

MANGAUNG METROPOLITAN MUNICIPALITY



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PART 1 – ANNUAL BUDGET

1. EXECUTIVE MAYOR’S REPORT

BUDGET SPEECH BY THE EXECUTIVE MAYOR, CLR. T. MANYONI, ON THE OCCASION OF PRESENTATION OF THE 2011/2012 BUDGET AND IDP

Friday, 15 June 2012

Honourable Speaker, Clr. C. Rampai
Honourable Deputy Mayor, Clr. M. Siyonzana
Honourable Chief Whip, Clr. Zolile Mancotywa
Members of the Mayoral Committee
Leaders of the political parties
Fellow Councillors
Municipal Manager
Officials of MMM
Members of Media
Fellow citizens
Ladies and Gentlemen

Once again history the greatest judge of all the times accords us yet another opportunity to present to this august Council and the people of Mangaung the Budget and IDP for the 2012/13 financial year. This marks the second budget of the current term of local government.

This tabling is taking place on the eve of the 36th Anniversary of the Youth Day, June, 16.

As we celebrate Youth Month, we have among us today, a special guest of the Executive Mayor, a young girl who on her tiny shoulders embarked on a crusade to emblazon Mangaung on the world map. It gives me pleasure to announce the presence of Ria Prinsloo who jetted to Nashville – USA, to compete in the Line Dance World Championship. Having won the National Championship, she came out 4th in the World Championship. Her participation was Proudly Sponsored by the Mangaung Metropolitan Municipality.

Madam Speaker, about eighteen years ago, in 1994, President Nelson Mandela ascended the podium for his inauguration at the Union Building and said: “My government’s commitment to create a people-centred society of liberty binds us to the pursuit of the goals of freedom from want, freedom from hunger, freedom from deprivation, freedom from ignorance, freedom from suppression and freedom from fear. These freedoms are fundamental to the guarantee of human dignity. They will therefore constitute part of the centrepiece of what this government will seek to achieve, the focal point on which our attention will be continuously focused.”

And, today I rise to assure the people of Mangaung that their rights to a better life will always guide the budgetary processes of this Council through its robust planning, allocation, control as well as accounting accordingly for every financial resource entrusted to us.

This budget is about how we envisage to allocate the resources of this Metro as a means of guaranteeing the fundamental human rights of the people of Mangaung as enshrined in the Constitution of the Republic of South Africa – especially in the provision of effective service delivery.

It is being presented against the backdrop of the triple challenge of unemployment, poverty and inequality, which could be characterized as a matter of national concern, but its brunt is felt most by us - the local communities and the local sphere of government in particular. The challenge of which, as the RDP White Paper outlined can only be addressed “...if the South African economy can be firmly placed on the path of high and sustainable growth”.

Undoubtedly, we are not there yet, hence these long standing structural problems in the economy remain resolved. Nevertheless, we hope the New Growth Path strategy will soon yield the positive results.

Madam Speaker, it is now three years since the adoption of the Local Government Turnaround Strategy (LGTAS) by National Cabinet in 2009, in an attempt to restore the confidence of the people in the local sphere of government.

Indeed we have rolled up our sleeves and put in some hard work in ensuring the functionality, responsiveness, accountability, efficiency and effectiveness of our municipality in the spirit of the LGTAS.

Madam Speaker, the preparation of this budget has not been simple task as we have, for third time consecutively, received adverse audit opinion. To mitigate the disclaimer, we have developed an audit action plan and we are adopting a project based approach to its implementations.

The strategy we are developing to mitigate financial constrains facing us, gives emphasis to the maximization of revenue collection and ensure that we receive maximum value in project that we are implementing the procurement of goods & services.

At the moment we are operating under great pressures that amongst others include: higher expenditure than revenue received, deterioration of debtors' book, over reliance on conditional grants, deficiencies relating to debt collection, maintenance backlogs in respect of service delivery infrastructure and utilities, to mention but few.

Madam Speaker, we highlight these pressures since they have a serious effect on effective and efficient service delivery and good governance.

Madam Speaker, please allow me to cite a classical example to this effect. At the beginning of this year, the study conducted by the National Treasury highlighted that municipalities throughout the country are owing creditors more than R 11 billion, and this debt was older than 90 days. Also, Good Governance Learning Network (GGLN) examined that the creditors owed are mainly small and medium-sized enterprises (SMEs) that are negatively affected and some have been liquidated.

This is a serious setback for local economic development indeed.

In this regard we will embark on the implementation of a range of revenue collection strategies to optimise the collection of debt owed by the consumers as well as increasing our revenue base. We will further give primacy to the enforcement of credit control measures and debt collection policies as approved by this Council.

However, against the obvious turbulences of scarcity factor and international financial mayhems, we remain firm and vigilant in running a democratic and accountable government for local communities of Mangaung, providing services in a sustainable manner and creating a conducive environment for the promotion of social and economic development, as required by the Constitution.

This time, we are indebted to the resilience of President Jacob Zuma's administration. This quality of leadership has been chipped from the heroes of our revolutionary struggle such as John Langalibalele Dube, Sefako Makgato, Zac Mahabane, Josiah Gumede, Pixleykalsake Seme, AB Xuma, Chief Moroka, Chief Albert Luthuli, Oliver Tambo, Nelson Mandela, Thabo Mbeki, and many others, who stood the test of their respective times and aggressively refused to be drowned by the evil waves of colonialism and apartheid.

And, this year we did our utmost best to hearken to what the sceptics and prophets of doom said regarding the government and the ruling party seeming to lose the way. We then stood at the cross-roads and made some reflections on where we come from, where are we and where we are heading to?

And, it became quite evident that there is only One-Way towards a better life for all – the high way painted black, green and gold, the African National Congress.

For a period of a century, we have travelled on this road, we never got lost. It is for this reason I wish to seize the moment and congratulate the ANC on its 100th Birth Day.

During the budget tabling for the financial year 2011/12 we did not beat around the bush regarding our intention to institutionalize an oversight function towards promoting accountable and transparent local government. In terms of Section 79 of the Municipal Structures Act we have now established the Public Accounts Committee, which must not be misinterpreted as a duplication of the Finance Committee. Its mandate is equivalent to the functions

and responsibilities of the Public Accounts Committee at the nine legislatures and national parliament and we will be providing unrelenting support to the work that lies ahead for the Committee.

Madam Speaker, we have made strides in transforming and changing the structure of Mangaung Metro. We have succeeded in appointing executive management team and have created seven departments.

Now regarding the 2012/13 budget process, seven days ago we held the IDP and Budget Conference wherein we presented a full account on the public opinion solicited for consideration on the final budget. And, to us, this approach of people-centred and people-driven local governance is regarded as the cornerstone of modern democratic systems.

Madam Speaker, allow me to highlight further some of the key issues that emerged from the public participation processes and the progress we have to date, namely:

- a) **Poverty reduction, job creation, rural and economic development** – here we are committed to playing a facilitative role in pursuit of economic development through implementation of strategies such as creating decent jobs using the Expanded Public Works Programme and implementing the Community Works Programme in implementing on
 - **Ensuring financial sustainability** – for us to realise financial viability our target is to improve our collection rate to 95% in the next financial year through the implementation of credit control measures and implementation of related projects such as consumer data cleansing and improving the billing system of the City.
 - **Spatial development and the built environment** – here we have made an undertaking to address the distortions brought about by the municipal spatial configurations as it relate to housing, transport, economic development and community infrastructure. And, we believe that the following strategies to integrate spatial development and built environment will serve a great deal:
 - a) Implementation of the Airport Node Development Corridor where we will be preparing the land for development including housing.
 - b) Implementation of the Botshabelo and Thaba Nchu economic nodes ;
 - c) Implementation of a number of flagship projects with mixed land uses and housing typologies ;
 - d) Redevelopment of Naval Hill;
 - e) Implementation of an Integrated Public Transport Network
 - **Eradication of bucket system, VIP toilets in Botshabelo, Bloemfontein and Thaba Nchu, building solar farming, power plant feasibility study, safety and security** –Madam Speaker as a Council we have taken a conscious political decision to eradicate VIP toilets in Botshabelo and Thaba Nchu. We have budgeted 15 million to convert 11 989 VIP toilets in Thaba Nchu and Botshabelo.
 - **Regarding human settlement** - Madam Speaker, we undertook to develop the following seven pockets of land:
 - 1) Vista Park 2 (BFN 654)-85 hectares in extent
 - 2) Vista Park 3 (BFN 654),-560 hectares in extent
 - 3) Hillside View(Farm Rocklands 684)-85 hectares in extent
 - 4) Cecelia 2532 -155 hectares in extent
 - 5) Brandkop Race Track (BFN 654)-71,0314 hectares in extent
 - 6) Pellissier Infill Development-200 erven
 - 7) Brandkop 702 (BFN 654)-258,2617 hectares in extent

Three (3) of the above seven (7) land parcels have already been handed-over to developers who are finalising land development processes at this stage. The remaining four (4) land parcels are at the conceptualisation and design stage to change the apartheid spatial planning, trigger economic growth,

reduce the backlog in all the property spectrum, create job opportunities and transfer skills to the residents of MANGAUNG Metro.

Over and above these, we have registered nine (9) townships in our area during this financial year 2011/12 which yielded 3 818 erven which is the crucial step in formalising these areas in order to provide reticulation services and housing.

We have also finalised the **Business Plan** for Level 2 Accreditation that will be submitted to the Ministry of Human Settlement which is the crucial step towards the attainment of full level three accreditation that will transform the municipality into a housing developer capable of implementing future planning.

