilets at Lefisoane		1,000,000					1,000,000		1,000,000
Construction of VIP toilets at Mabuyeni		1,000,000					1,000,000		1,000,000
Upgrading of Skimming Bus and Taxi Route			2,000,000					2,000,000	2,000,000
Upgrading of Senotlelo Bus and Taxi Route			2,000,000					2,000,000	2,000,000
Upgrading of Marothobolong Bus and Taxi Route			2,000,000					2,000,000	2,000,000
Upgrading of Ramokgeletsane Bus and Taxi Route			2,000,000					2,000,000	2,000,000
Upgrading of Ramantsho to Dikheng Bus & Taxi Route			2,000,000					2,000,000	2,000,000
TOTAL	7,520,000	6,000,000	10,000,000	-	-	-	13,520,000	10,000,000	23,520,000

3. Emalahleni - 2011/2012									
PROJECT DESCRIPTION	WATER	SEWER	ROADS & STORMWATER	URBAN DEVELOPMENT	ELECTRICITY	OTHER	through EPWP	Funded through NDM	TOTAL
Doornpoort Upgrde					11,000,000			11,000,000	11,000,000
Master Plan					2,000,000			2,000,000	2,000,000
Rehabilitation of Kalkspruit Phase 2			3,500,000					3,500,000	3,500,000
Pedestrian bridges in Klarinet X4 & X5 MNT			2,500,000					2,500,000	2,500,000
Reconstruction of damaged streets in Emalahleni			5,000,000					5,000,000	5,000,000
Upgrading of Emalahleni Water Purification Plant	5,120,000							5,120,000	5,120,000
Installation of bulk and domestic water meters	3,000,000						3,000,000		3,000,000
Replacement of cash iron manholes in Emalahleni		1,000,000						1,000,000	1,000,000
TOTAL	8,120,000	1,000,000	11,000,000	-	13,000,000	-	3,000,000	30,120,000	33,120,000

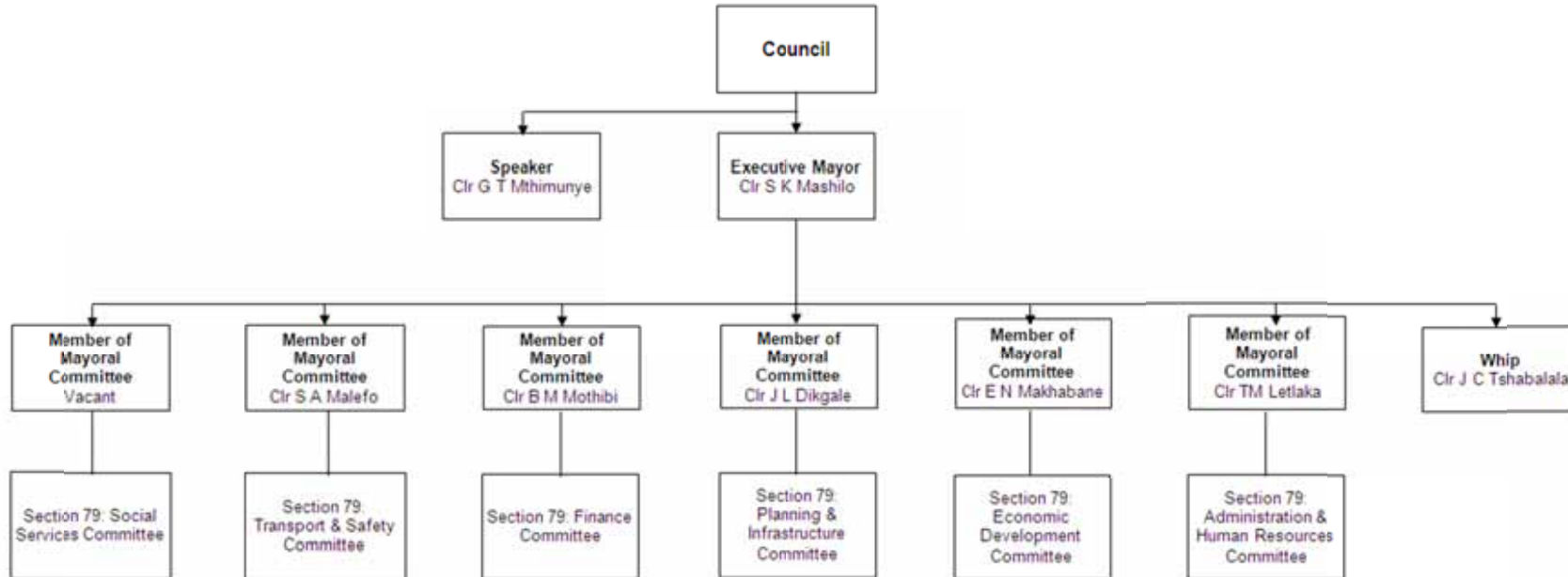
4. Steve Tshwete - 2011/2012									
PROJECT DESCRIPTION	WATER	SEWER	ROADS & STORMWATER	URBAN DEVELOPMENT	ELECTRICITY	OTHER	Funded through EPWP	Funded through NDM	TOTAL
Bulk water Supply Rockdale	10,970,000						10,970,000		10,970,000
New 10 Ml Rietfontein Reservoir	1,400,000							1,400,000	1,400,000
Upgrading 4th Phase Klein Olifants Outfall Sewr		7,000,000						7,000,000	7,000,000
Grade 140H						2,800,000		2,800,000	2,800,000
TOTAL	12,370,000	7,000,000				2,800,000	10,970,000	11,200,000	22,170,000

5. Emakhazeni - 2011/2012									
PROJECT DESCRIPTION	WATER	SEWER	ROADS & STORMWATER	URBAN DEVELOPMENT	ELECTRICITY	OTHER	Funded through EPWP	Funded through NDM	TOTAL
Building Community hall in siyathuthuka						2,300,000		2,300,000	2,300,000
Rising of Dullstroom Dam wall phase 1	3,500,000							3,500,000	3,500,000
Widening of Bhekumuzi Masango Drive phase 2			4,000,000					4,000,000	4,000,000
Upgrading of electrical medium network in Belfast					560,000			560,000	560,000
TOTAL	3,500,000	-	4,000,000	-	560,000	2,300,000	-	10,360,000	10,360,000

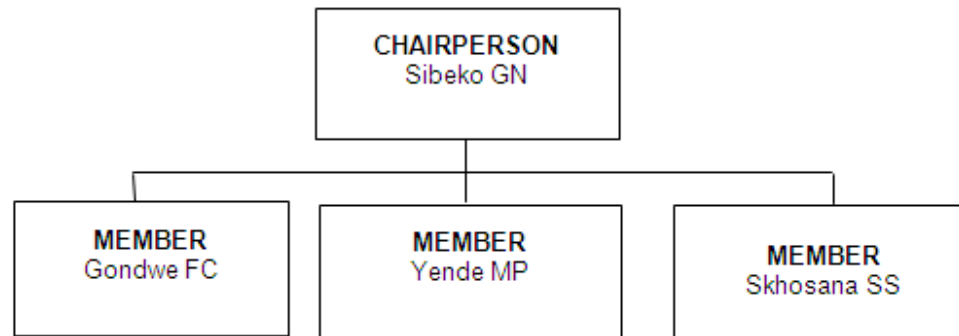
6. THEMBISILE HANI LOCAL MUNICIPALITY - 2011/2012									
PROJECT DESCRIPTION	WATER	SEWER	ROADS & STORMWATER	URBAN DEVELOPMENT	ELECTRICITY	OTHER	Funded through	Funded through NDM	TOTAL
Completion of bus route at Kwaggafontein D			4,000,000					4,000,000	4,000,000
Completion of bus route at Tweefontein B1			2,000,000					2,000,000	2,000,000
Completion of bus route at Tweefontein J			1,500,000					1,500,000	1,500,000
Bridge Kwaggafontein D (Matselapad) Pedestrian Bridge			3,200,000					3,200,000	3,200,000
Mauntainview Phola Park			2,500,000					2,500,000	2,500,000
Replacement of asbestos pipes-48km	4,000,000							4,000,000	4,000,000
High mast lights					4,000,000			4,000,000	4,000,000
Establishment of western/eastern landfill site				3,490,000				3,490,000	3,490,000
TOTAL	4,000,000	-	13,200,000	3,490,000	4,000,000	-	-	24,690,000	24,690,000

7. NEW PROJECTS NDM GENERAL			
DEPT	ITEM	DESCRIPTION	Budget Year 2011/12
1220	102065	DEPRECIATION	6,000
1220	110051	WATER SERVICES PLANS	2,000,000
1220	507101	EMERGENCY PROJECTS	5,000,000
1220	507102	LOAN CHARGES DBSA LOANS PH 1	6,100,000
1220	507103	CAPACITY BUILDING GENERAL	3,000,000
1220	507111	MOLOTO CORRIDOR BUSINESS PLAN	500,000
1220	507117	IDP REVIEW	1,350,000
1220	507118	TECHNICAL SERVICES VOTE 500	14,342,651
1220	507142	MFMA COMPLIANCE IMP PLAN	1,000,000
1220	507161	COMMUNITY PARTICIPATION	1,000,000
1220	507179	HIV/AIDS STRATEGY	50,000
1220	507182	WATER & SANITATION BACKLOGS CL	2,000,000
1220	507183	IMPLEMENTATION OF MINIMUM COMP	2,000,000
1220	507196	DEVELOPMENT OF GIS	5,000,000
1220	507200	REGIONAL BULK SERVICES	4,310,339
1220	507201	ELECTICITY PROJECTS	2,000,000
1220	507202	COMMUNITY HALL DR JS MOROKA LEGAC	5,000,000
1220	517104	BUDGET COMMUNITY PARTICIPATION	200,000
1220	517115	JOB CREATION INICIATIVES/ PROJECTS	10,000,000
1220	517120	DEV OF INTEGRATED ENVIRON STRA	1,000,000
1220	549004	PROJECT PLANNING	2,000,000
1220	NEW	MORAL REGENERATION	50000
		TOTAL	67,908,990