- **Environmental Management and Climate Change**- consistent with the constitutional mandate of promoting a safe and healthy environment, the municipality places a premium on clean environment and factors that mitigate the impact on climate change. The cleanliness of the City is high on the agenda of Council and the municipality is hard at work removing illegal dumps, alien plants and cutting trees and grass in wards 1,2,3,16 &17.
- Furthermore, Madame Speaker, indigent households in wards 1,2 &3 have been supplied with 85 Litre of refuse bins. Each ward has been supplied with 100 bins.
- 150 trees have been planted in Batho Location and 13 trees have been planted at Hostel Number One.
- Currently people are being trained to assist residence with the establishment of vegetable gardens. Friends of the parks have been established in wards 11,13 &15 to assist the Municipality in looking after parks. The project will be rolled out to other wards. We are procuring recycling bins to the tune of R2 million to further assist in areas that we have not provided for thus far.
- We are also mitigating the effects of climate change by monitoring air quality, promoting energy safe campaigns, investing in alternative sources of energy, compilation and implementation of Environmental Management Plan (EMP) and retrofitting of municipal buildings with energy efficient bulbs.
- **Social and Community Services**, regarding this matter our municipality continues to provide effective disaster management and fire services. The municipality is providing relief to indigent households by providing Free Basic Services (water, electricity and property rates). We will be updating the indigent Register by August 2012 to ensure that deserving indigent households are provided with basic services.

Madam Speaker, this Council will remember that this year, 2012, has been declared as a year of infrastructure development for growth and development, as per the Infrastructure Plan announced by Honourable State President Jacob Zuma. In this context we will be investing R 671 million over the Medium Term Revenue and Expenditure Framework (MTREF) for the purposes of bulk water supply by implementing a number of water related projects in the municipality. This includes the following projects;

- Provision of basic water to stands;
- Construction of Naval Hill Reservoir;
- Construction of Longridge reservoir;
- Upgrading of Maselspoort pump supply;
- Provision of internal bulk water in Botshabelo and Thaba Nchu;
- Replacement of pumps at Maselspoort and refurbishment of water supply systems.

Regarding the sustainability of bulk water supply we are currently engaging the Department of Water and Environmental Affairs for consideration of corrective measures.

Madam Speaker, over this MTREF period we are allocating R 78 million for the eradication of VIP toilets at Botshabelo and Thaba Nchu. Approximately the total eradication of 44000 VIP toilets will costs us about R 1.56 billion. Hence we need to consider other sources of funding.

We have also set aside R 348 million for the bulk sanitation infrastructure for the purposes of building and upgrading our sewer treatment works.

Madam Speaker, the upgrading of roads and storm-water, is one of the critical service delivery challenges facing us, and we have a backlog of 1 221 kilometres of gravel roads to be upgraded. Therefore, we are determined to continue with our township revitalisation programme on upgrading roads and storm-water that has already started at different areas of Mangaung. And for the coming MTREF period we have budgeted R 91.7 million for upgrading of streets and storm-water, and a further R120 million will be spent on fixing potholes and resealing roads.

The total budget over the MTREF period for construction of roads in Manguang is R 500 million.

We will also be spending R 37.2 million for upgrading our land-fill sites as well as consideration of better ways of improving effective waste removal services.

The development of the Airport and Botshabelo Development Nodes will cost us R 43.6 *million* for concept and detail design for land, engineering designs and service reticulation of the municipal land within these two nodes. Critically, this will contribute towards the activation of N8 Corridor Development and will have a positive knock-on effect on the economic and spatial development of the City.

For acquisition of land for human settlement within the municipal area and along the N8 Corridor Development, we will invest R 82.5 million over the MTREF period.

Facilitating provision of community and social services, the municipality will invest R 109 million over the MTREF period for upgrading parks, relocating the Zoo and erecting perimeter fencing around cemeteries.

Furthermore, the municipality will be investing R 81 million over the MTREF period for providing electricity connections. The amount of R 196.7 million will be used during the same period to upgrade the electricity infrastructure.

Summary of the 2012/13 BUDGET

Revenue Envelope

Our total revenue budget for this financial year 2012/2013 is R 4,8 *billion* representing 9,34% increase from revenue budget of R 4,4 Billion (2011/2012) and R 5,5 billion and budget R 6,1 billion respectively for the outer two years of the MTREF period.

Madam Speaker, the Metro will fund the proposed operating budget through two main sources. These are transfers from National Government in the form of the operating grants and Revenue from the provision of services.

Operating grants and subsidies are set to increase with 13,78% from R 572,2 million to R 651, million. The municipal entity will receive R 13,2 million in operating grants.

Service charges are set to increase by 18, 61% from R 2,023 Billion to R 2,4 Billion. This increase is as a result of the following average tariff increases:

- property rates to increase by 9%;
- sanitation fees to increase by 9%;
- housing rentals to increase by 10%;
- electricity tariffs to increase by 8,7%;
- water tariffs to increase by 13%; and
- General tariffs to increase by 10%.

Madam Speaker, our average tariff increases are not excessive compared to the other Metros. We are very much in line with the average increases of other Metros. It should however be noted that Mangaung's revenue base is the lowest of all the Metros due to lack of big businesses and industries.

Operating Expenditure Budget

The operating expenditure budget increases from R 3,7 Billion to R 4,1 billion representing an increase of 11,35% and the budget for the two outer years is R 4,6 billion and R 5,2 Billion respectively.

Personnel costs are budgeted at R 954, 5 million representing an increase of 7, 64% from R 886 million in the prior year. Personnel costs constitute 22, 86% of the operating budget.

The bulk purchase of water and electricity are the biggest operating expenditure items. The bulk purchases will increase by 17,33% from R 1,26 billion to R 1,47 billion. This expenditure item is not within the control of the Municipality as it represents input costs from Eskom and Bloem Water.

Repairs and maintenance remains one of the priority areas in the Metro. Repairs and maintenance will grow by 7, 35% (R 16,3 million) from R 221,9 million to R 238,2 million. The allocation for the two outer years of the MTREF period is R 255 million and R 272,3 million respectively.

Capital Budget

The capital budget includes funding for the refurbishment, upgrading and replacement of our infrastructure.

The capital budget has declined by R 70,48 million (increase in 2011/12 – R 450,892 million) for the 2012/13 financial to R 753,667 million as compared to the main budget of R 824,147 million for the 2011/12 period. The projected capital expenditure budget for the two outer years of the MTREF period has been set at R 761,661 million and R 832,251 million respectively.

The capital budget is funded mainly out of three sources – capital grants from the national government, loan funded projects (DBSA) and own funded projects. We receive most of our capital grants from the Urban Settlement Development Grant (USDG) to the extent of R 485,967 million for the 2012/13 financial year. These grants and subsidies from other spheres of government contribute 65,48% (R 516 million) of the current year's budget funding.

Municipal capital expenditure from own funding sources is budgeted at R 109 million and the loan facility secured from DBSA is R 105, 8 million.

The total capital expenditure budget of R 753, 6 million has been allocated to cover amongst others the following:

- Construction, refurbishment and upgrading of sewer network – R 207 million
- Bulk water supply – R 81,3 million
- Social housing / rental housing stock – R 13 million
- Acquisition of land for human settlement in Grassland and Bloemspruit – R 12, 5 million
- Reticulation of N8 corridors – R 25, 1 million
- Planning of land development along the N8 including Botshabelo and Thaba-Nchu – R 18, 5 million
- Development and upgrading of Parks in Botshabelo, Bloemfontein and Thaba-Nchu – R 3 million
- Fencing and upgrading of cemeteries at Thaba-Nchu and Botshabelo – R 9,4 million
- In relation to water demand management we will be replacing water meters and metering of unmetered sites to the tune of R 15 million.
- Electricity connections – R 43 million.
- R 62 million is set aside for upgrading and refurbishment of the electricity infrastructure (*this include refurbishment of mini-substations, creation of distribution centres to provide extra capacity to fulfil community electricity needs*)
- Installation of pre-paid and smart meters R 25 million
- Upgrading of recreational and social amenities R 15 million

Madam Speaker, Ladies and Gentlemen, allow me to pay my tribute to all members of the Mayoral Committee and Councillors whose keenness serve a great deal in the construction and development of Mangaung.

I also wish to place on record my appreciation for the outstanding support of the administration under leadership of the municipal manager and everyone in the employ of this Council.

My sincerest thanks and gratitude goes to the people of Mangaung who always rally behind us – encouraging and alerting us on issues posing threat to good governance.

Madam Speaker, I now table the 2012/2013 budget for consideration and adoption by Council.

I thank you

TM Manyoni
Executive Mayor
Mangaung Metropolitan Municipality

2. EXECUTIVE SUMMARY

INTRODUCTION AND BACKGROUND

The purpose of the 2012/13 – 2014/15 MTREF budget is to comply with the MFMA (No 56 of 2003) and is a financial plan to enable the municipality to achieve its vision and mission through the IDP Strategy which is informed by our development agenda and community/stakeholder inputs. The application of sound financial management principles for the compilation of the Municipal Financial Plan is essential to ensure that the Municipality is financially viable and that services are provided sustainably, economically and equitable to all communities.

The municipality has with effect from 18 May 2011 operated as a newly designated metropolitan municipality, having successfully intergraded with the then Motheo District Municipality. The municipality is however embarked on a process of changing or transforming itself to can fully discharge its statutory mandate as a metropolitan municipality. The following transformational changes have been undertaken to date within the municipality:

Staff and Budget Structure

- a. The new Executive Management Team was appointed with effect from the 1st November 2011, with only three members of the former local municipality's administrative heads being reappointed;
- b. The new organisational structure was developed and approved by Council on the 5th March 2012;
- c. The number of the municipal votes (directorates) was increased from the current year's (2011/12) eight to nine with effect from 1st July 2012.
- d. The Housing sub- directorate within the former Economic Development and Planning Directorate, has been elevated into a fully fledged Human Settlement and Housing directorate;
- e. The Regional Operations Division has been dissolved and replaced by the newly created Strategic Projects and Service Delivery Regulations division and
- f. The placement of the former Mangaung Local and Motheo District Municipality's staff on the new metro staff establishment is to be undertaken from the 1st July 2012.

Services and Tariff Structure

Included in the draft budget submission are the proposed amendments to the Tariff Policy. Key amendments to the policy as stipulated, is to introduce the following changes:

- a. Introduction of the fifth layer from the current four layer, including configuration of step water tariff;
- b. Sanitation fees has been changed into sewer charges and refuse removal;
- c. Sewer charges are calculated based on the municipal valuation roll.

Refuse Removal

The refuse removal calculation for residential properties is based on the erf size of the property. For the Sectional Title schemes the tariff is fixed at R 70,00 per unit.