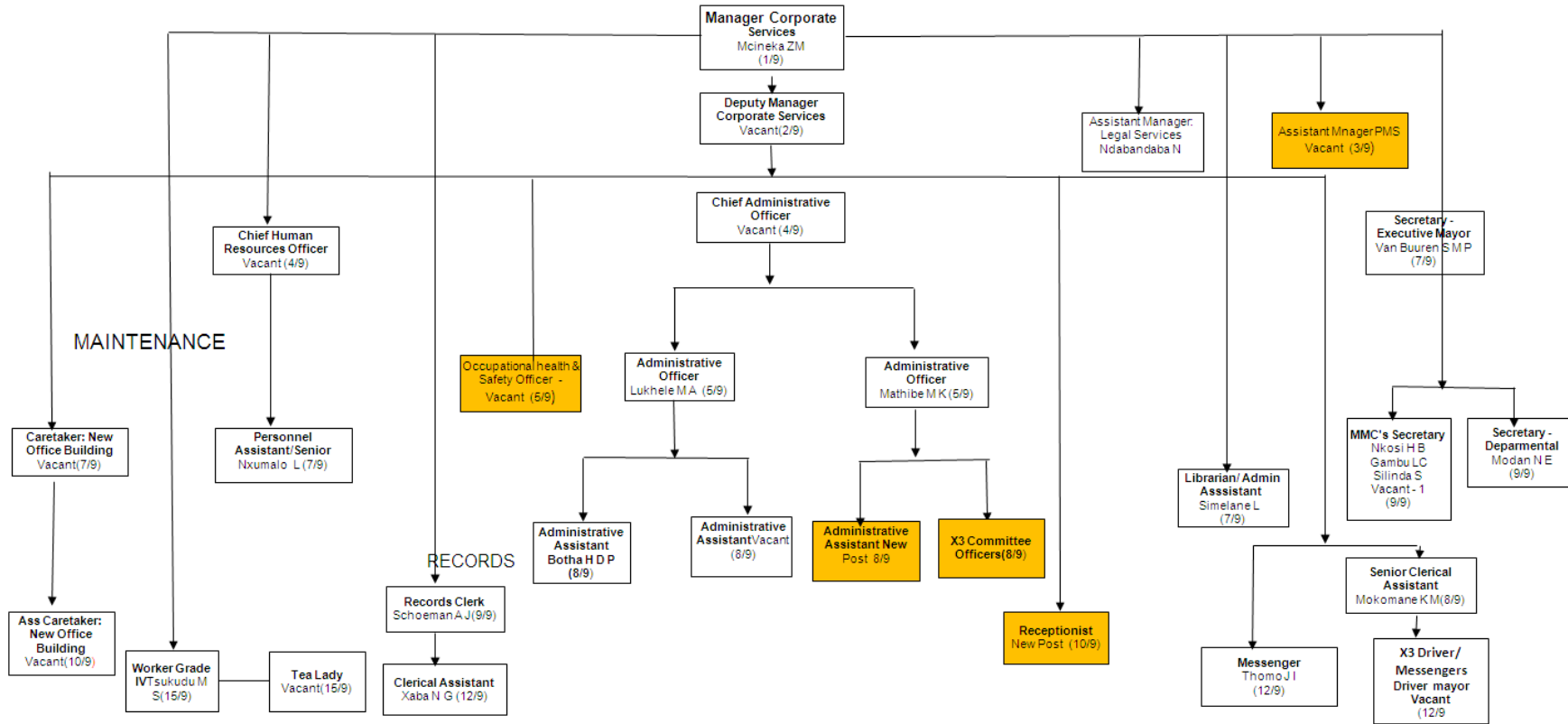
Figure 8 Nkangala District Municipality Organogram



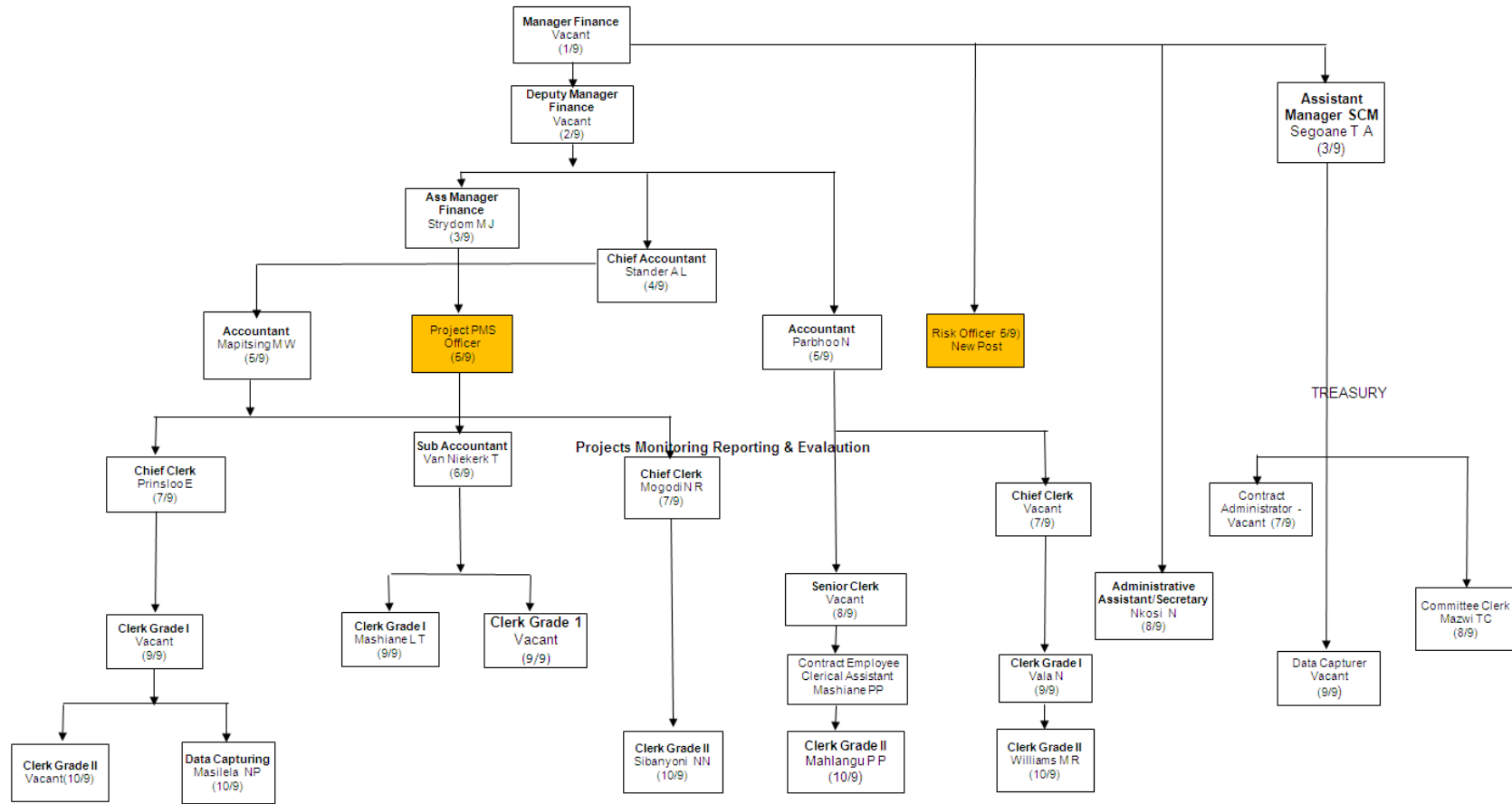
ORGANOGRAM: AUDIT COMMITTEE



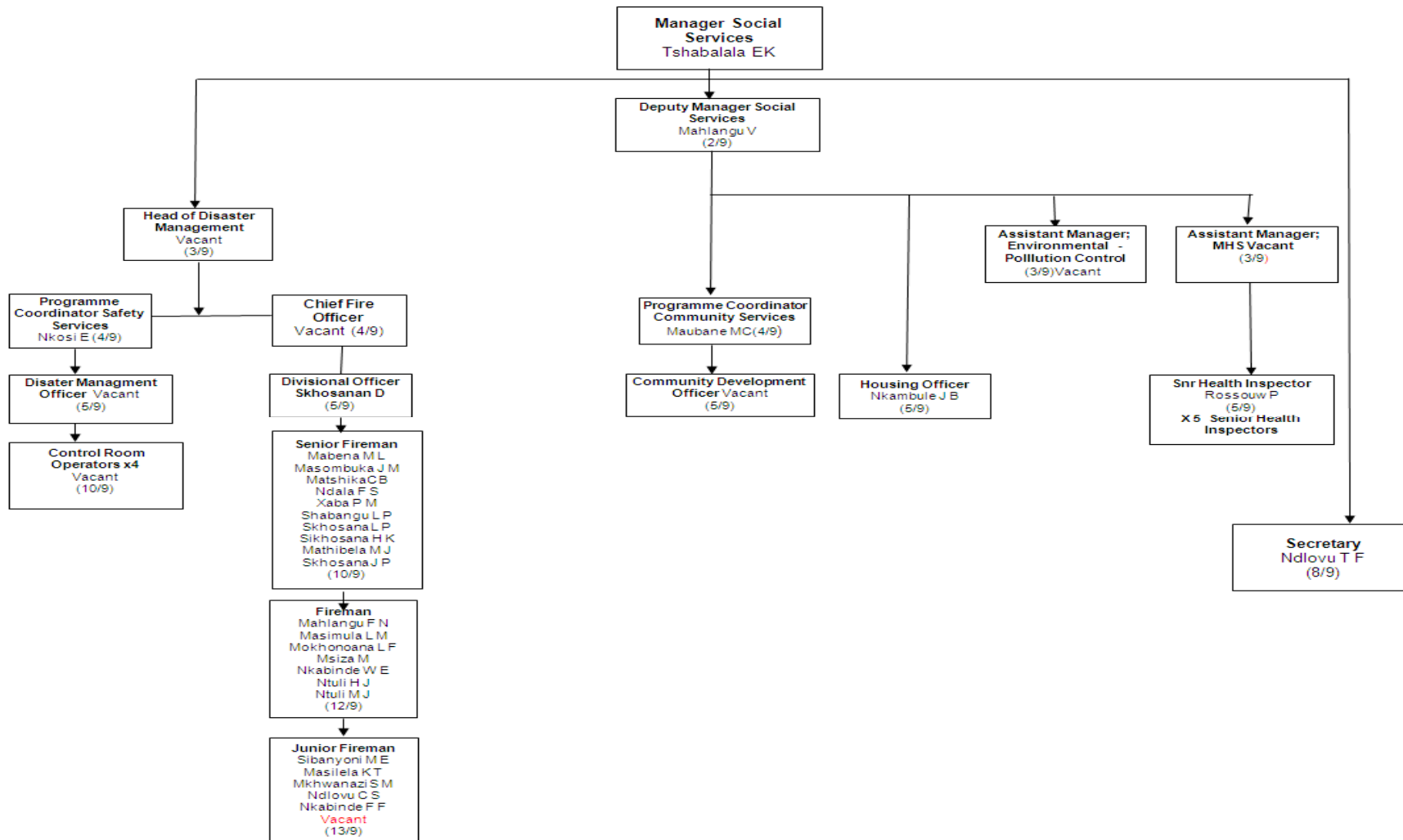
ORGANOGRAM: CORPORATE SERVICES DEPARTMENT