Business tariff for the minimum charge is set at a minimum rate of R 170,00 per month per business plus additional charges if the frequency is more than once a week.

2.1 PAST AND CURRENT PERFORMANCE, ACHIEVEMENTS AND CHALLENGES (BUDGET IMPLEMENTATION)

Outlined below is a summary outlining the history of the municipality's tract record of managing its capital budget over the years, as well as providing a synopsis of the challenges facing the municipality.

2.2.1 PAST PERFORMANCE AND SPENDING LEVELS

1. Performance: Budget vs. Actual – Capital Expenditure

Financial Year	Approved Budget	Adjusted Budget	Actual Expenditure	% Spent App Budget	% Spent Adj Budget
	R	R	R	%	%
2005/06	262,468,330	318,721,698	251,730,994	95.91	78.98
2006/07	451,947,760	412,597,773	353,135,364	78.14	85.59
2007/08	673,559,930	771,609,379	554,186,629	82.28	71.82
2008/09	727,433,917	880,865,907	586,465,952	80.62	66.58
2009/10	841,738,170	928,321,425	702,491,263	83.46	75.67
2010/11	373,255,940	797,710,869	458,735,235	122.90	57.51

The municipality has maintained an actual average spending level of 89.86% against the approved budget over the past five (5) years. The average spending in terms of the adjustment budget has been 71.61%. It therefore means that Mangaung has not succeeded in managing the adjustment budget process well.

2. Source of Funding

The Capital budget projects of the municipality have been funded as follows over the years:

Funding Source	2006/07	2007/08	2008/09	2009/2010	2010/11
	R	R	R	R	R
MIG	88,965,541	163,645,812	98,135,428	53,422,457	142,758,205
DME	3,61,934	3,305,263	27,575,935	2,535,502	2,368,980
CRR	240,715,568	216,745,012	173,268,045	253,195,698	160,386,881
Public Contributions & Donations	11,468,317	20,768,284	11,856,906	12,562,390	13,195,438
Other Grants & Subsidies	7,015,517	147,192,772	264,347,019	354,548,228	113,983,127
Revenue / Surplus	1,359,486	2,529,486	11,2825,619	26,226,989	3,783,2165
TOTAL	353,135,364	554,186,629	586,465,952	702,491,263	458,735,235

3. Capital Expenditure per Category

The table below indicates the municipality's utilisation of its capital expenditure over the years. The bias in terms of the spending being towards infrastructural related projects

Capital Expenditure per Category	Actual 2007/08	Actual 2008/09	Actual 2009/2010	Actual 2010/2011
	R	R	R	R
Infrastructure				
Roads, Pavements, Bridges & Storm Water	86,818,450	95,472,607	247,258,673	130,732,706
Water Reservoirs & Reticulation	20,496,715	23,021,212	24,330,742	21,952,582
Car Parks, Bus Terminals & Taxi Ranks	6,383,823	43,466,768	131,101,370	161,653,044
Electricity Reticulation	64,790,424	80,543,644	102,075,061	40,284,198
Sewerage Purification & Reticulation	175,055,647	113,425,821	30,546,478	70,278,215
Housing	9,044,240	327,402	17,037,116	5,308,222
Street Lighting	509,129	6,590,000	4,035,088	-
Refuse Sites	491,414	-	873,825	5,562,511
Other	2,796,374	2,186,260	15,740,175	-
Sub-total Infrastructure	366,386,216	365,033,714	572,998,528	436,803,927
Community & Social Development				
Establishment of Parks & Gardens	2,390,049	28,394	-	-
Sports fields	123,794,300	160,289,936	56,732,367	8,779,971
Community Halls	149	-	-	-
Libraries	385,656	-	-	-
Recreation Facilities	5,969,193	5,501	507,891	2,955,032
Clinics	9	-	-	-
Other	2,282,069	977,262	180,553	81,066
Sub-total Community	134,821,425	161,301,093	57,420,811	11,816,070
Heritage Assets				
Investment Properties	-	-	-	-
Sub-total Investment Properties	-	-	-	-

Other Assets				
Other motor vehicles	4,802,973	224,860	8,951,747	1,831,480
Plant & Equipment	13,117,831	4,148,275	8,946,579	1,147,533
Office Equipment	2,289,249	27,089,156	10,667,292	5,001,130
Markets	2,325,861	-	-	127,668
Security Measures	11,584,265	11,726,684	24,943,087	2,940,348
Other Land & Buildings	101,224,147	2,096,017	269,908	99,328
Other	6,917,856	484,100	-	-
Sub-total Other Assets	51,282,181	45,760,333	53,788,613	11,147,488
Specialised Vehicles				
Refuse	19,923	5,645,036	7,360,335	-
Fire	870,412	2,697,104	10,922,979	-
Buses	292	-	-	-
Sub-total Specialised Vehicles	890,627	8,342,140	18,283,314	-
TOTAL	554,186,628	586,465,952	702,491,264	458,735,235

2.2.2 PRESSURES FACING THE MUNICIPALITY

- Higher levels of expenditure (operating and capital) than revenue received;
- Deteriorating debtors book over the years. Increase in the debtors book from R 1 143,99 million in June 2010 to R 1 215,25 million in June 2011, representing an increase of 6.23% (R 71,26 million) over a twelve (12) months period. Of the indicated outstanding debtor's amount, household consumers constitute 63.95% of the debtors book, of which the extend on the debt impairment is 78.96%
- Over reliance on conditional grants, instead of using own funds to fund capital expenditure projects.
- Low rate of expenditure on conditional grants experienced by the municipality.
- Less than satisfactory expenditure on capital projects. The municipality has consistently failed to spent more than 95% of its capital budget, with only 57.5% spent for the 2010/11 financial year.
- Increasing pressure on the repairs and maintenance budget due to ageing infrastructure and an inherited massive service delivery backlogs to be eradicated.
- Maintenance backlogs in respect of service delivery infrastructure and utilities.
- The low collection rate impacting on more provision for bad debt.
- The disclaimer of opinion that the municipality received for the 2008/09, 2009/10 and 2010/2011 financial years, largely as a result of a qualification on Property, Plant & Equipment compliant asset register and lack of supporting documentation.
- Backlogs – although the Municipality is delivering on backlogs, the problem is exacerbated by urban migration into the city. The eradication is long-term in nature, requiring possibly a 20 to 30 year period.
- The Municipality's infrastructure needs are enormous – the challenge is to balance the demands for service with the available resources.
- Eliminating service delivery backlogs requirements are in excess of R 8.5 billion. This will be compounded by the phenomenon of urbanisation.
- The need to reprioritize projects and expenditure within existing resource envelope given the cash flow realities and the low cash flow position of the City.
- Wages increases for municipal staff that continues to exceed consumer inflation as well as the need to fill critical vacant positions in order to improve service delivery.

2.2.3 FINANCIAL MANAGEMENT CAPABILITIES

Credit Rating

The Mangaung Local Municipality was awarded the following credit rating by Global Credit Rating Company in May 2011:

Short Term Credit Rating	-	A3
Long Term Credit Rating	-	BBB+

Rating rationale

The rating is based on the following key factors:

- ✓ Insufficient audit evidence and an inability to verify closing balances and an inability to verify closing balances and comparatives (as highlighted by the Auditor General) pose a significant concern and challenge for the municipality.
- ✓ Notwithstanding a steady increase in the municipality's cash generation over the review period, as part of a deliberate strategy to utilize internal funds to address capital expenditure, cash holdings decreased significantly in 2010, driving a reduction in the level of days cash on hand to a review period low.
- ✓ Furthermore, note is taken of the fact that cash holdings continue to be compromised almost entirely of government grants, indicative of severe liquidity strain.
- ✓ Borrowing have remained nominal over the review period, with gross gearing recorded at around 1%. Note is, however, taken of an expected increase in borrowings and gearing in the medium term (albeit remaining manageable), driven by the need to address service delivery backlogs.
- ✓ Mangaung's legal change of status to that of a metropolitan municipality as at May 2011, and the associated benefits that will accrue, was positively viewed.

2.2.4 AUDIT OUTCOME 2010/11

The audit outcome for the 2010/11 financial year was a disclaimer audit opinion issued by the Auditor-General. The audit opinion was mainly influenced by the following:

- (a) Property, Plant & Equipment – Non-compliant fixed asset register in terms of GRAP 17.
- (b) Inventories not carried at lower cost or net realisable value, as required by paragraph 17 of GRAP 12.
- (c) Non-current receivables – Ambiguities within the sale of business agreement between the entity and the parent municipality.
- (d) Consumer and other receivables.
- (e) Payables from exchange transactions – Non-compliance to IAS 12, mainly due to obtain exemption from SARS for normal tax as per Section 10(1)(c)(A) of the Income Tax Act 1962 (Act No 58 of 1962).
- (f) Irregular, Unauthorised and Wasteful expenditure.
- (g) Lack of supporting documentation.

2.2.5 PLANS TO MITIGATE THE DISCLAIMER

The municipality has committed itself to turn the situation around in respect of the audit outcomes for the future. It has targeted to achieve an unqualified audit outcome by 2013, a year before national "Clean Audit" by 2014.

Some of the intervention measures currently underway, includes amongst other:

1. The processes of compilation of a compliant fixed asset register in line with GRAP 17 in an advanced state of completion.
2. Adequate staffing of the Internal Audit Unit within the municipality.
3. Establishment of the Monitoring and Compliance Unit within the Office of the City Manager.
4. The Regional Operations Division has been dissolved and replaced by the newly created Strategic Projects and Service Delivery Regulations Division.
5. Establishment of the Accounting and Compliance Unit within the Office of the Chief Financial Officer to compile compliant Annual Financial Statements, in line with GRAP and IFRIS Accounting Standards.
6. Development and monitoring of an Audit Action Plan to mitigate a repeat of issues as raised in the previous years' audit outcome and strengthen internal controls.
7. Re-design of the organisational structure to respond to service delivery challenges and to address internal control weaknesses identified by the Auditor General.
8. Appointment of a service provider to conduct a pre-audit assessment on the availability and completeness of the expenditure supporting documentation.
9. Appointment of a firm of auditors to compile the GRAP compliant annual financial statements and to build capacity within the newly established Accounting and Compliance Unit.