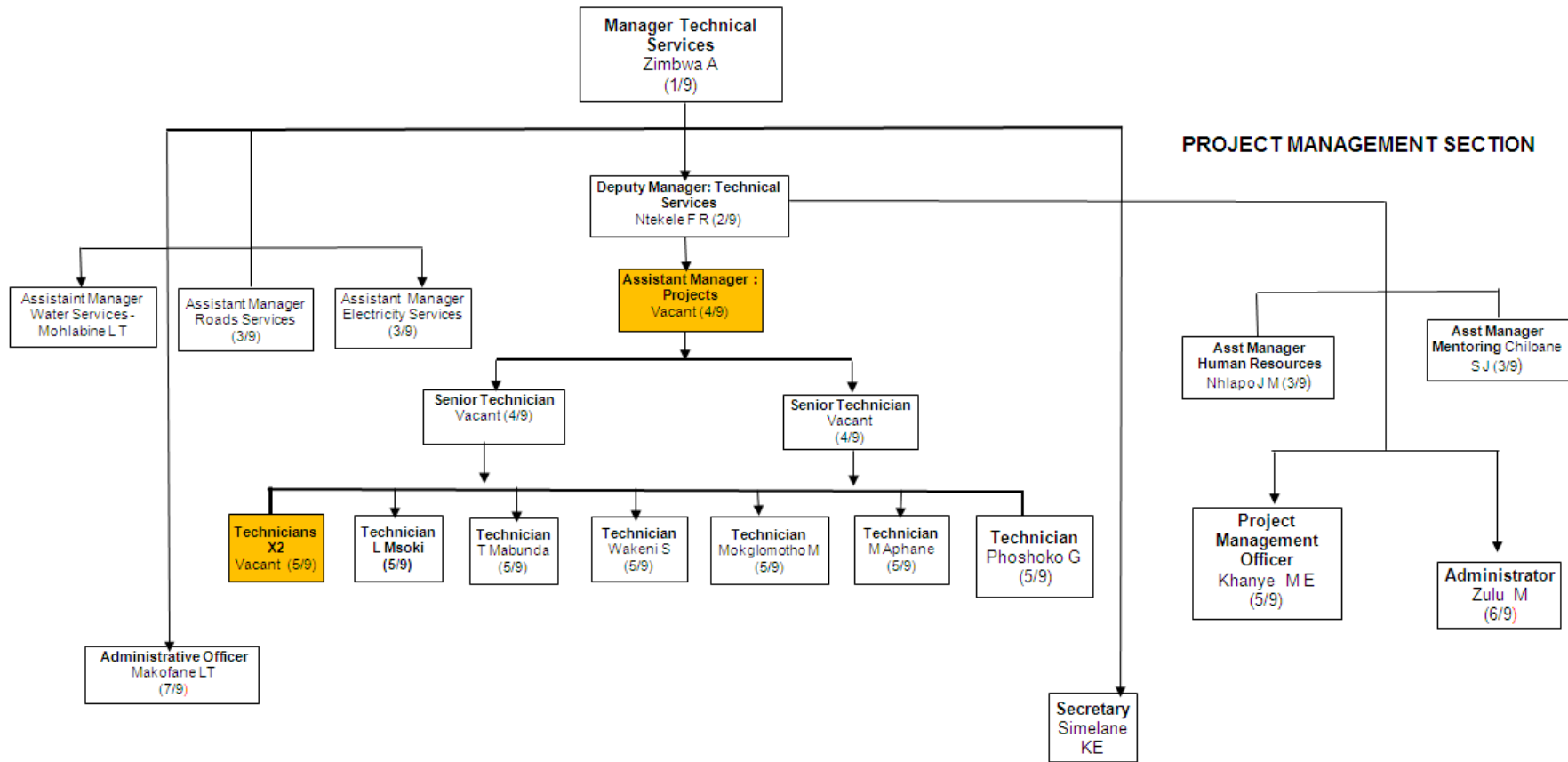
ORGANOGRAM: FINANCE DEPARTMENT



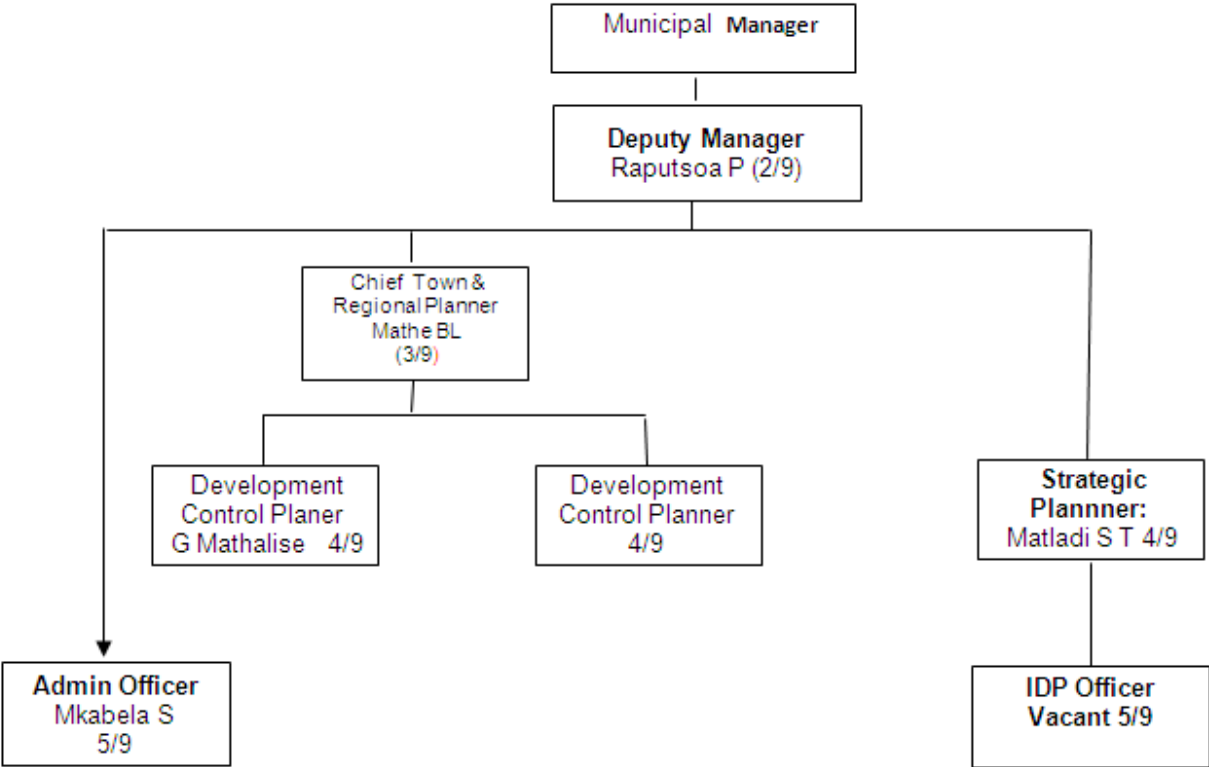
ORGANOGRAM: SOCIAL SERVICES



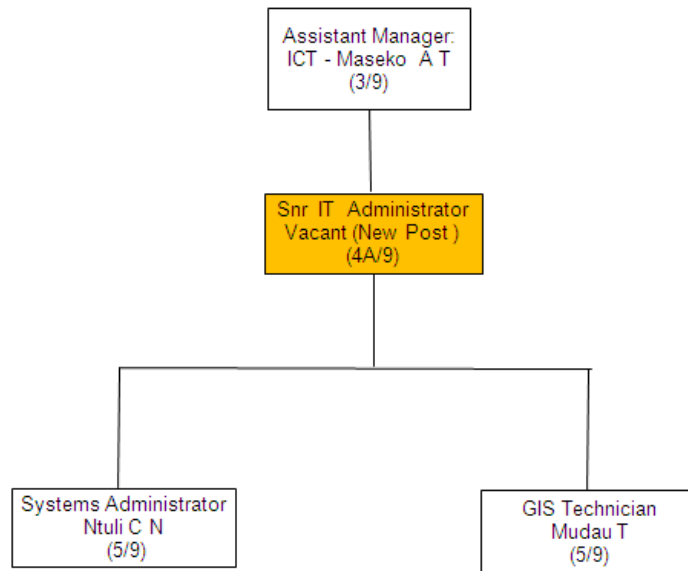
ORGANOGRAM: TECHNICAL SERVICES DEPARTMENT



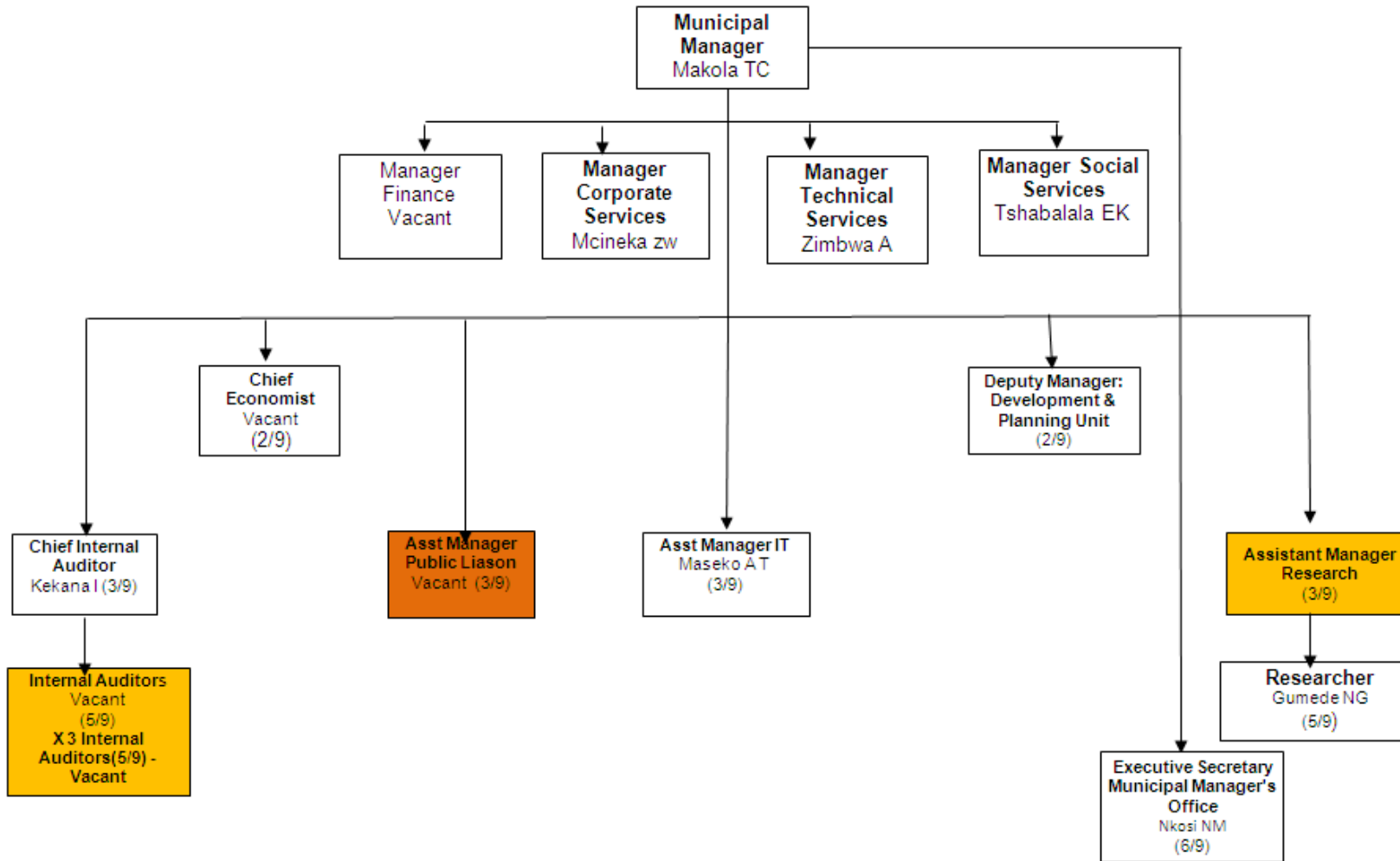