2.2.6 REVENUE ENHANCEMENT STRATEGY

The City will embark on the implementation of a range of revenue collection strategies to optimize the collection of debtors owed by consumers as well as increasing the revenue base of the City. These strategies include the following:

1. Rigorous water demand management (water leakages and water pressure management) to the tune of R 18 million in the 2012/13 financial year.
2. Enforcement of credit control and debt collection policies.
3. Utilization of debt collectors and handover of accounts outstanding for more than 90 days. This is aimed at achieving a 95% annual collection of debtors.
4. Implementation of data purification exercise to ensure credibility of debtors information.
5. Review of all the lease agreements for municipal stock with the view of ensuring that lease rentals are market related.
6. Ensuring efficiency in meter reading function of the municipality.

BUDGET SUMMARY

2.3.1. MID-TERM OUTLOOK: 2012/13 – 2014/15

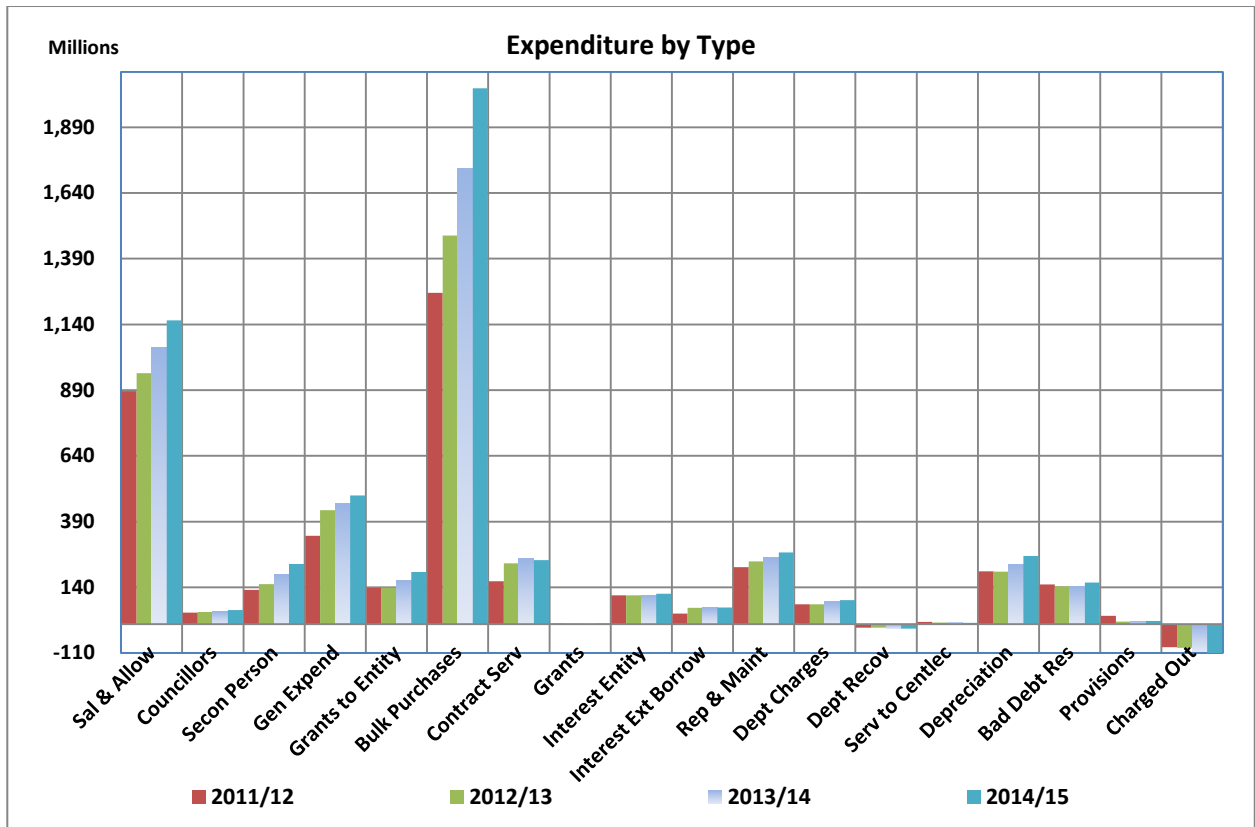
A. OPERATING EXPENDITURE

The operating expenditure budget increases from R 3 750,588 million in 2011/12 to an adjusted budget amount of R 4 176,314 million (representing an increase of 11.35% (R 425,727 million) in 2012/13 , R 4 684,847 million and R 5 257,878 million respectively for the outer two years of the MTREF period.

The following table is a high level summary of the MTREF budget for 2012/13 to 2014/15 (classified per main type of operating expenditure):

STATEMENT OF FINANCIAL PERFORMANCE - MANGAUNG (CONSOLIDATED)						
EXPENDITURE PER TYPE	Budget	Adj Budget	Budget			
	2011/12	2011/12	2012/13	Growth	2013/14	2014/15
EMPLOYEE SALARIES AND WAGES	745,864,957	745,864,957	801,324,318	7.44%	889,999,200	979,861,116
EMPLOYEE SOCIAL CONTRIBUTIONS	140,950,879	140,950,879	153,264,796	8.74%	163,836,672	175,158,847
TOTAL SALARIES, WAGES AND ALLOWANCES	886,815,836	886,815,836	954,589,114	7.64%	1,053,835,872	1,155,019,963
REMUNERATION OF COUNCILLORS AND DIRECTORS	43,689,541	43,689,541	46,206,994	5.76%	49,653,482	53,102,322
CENTLEC SECONDED EMPLOYEES SALARIES	106,933,512	106,933,512	126,288,286	18.10%	162,714,592	200,138,949
CENTLEC SECONDED EMPLOYEES SOCIAL CONTRIBUTIONS	23,584,324	23,584,324	25,673,077	8.86%	27,079,909	28,619,072
TOTAL SECONDED PERSONNEL	130,517,836	130,517,836	151,961,363	16.43%	189,794,501	228,758,021
GENERAL EXPENDITURE	335,755,254	361,256,793	433,312,593	19.95%	458,290,733	489,139,809
GRANTS TO ENTITY	137,641,471	144,659,015	138,232,576	-4.44%	165,232,576	198,239,312
BULK PURCHASES	1,260,365,310	1,260,365,310	1,478,735,184	17.33%	1,732,281,787	2,038,555,836
CONTRACTED SERVICES	162,622,484	183,967,025	231,167,000	25.66%	248,779,153	242,904,234
TRANSFERS AND GRANTS	2,159,123	2,159,123	2,056,795	-4.74%	2,160,165	2,268,173
INTEREST SHAREHOLDER	110,000,000	110,000,000	110,000,000	0.00%	110,000,000	115,500,000
INTEREST EXTERNAL BORROWINGS	39,953,235	39,953,235	61,799,231	54.68%	64,291,218	62,831,215
REPAIRS AND MAINTENANCE	216,745,991	221,940,991	238,249,929	7.35%	255,085,389	272,325,933
INTER DEPARTMENTAL CHARGES	75,769,011	75,769,011	75,549,552	-0.29%	86,117,077	91,778,377
INTER DEPARTMENTAL RECOVERIES	-13,724,208	-13,724,208	-14,041,446	2.31%	-15,708,614	16,651,801
SERVICE RENDERED TO CENTLEC	8,819,697	8,819,697	5,590,084	-36.62%	5,750,334	5,048,816
DEPRECIATION	200,299,172	200,299,172	200,157,300	-0.07%	228,214,581	259,283,648
TRANSFER TO BAD DEBT RESERVE	150,327,289	150,327,289	142,989,312	-4.88%	153,321,955	167,910,865
TRANSFER TO PROVISIONS	30,981,508	30,981,508	10,120,488	-67.33%	10,875,447	11,509,368
LESS AMOUNTS CHARGED OUT	-87,208,764	-87,208,764	-90,361,299	3.61%	-103,129,006	109,645,981
	3,691,529,786	3,750,588,410	4,176,314,801	11.35%	4,684,846,650	5,257,878,109

The above table can also be graphically depicted as follows:



Operating Expenditure Budget – Highlights

The following are the highlights of the operating expenditure budget:

Personnel Costs

Personnel costs grew by 7.64% (R 67,773 million) based on the 2011/12 adjusted budget of R 886,816 million to R 954,589 million in 2012/13. This expenditure category constitutes 22.86% of the operating budget. The allocation for the two outer years of the MTREF period is R 1 053,835 million and R 1 155,019 million respectively. All vacancies and newly created positions (R 42 million) have been removed from the respective directorates and places as an unforeseen salaries pool line item. Directorates will have to bid for the filling of positions (vacant and new) whereupon they will be filled based on merit and their impact on service delivery. Costs of the posts to be filled will then be allocated to the appropriate vote numbers at regular intervals. An annual increase of 8% has also been factored into the budget.

Remuneration of Councillors and Directors

The budget for this line item is growing by 5,76% (R 2,517 million) to a new budget amount of R 46,207 million. 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 Bearers Act, 1998 (Art 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the City's budget.

Further details regarding the remuneration of Councillors and Directors can be obtained on the Supporting Table SA22 and SA23.

Centlec Seconded Personnel

The budget for Centlec's Seconded Personnel is growing by 16,43% (R 21,443 million) to R 151,961 million in the 2012/13 budget year. This expenditure recovery is in relation to seconded employees to the entity, who are currently on the Metro payroll. The allocation for the two outer years of the MTREF period is R 189,794 million and R 228,758 million respectively.