ORGANOGRAM: DEVELOPMENT & PLANNING UNIT



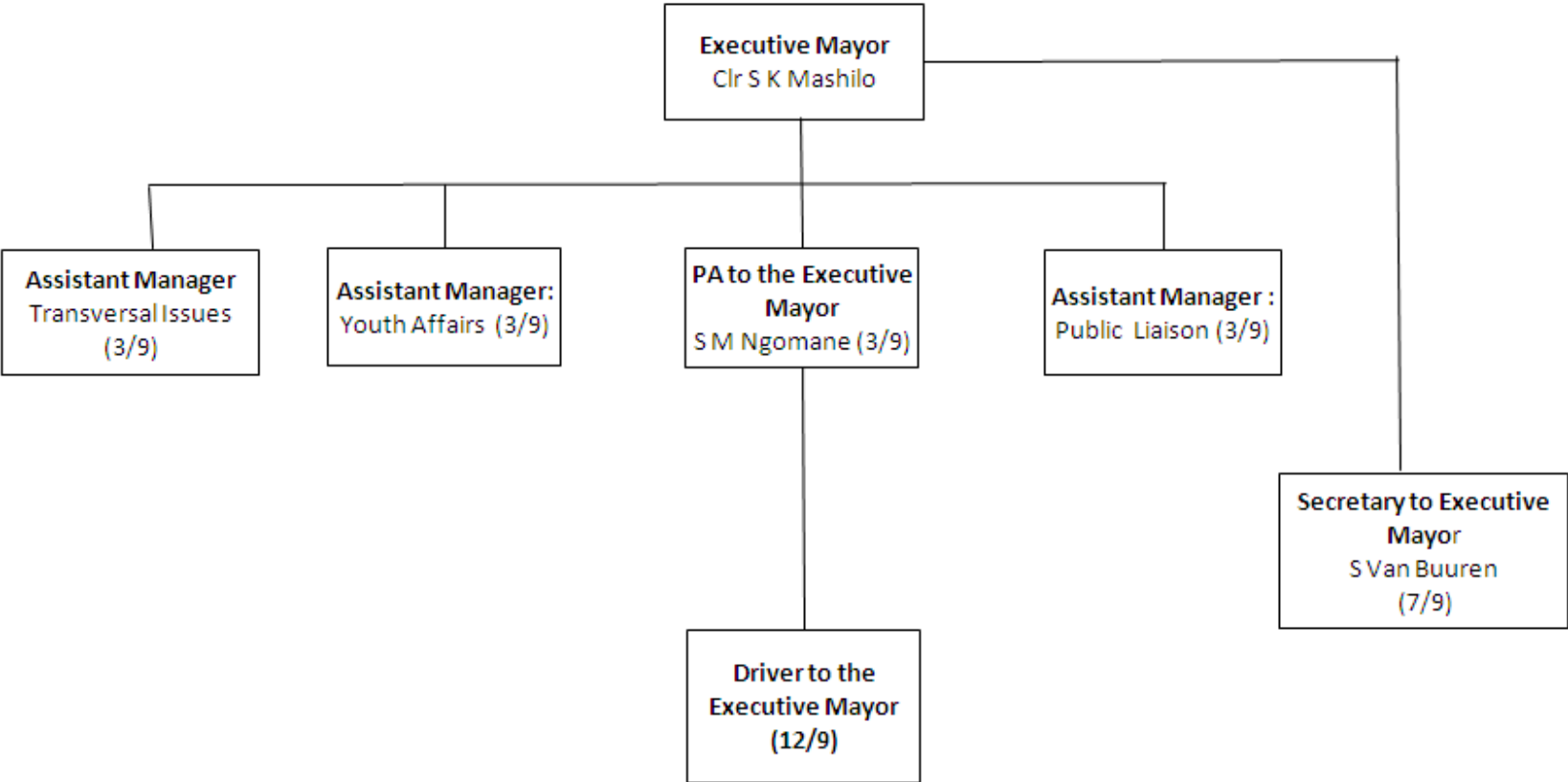
ORGANOGRAM: INFORMATION TECHNOLOGY UNIT



ORGANOGRAM:MUNICIPAL MANAGER