General Expenditure

The growth in the general expenditure line item is projected at 19.95% (R 72,055 million) to R 433,312 million in the 2012/13 budget year. The allocation for the two outer years of the MTREF period is R 458,291 million and R 489,140 million respectively. The increase in the 2012/13 budget year can be mainly attributed to the following growth areas;

	R'000
Advertising	3,575
Postages	5,607
Retrenchment Packages	(8,000)
Branding	7,000
Stores Materials	5,556
Special Projects	5,024
Rental Offices	(6,193)
Door-to-Door Refuse removal	11,074
Cleaning Litter Hot Spots	4,779
Performance Management System	(4,000)
Electricity – municipal use	5,487
Electricity Street Lighting*	19,800
Legal expenses	4,390
International Soccer Tournament	3,000
Skills Development Levy	2,125
Printing and Stationary	5,186
Marketing	3,504
TOTAL	67,914

* This is a reclassification of the budget from repairs and maintenance to the general expenditure category. The costs is for municipal own street lightning consumption paid to the entity.

Bulk Purchases

Bulk purchases (water and electricity) grew by 17.33% (R 218,370 million) against the 2011/12 budget, to the proposed amount of R 1 478,735 million for the 2012/13 budget year. The allocation for the two outer years of the MTREF period is R 1 732,282 million and R 2 038,555 million respectively. Bulk purchases takes up approximately 28.80% of the operating budget for 2012/13.

Electricity

Electricity contribution to the bulk purchases costs is R 1 149,420 million (2011/12 – R 982,180 million). The increase in the electricity purchases costs is R 167,24 million (17.03%) and the electricity purchases constitutes 25.51% of the operating expenditure budget. The bulk electricity purchases allocation for the two outer years of the MTREF period is R 1 346,593 million and R 1 591,801 million respectively.

Water

Water purchase for the 2012/13 budget year is estimated at R 329,315 million (2011/12 – R 278,185 million) representing a growth of 18.38 %. Included in the water bulk of R 329,315 million is an amount of R 6,458 million (2011/12 – R 3,962 million) for the purchases of raw water for own purifications.

Contracted Services

Contracted Services budget are growing by 25.66% (R 47,20 million) to R 231,167 million in the 2012/13 budget year from a base of R 183.967 million in the 2011/12 adjustment budget. The allocation for the two outer years of the MTREF period is R 248,779 million and R 242, 904 million respectively. As part of the compilation of the budget this item was critically evaluated and operational efficiencies were enforced. It is anticipated that this expenditure item will gradually come down as the municipality acquires critical capital resources and human capacity.

Debt Collection Costs

The main cost drivers is the re-introduction of debt collection services (R 10 million). This will be a performance based contract for the collection of domestic debtors outstanding for longer than 90 days. Business, Government and current domestic debtors will not be outsourced.

Meter Reading Services

In order to supplement the current meter reading resources, metering services will be outsourced at the cost of R 15,2 million. This will reduce the high level of estimated water consumption by providing reliable actual consumption of water by customers.

Valuation Expenses

Valuation expenses increased from R 6 million to R 22 million for the purposes of compiling a new valuation roll to be implemented in July 2013.

IRPTN Planning

The allocation of the Integrated Rapid Transport Public Transport Network of R20 million, to provide for accelerated planning, construction and improvement of public and non-motorised transport networks.

Neighbourhood Development Framework

The allocation of R2 million is for the appointment of consultants for the development a business plan to enable the city access the Neighbourhood Development Funds.

Commission on electricity vendors

The allocation on this line item has been reduced by R11,9 million for the 2012/13 budget year, as compared to the budget of R24,63 million in 2011/12.

Consultant fees

The allocation for consultant fees has been increased by R 16, 35 million mainly due to the following:

- Data purification costs of R 6 million to ensure that our customer billing data is correct and that all of our customers receive accurate accounts.
- An allocation of R 4 million in the newly created Strategic Projects and Service Delivery Regulation division;
- An increase of R 3.7 million for consultant fees in the office of the entity's CEO and Company Secretary.

Interest on External Borrowing

Interest on external borrowing budget is R 61,799 million for the 2012/13 budget year, representing a growth rate of 54.68% (R 21,846 million). The allocation for the two outer years of the MTREF period is R 64,291 million and R 62,831 million respectively. The projected growth in the interest charge in 2012/13 is made up mainly of the increase on Interest Defined Benefit Plan R 16,161 million and finance charges on leased vehicles of R 6,836 million. The finance charge is for lease to own yellow fleet which is critical for services delivery. The municipality is currently paying an average of R 711,891 per month in renting of fleet from private suppliers. The ownership of the leased fleet will be transferred to the municipality after three (3) years.

Repairs and Maintenance

Repairs and maintenance growth is 7.35% (R 16,309 million) on the 2011/12 approved Adjustment Budget (R 221,941 million) to a new budgetary allocation of R 238,250 million during the 2012/13 budget year. The allocation for the two outer years of the MTREF period is R 255,085 million and R 272,326 million respectively.

	Budget	Budget	Budget	Budget
	2011/12	2012/13	2013/14	2014/15
INFRASTRUCTURAL ASSETS				
Roads, Pavements, Bridges & Storm Water	43 822 820	57 878 291	61 929 771	66 264 855
Storm Water	490 000	-	-	-
Water Reservoirs & Reticulation	13 048 162	20 726 746	22 177 619	23 730 052
Car Parks, Bus Terminals and Taxi Ranks	769 000	826 640	884 505	946 420
Electricity Reticulation	25 444 834	26 734 443	28 988 398	30 823 058
Sewerage Purification & Reticulation	12 516 424	8 318 820	8 901 138	9 524 217
Housing	667 400	692 169	740 621	792 464
Street Lighting	19 246 640	23 612 667	25 170 584	26 862 723
Refuse sites	9 592 537	8 840 481	9 459 315	10 121 467
Gas	-	-	-	-
Other	1 825 949	-	-	-
Sub-total Infrastructure	127 423 766	147 630 258	158 251 950	169 065 257
COMMUNITY	-	-	-	-
Establishment of Parks & Gardens	993 628	1 194 771	1 278 405	1 367 893
Sportsfields	110 285	172 590	184 671	197 598
Libraries	922	458 555	490 654	525 000
Recreational Facilities	910 000	2 063 563	2 208 012	2 362 573
Fire Safety	20 470	21 760	23 283	24 913
Clinics	-	-	-	-
Other	-	-	-	-
Sub-total Community	2 035 305	3 911 239	4 185 026	4 477 978
OTHER ASSETS	-	-	-	-
Other motor vehicles	47 457 186	47 566 590	50 815 314	54 085 412
Plant & equipment	1 841 759	1 785 690	1 910 689	2 044 437
Computers	2 615 130	1 601 040	1 713 113	1 833 031
Office equipment	14 094 225	12 988 443	13 890 409	14 848 328
Markets	591 930	639 280	684 030	731 912
Airports	145 000	156 600	167 562	179 291
Security Measures	691 769	730 479	781 613	836 325
Civic Land and Buildings	19 686 669	19 577 447	20 906 421	22 320 151
Other Land and Buildings	-	1 254 186	1 341 979	1 435 917
Cemeteries	163 252	408 677	437 284	467 894
Sub-total Other Assets	87 286 920	86 708 432	92 648 413	98 782 698
	-	-	-	-
TOTAL REPAIRS & MAINTENANCE	216 745 991	238 249 929	255 085 389	272 325 933
Trend	31.17%	9.92%	7.07%	6.76%

Infrastructural Assets

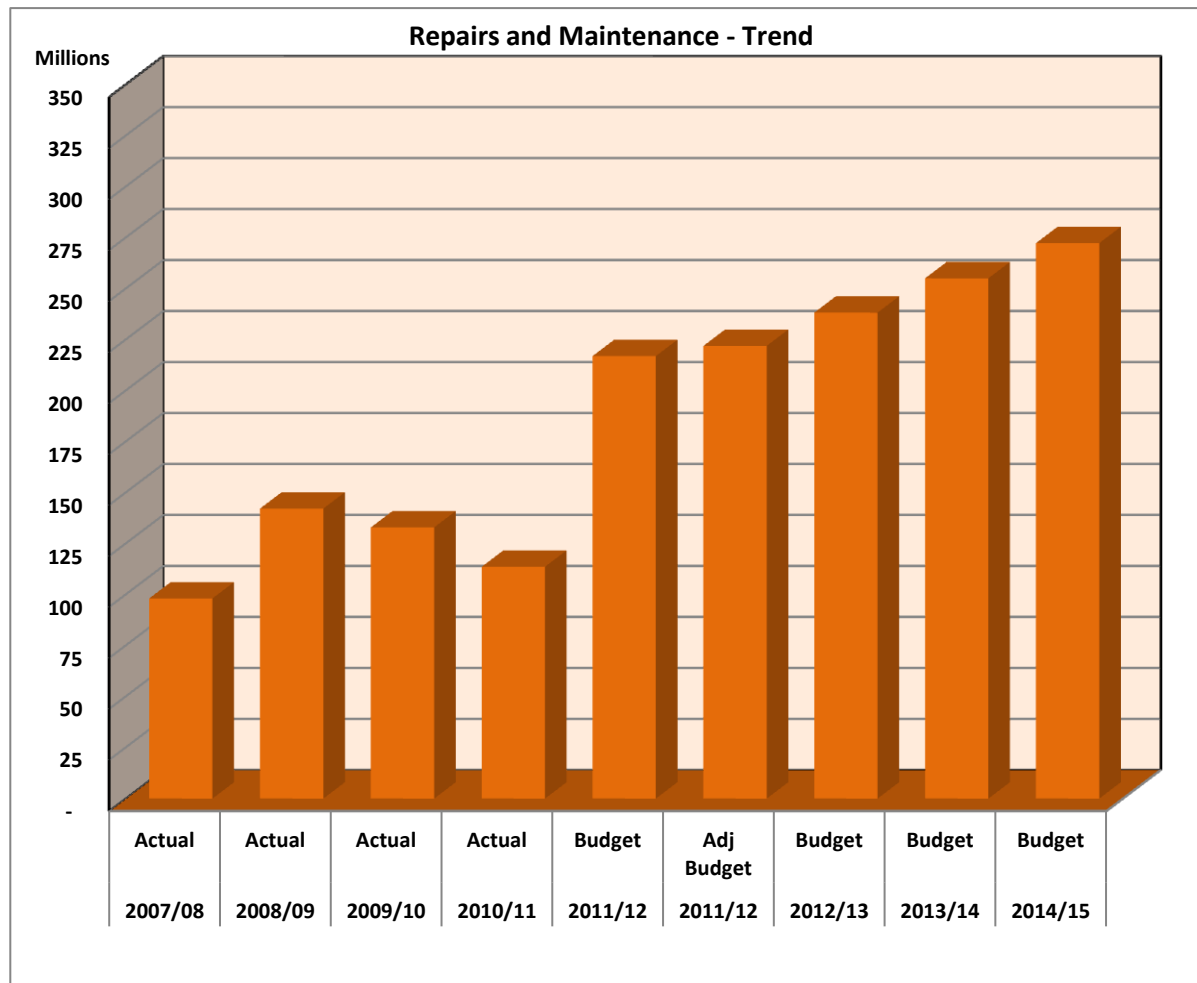
The bulk of the repairs and maintenance budget, say 61,67% is to be spent mainly on the infrastructural assets in 2012/13 budget year. The allocation on this category has been increased by R 19,49 million on the 2011/12 budget to a new amount of R 146,938 million in 2012/13. The allocation for the two outer years of the MTREF period is R 157,551 million and R 168,273 million respectively.

Other Municipal Assets

The spending on repairs and maintenance on other municipal assets as outlined above. Approximately 55.59% (R 47,47 million) of the R 85,569 allocated towards other municipal assets is to be spent on maintaining the council's ageing fleet.

Repairs and Maintenance Trend

The municipality has changed its focus on putting resources on capital expenditure projects and very little on maintenance thereof. The graph below outlines the change in focus towards preventative maintenance of existing infrastructure.



Depreciation

The budgeted depreciation amount is R 200,157 million for 2012/13 (2011/12 – R 200,299 million). The indicative allocated amount for the two outer years of the MTREF period is R 228,215 million and R 259,283 million respectively. It should however be noted that the projected depreciation amount is likely to increase sharply pending the revaluation at the conclusion of the Fixed Assets Register Project.

Transfer to Bad Debt Reserve

The budget amount for debt impairment has declined by 4,88% (R 7,338 million) from the 2011/12 allocation of R 150,327 million to a new amount of R 142,989 million.

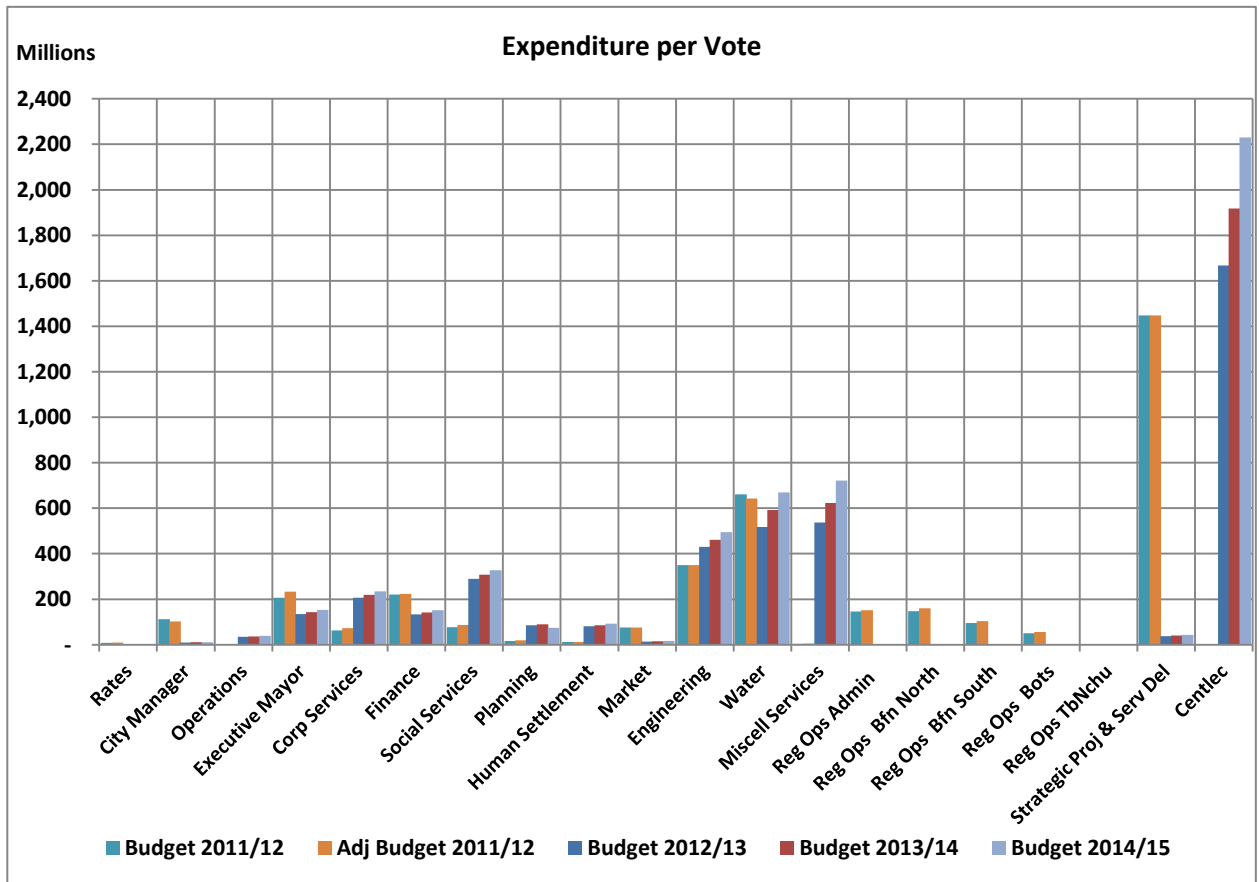
The reasons for the drop in the budget amount are that the current debtor's book is sufficiently covered by the impairment provision. Furthermore included in the Operating Budget is an allocation for R 10 million for the appointment of debt collectors, to help reduce or reverse the current growth trend of the debtor's book.

Operating Expenditure per vote

The table below outlines the operating expenditure budget per vote , outlining the size of the budget each Head of Department is responsible for.

EXPENDITURE PER VOTE	Budget	Adj Budget	Budget	Budget	Budget
	2011/12	2011/12	2012/13	2013/14	2014/15
PROPERTY RATES	-	-	0	0	0
OFFICE OF THE CITY MANAGER	8 678 614	9 658 614	9 522 100	10 134 088	10 819 508
CITY MANAGER - OPERATIONS	112 195 374	101 997 867	34 265 721	36 565 040	39 139 717
EXECUTIVE MAYOR	-	-	134 047 081	143 377 016	153 395 122
CORPORATE SERVICES	206 319 145	233 781 172	206 889 265	219 626 183	234 537 238
FINANCE	63 265 774	73 096 784	133 283 265	141 681 254	150 847 009
SOCIAL SERVICES	221 029 192	223 029 192	288 852 301	307 583 336	327 439 784
PLANNING	76 793 074	87 322 755	85 189 907	89 635 422	74 387 650
HUMAN SETTLEMENT	15 805 750	19 440 750	80 507 134	86 080 211	92 072 813
FRESH PRODUCE MARKET	12 764 413	12 764 413	13 861 476	14 795 076	15 817 045
ENGINEERING	75 803 474	75 803 474	429 750 356	461 829 042	494 356 209
WATER	349 913 457	349 913 457	518 064 977	592 293 846	669 821 166
MISCELLANEOUS SERVICES	661 323 029	642 291 296	536 580 667	623 370 080	722 084 244
REGIONAL OPERATIONS - ADMINISTRATION	4 028 371	4 938 517	-	-	-
REGIONAL OPERATIONS - BFN NORTH	145 479 463	151 079 463	-	-	-
REGIONAL OPERATIONS - BFN SOUTH	146 697 569	159 847 569	-	-	-
REGIONAL OPERATIONS - BOTSHABELO	94 551 947	103 161 947	-	-	-
REGIONAL OPERATIONS - THABA NCHU	49 678 313	55 258 313	-	-	-
STRATEGIC PROJECTS & SERVICE DELIVERY REGULATION	-	-	37 851 937	40 361 949	43 117 262
CENTLEC	1 447 202 827	1 447 202 827	1 667 648 614	1 917 514 109	2 230 043 342
	3 691 529 786	3 750 588 410	4 176 314 801	4 684 846 650	5 257 878 109

The table above can also be graphically depicted as follows:



B. OPERATING REVENUE

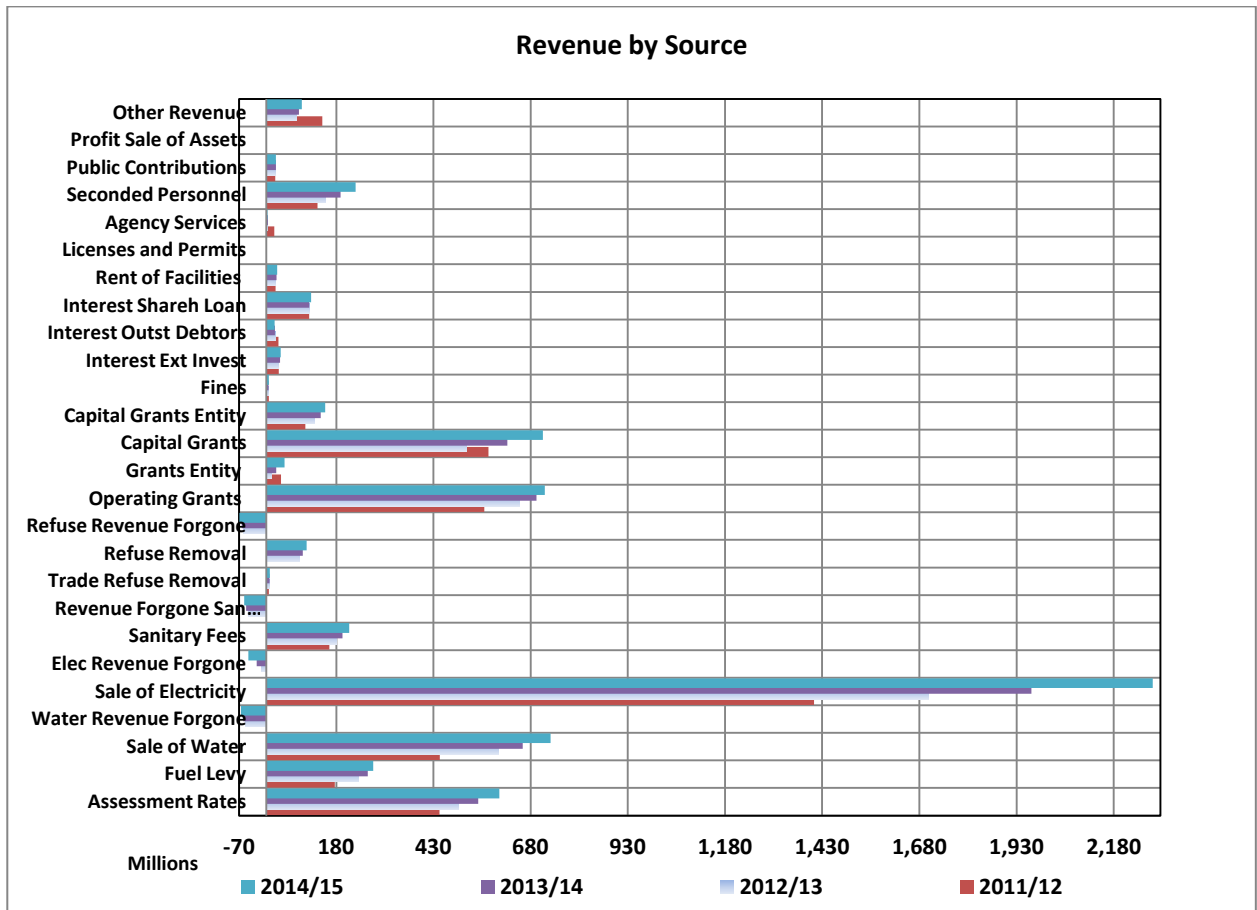
The operating revenue budget is projected at R 4,888,315 million in 2012/13, representing an increase in revenue of R 417,367 million (9.34%) from the 2011/12 adjustment budget of R4 470,948 million. The allocation for the outer two years of the MTREF period is R 5,514,044 million and R 6,157,8 million respectively. Revenue generated from rates and services charges forms a significant part of the revenue basket of the city. Rates and services charges constitutes 55.18% (2011/12 – 52.39%) of the budgeted revenue (excluding capital grants and transfers) in the 2012/13 budget year.

Details of the revenue by source are as outlined in the below table:

STATEMENT OF FINANCIAL PERFORMANCE - MANGAUNG (CONSOLIDATED)

REVENUE PER SOURCE	Budget	Adj Budget	Budget	Growth		
	2011/12	2011/12	2012/13	%	2013/14	2014/15
ASSESSMENT RATES	-445,408,848	-445,408,848	493,976,301	10.90%	-545,349,830	599,316,931
FUEL LEVY	-175,972,000	-175,972,000	237,704,000	35.08%	-260,555,000	274,625,000
TOTAL SERVICE CHARGES	-2,023,408,330	-2,023,408,330	2,400,057,196	18.61%	-2,725,755,702	3,099,672,979
SALE OF WATER	-445,979,406	-445,979,406	543,286,244	21.82%	-599,995,767	665,977,405
SALE OF ELECTRICITY	-1,409,096,455	-1,409,096,455	1,690,562,734	19.97%	-1,943,395,065	2,234,084,970
SANITARY FEES	-161,955,529	-161,955,529	132,361,397	-18.27%	-143,783,214	156,162,601
REFUSE REMOVAL	-6,376,940	-6,376,940	33,846,821	430.77%	-38,581,657	43,448,003
OPERATING GRANTS AND SUBSIDIES	-560,857,000	-572,282,169	651,134,000	13.78%	-694,671,000	716,638,000
OPERATING GRANTS RECEIVED ENTITY	-37,641,471	-37,641,471	13,232,576	-64.85%	-25,232,576	46,539,312
CAPITAL GRANTS AND SUBSIDIES	-571,744,533	-585,341,310	513,967,000	-12.19%	-619,719,000	711,272,000
CAPITAL GRANTS ENTITY	-100,000,000	-107,017,544	125,000,000	16.80%	-140,000,000	151,700,000
FINES	-6,449,009	-4,359,009	5,062,882	16.15%	-5,569,170	6,126,088
INTEREST EARNED EXTERNAL INVESTMENTS	-32,335,760	-23,936,150	31,717,000	32.51%	-35,173,700	36,761,070
INTEREST EARNED OUTSTANDING DEBTORS	-31,588,188	-31,588,188	23,010,000	-27.16%	-21,980,000	21,365,000
INTEREST ON SHAREHOLDER LOAN	-110,000,000	-110,000,000	110,000,000	0.00%	-110,000,000	115,500,000
RENT OF FACILITIES AND EQUIPMENT	-23,722,250	-23,673,060	24,792,950	4.73%	-26,326,931	28,001,852
LICENSES AND PERMITS	-568,707	-568,707	765,567	34.62%	-842,124	926,336
AGENCY SERVICES	-20,123,738	-20,373,738	3,527,407	-82.69%	-3,603,137	3,281,912
SECONDED PERSONNEL	-131,412,456	-131,412,456	152,985,272	16.42%	-190,843,081	229,860,493
PUBLIC CONTRIBUTIONS	-23,180,983	-23,180,983	24,767,424	6.84%	-24,767,424	24,767,424
PROFIT OF THE SALE OF ASSETS	-37,797	-37,797	-39,536	4.60%	-39,536	41,513
OTHER REVENUE	-143,999,136	-154,746,436	76,576,387	-50.51%	-83,616,342	91,366,082
	-4,438,450,206	-4,470,948,196	4,888,315,499	9.34%	-5,514,044,553	6,157,761,992

The table below can also be graphically depicted as follows:



Operating Revenue Budget - Highlights

Assessment Rates

Assessment rates revenue grows by 10.90% (R 48,567 million) in the 2012/13 budget year to R 493,976 million. The net increase for the outer years of the MTREF budget is R 51,374 and R 53,967 million. The resultant projected income from this source of revenue is R 545,350 million and R 599,317 million respectively for the two outer years of the MTREF period.

The general assessment rates have been determined to increase by 9% across the board for the 2012/13 financial year and by 10% for the two outer years as depicted in the table below. The City is in the process of compiling a new valuation roll that would be implemented in July 2013. The implementation of the new valuation roll would impact positively on the revenue projections of the outer years, since more properties are likely to be included in the valuation roll through the supplementary roll.

Category	Current 2011/2012	Percentage increase	Proposed tariff from 01 July 2012	2013/14	2014/15
Residential	0.7152	9%	0.7796	10%	10%
Business	3.5432	9%	3.862	10%	10%
Government	1.7881	9%	1.9490	10%	10%

Service Charges

The projected revenue from service charges increases from R 2 023,408 million (2011/12) budget year to R 2,400,057 million in the 2012/13 budget year. The projected revenue on service charges for the outer two years of the MTREF period is R 2,725,756 million and R 3,099,672 million respectively. The projected growth in service charges revenue is 18.61% (R 376,649 million) after accounting for revenue forgone, for the first year of the MTREF period. The increase for the two outer years of the MTREF period being R 325,699 million (13.57%) and R 373,90 million (13.72%) respectively.

a. Sale of Water

The contribution of the sale of water on the 2012/13 budget year is R 87,307 million (21.82%). The proposed tariffs in the budget are as follows:

Residential

Step Tariffs 2011/2012	Current 2011/12 (R)	New Step Tariffs 2012/13	Percentage increase	Proposed tariff from 01 July 2012 (R)
0-6kl	3.65	0-6kl	18.9%	4.34
7-30kl	11.01	7-15kl	8.99%	12.00
		16-30kl	14.99%	12.66
31-100kl	11.40	31-60kl	20%	13.68
		Above 61kl	25%	14.25
Above 100kl	12.12			

The water tariff between 0 to 6 kilolitres was previously set below costs and was not costs reflective. The proposed 18.90% increase is intended to cover some of the costs associated with the supply of water from the source to the tap. The 18.90% increase translates into R 4.14 cents increase within the said step tariff. The input cost of water and the cost of providing water to tap is R 7,80 (i.e. – 6 kl)

Non Residential

Step Tariffs 2011/2012	Current 2011/12 (R)	New Step Tariffs 2012/13	Percentage increase	Proposed tariff from 01 July 2012 (R)
Each kilolitre	11.52	0-60kl	9.02%	12.56
Plus basic charge per month	313.32	61-100kl	12.46%	13.82
		Above 100kl	12.56%	14.40
		Plus basic charge per month	9%	341.52

The introduction of more tariff steps for both residential and non-residential consumers was out of a realisation that water is a scarce commodity and consumers have the control to determine own consumption levels. The water increase is informed by bulk purchases, water capital projects and administrative costs associated with the water supply. On top of the bulk purified water purchases of R 4.36 cents per kilolitre, Bloemwater includes additional costs for levy for water meters, fixed operations and maintenance, water research fund levy, river losses, fixed capital contributions and system tariffs. All of these additional costs by Bloemwater resulted in the current water tariff structure to be unsustainable and the water account to be operating below the breakeven point.

The average water tariff, increases by 13% however; the increase within the residential consumption of 30kl is 13, 2% or R 37.80 and for businesses the increase within the consumption level of 60kl is 9% or R 90.60

The water revenue is projected to increase by 21.82% from R 445,979 million to R 544,094 million due to reduction of water losses (meter installations, fixing of illegal connections, billing of previously unbilled water, etc) and correction of baseline tariff.