OFFICE OF THE EXECUTIVE MAYOR



LOCAL ECONOMIC DEVELOPMENT UNIT

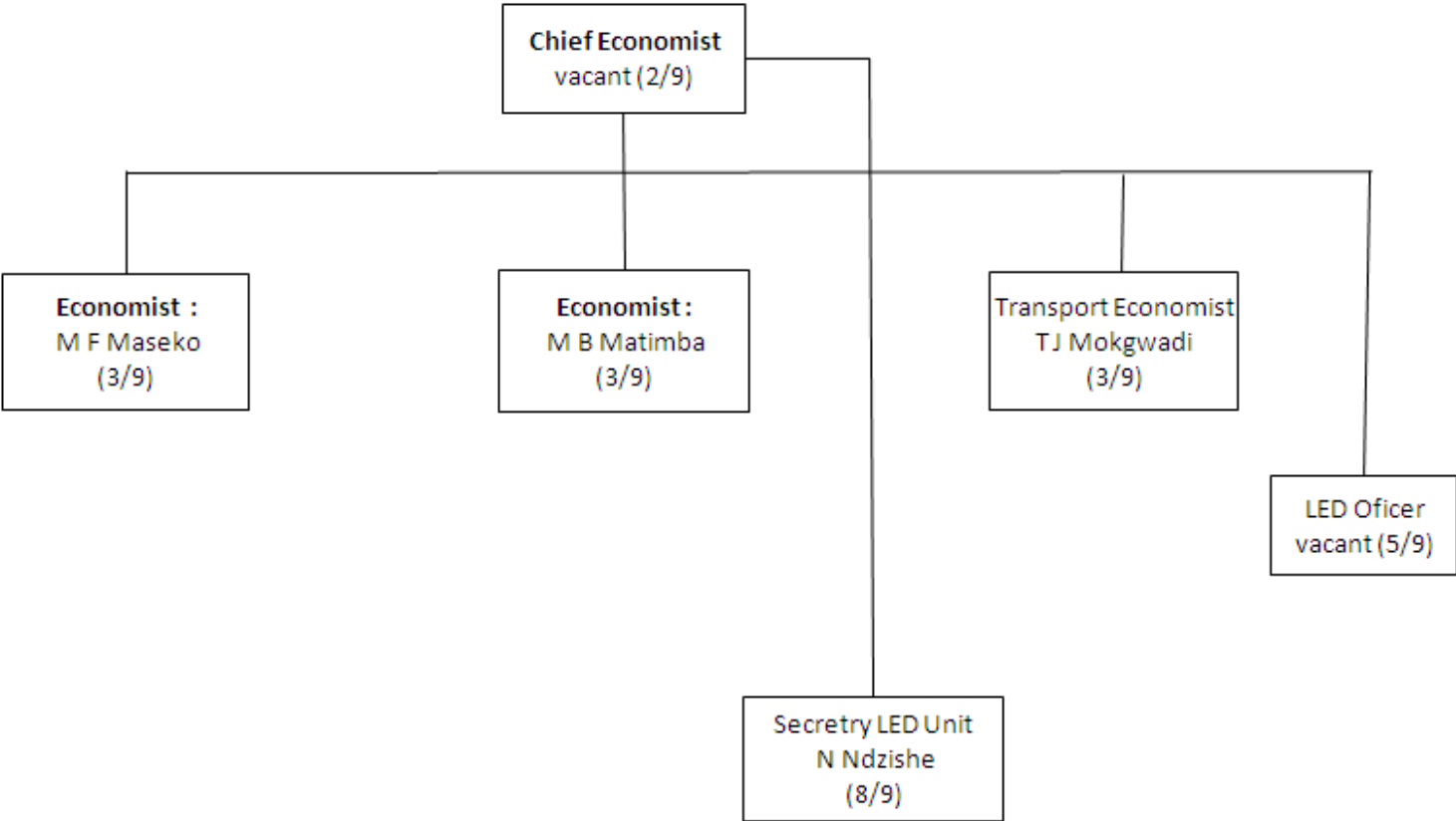


Figure 9 Budget Time Table 2012/13