Comparison of water consumption levels between current water Tariff and the proposed Tariff for 2012/13:

Residential

Estimated kl	Current Bill (R)	New Bill (R)	Difference (R)	% Increase
10	65.94	74,04	8.10	12.28%
20	176.04	197.34	21.30	12.10%
30	286.14	323.94	37.80	13.21%
40	400.14	460.74	60.60	15.14%
50	514.14	597.54	83.40	16.22%
60	628.14	734.34	106.20	16.91%
70	742.14	874.84	134.70	18.7%
80	856.14	1,019.34	163.20	19.06%
90	970.14	1,161.84	191.70	19.76%
100	1,084.14	1,304.34	220.20	20.31%

Non-Residential

Estimated kl	Current bill (R)	New Bill (R)	Difference (R)	% increase
60	1,004.52	1,095.12	90.41	9.02%
100	1,465.32	1,647.92	182.60	12.42%
200	2,617.32	3,087.92	470.60	17.98%
300	3,769.38	4,527.92	758.60	20.13%
400	4,921.32	5,967.92	1046.60	21.27%
500	6,073.32	7,407.92	1334.60	21.97%
1000	11,833.32	14,607.92	2774.60	23.45%
2000	23,353.32	29,007.92	5665.60	24.21%
5000	57,913.32	72,207.92	14294.60	24.68%
10000	115,513.32	144,207.92	28694.60	24.84%

b. *Sale of Electricity*

The combined electricity sales grows by 28.42 % (2011/12 - 20,64%) to R 1 809,562 million in the 2012/13 budget year. The electricity percentage contribution to the total revenue budget is 38.80% in 2012/13. The budgeted revenue is based on the proposed tariff increase of 8.7% on average (2011/12 - 26.53%).

c. *Sewerage Charges*

The revenue is projected to increase by average of 10.80% from R 161,955 million to R 179,439 million (including revenue forgone) in 2012/13 and by 8.93% and 9.03% in the two outer years.

The sanitation fees have been divided into sewerage charges and refuse removal. The customer statements shall reflect both the sewerage charges and refuse removal as opposed to one entry of sanitation fees. The splitting of sanitation fees was informed by the need to comply with Local Government: Systems Act 2000 (No. 32 of 2000) especially section 74 that says that, all users must be treated equally, the amount that individual users pays for services must be generally proportional to the use of that service, the tariffs must reflect the costs reasonably associated with that service.

The sewerage tariff is based on the market value of the property.

Description	Tariff 2011/2012	% increase	Proposed Tariff 2012/13
Non residential Sewerage charges	0.4211	9%	0.4589

- i. The description of sanitation fees has been changed to sewerage charges and the tariff has been increased by 9% for all the non-residential customers. The current tariff is 0.4211 and the proposed tariff is at 0.4589 as depicted in the table above.
- ii. As is the case with the non-residential customers, the description has been changed to sewerage charges. The residential tariff for sewerage is determined at the reduced rate of 0,3213 in order to accommodate the introduction of refuse removal fees.

d. *Refuse Removal*

The projected revenue for refuse removal is expected to increase from R 6,337 million to R 33,847 million in 2012/13 and to R 34,582 million and R 43,448 million in the two outer years. The revenue increase is because of the introduction of refuse removal charge as a new tariff for non-residential customers.

The refuse removal is based on the erf size with the minimum charge of R 30.00 for residential properties and R 170.00 for business properties. The minimum charge for sectional title schemes is R 70.00 since the valuation roll only carries the square metres of the building.

The trade refuse removal which is based on individual business application for the service has been determined to increase by 10%. The tariff for refuse removal is based on the costs associated with the delivery of the service. The City will be acquiring new yellow fleet in order to strengthen the refuse removal service.

Comparison between sanitation fees and both sewerage charges and refuse removal.

The percentage increases per individual account is depended on the market value of the property as well as the erf size. If we assume that the properties with municipal valuation roll less that R 200,000 with an erf size of less than 300 square meters and those with municipal valuation roll of between R 300,000 and R 400,000 with an erf size of 900 square meters, then the percentage increase ranges from 61.8% and 26.20% respectively.

For properties with market value of above R 700,000, the combined charges for both sewerage charges and refuse removal start to decrease, the reason being that in terms of the 2011/12 current tariff structure, the properties below R 500,000 were contributing far less than the cost of rendering the refuse removal, hence it was necessary to split the two services in order to ensure cost effective supply of municipal services.

Residential Properties

Market Value(R)	Current Tariff 2011/12	Amount Due Per month (R) (excluding VAT)	Sewerage charges 2012/13	Refuse removal	Amount Due	Increase	Percentage increase	
			R	R	R	R		
100,000	0.004211	35.09	0.003213	26.78	30	56.78	21.69	61.8%
200,000	0.004211	70.18	0.003213	53.55	30	83.55	30.00	42.75%
300,000	0.004211	105.26	0.003213	80.33	70	150.33	45.07	42.82
400,000	0.004211	140.33	0.003213	107.10	70	177.10	36.77	26.20%
500,000	0.004211	175.46	0.003213	133.88	100	233.88	58.42	33.30%
700,000	0.004211	245.64	0.003213	187.43	120	307.43	61.79	25.16%
1,000,000	0.004211	350.92	0.003213	267.75	120	387.75	36.83	10.5%
1,200,000	0.004211	421.10	0.003213	321.30	120	441.30	20.20	4.8%

Please note that for business consumers the sewerage charges remained the same as the sanitation tariff plus a growth rate of 9%. The refuse removal charge is fixed at R 170.00 per month per one week refuse removal plus trade waste removal where applicable.

Fuel Levy

The budget for the fuel levy is showing an increase of 35.08 % (R 61,732 million) from the last year's initial allocation of R 175,97 million to R 237,70 million. The projected allocation for the outer two years of the MTREF period is R 260,555 million and R 274,625 million respectively. The increase in the allocation of the levy is mainly as a result of the change in the funding formula, as well as the combination of higher fuel taxes and increased fuel consumption in the municipal area of operations.

Grants and Subsidies

Included in the budgeted revenue of R 4,888,315 million above, is operating and capital grants and subsidies from the Provincial and National Governments totalling R 1,144,556 million (2011/12 - R 1,132,470 million). The allocations for the 2013/14 and 2014/15 budget years are R 1 237,597 million and R 1 309,625 million respectively. The grants to be received, constitutes 21.89 % (2011/12 - 25,52% of the budgeted revenue for the 2012/13 budget year.

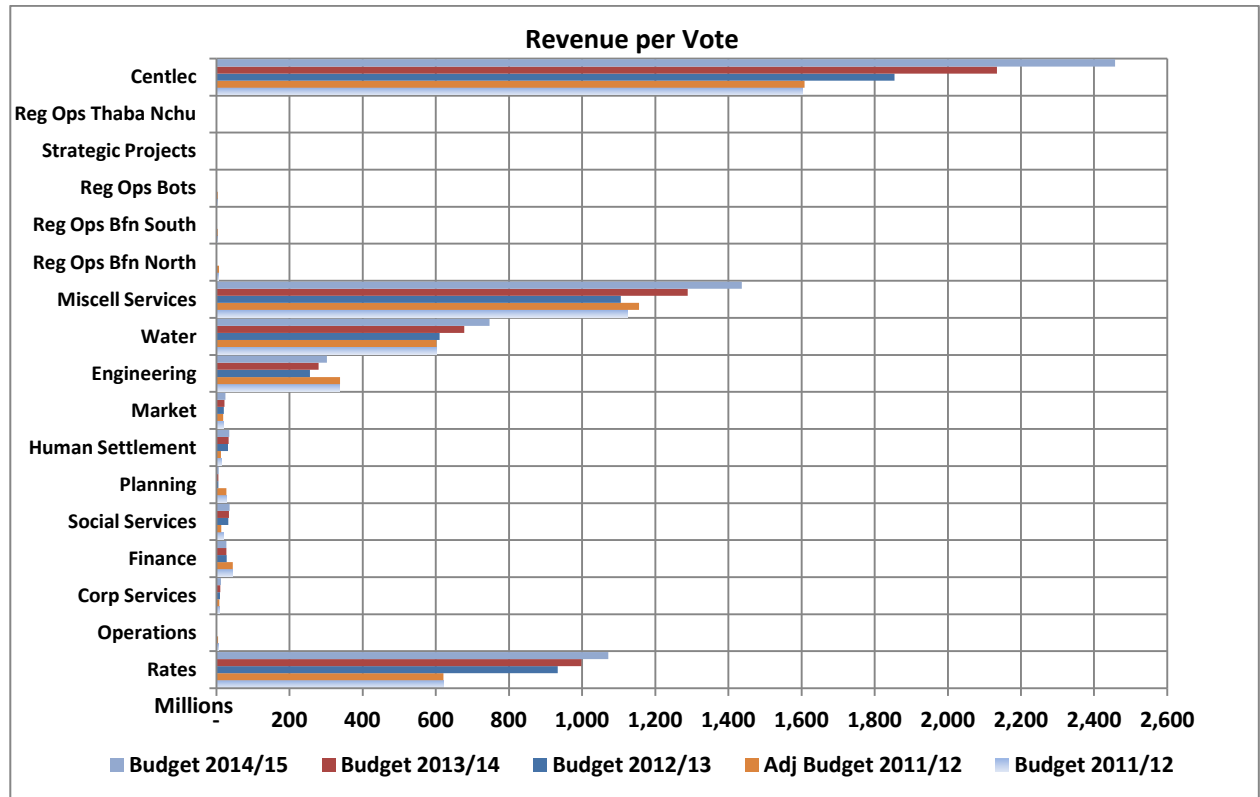
GRANTS AND SUBSIDIES				
	2011/12	2012/13	2013/14	2014/15
	R'000	R'000	R'000	R'000
Operating Grants & Subsidies				
Equitable Share	508,776	595,401	626,980	658,789
Equitable Share - Centlec	37,641	13,233	25,233	46,539
Financial Management Grant	1,450	1,500	1,500	1,500
Public Transport Infrastructure & System	-	20,000	20,000	-
Provincial Grant CCTV	7,000	7,000	7,000	-
Government Contribution Salaries	3,000	14,000	14,000	14,000
Motheo District Municipality - Environment	2,990			
SUB-TOTAL	560,857	651,134	694,713	720,828
Capital Grants & Subsidies				
FS Provincial Grant – CCTV	3,000	3,000	3,000	
FS Province Operation Hlasela	22,000			
Electric Demand Side Management Grant	5,000			
Expanded Public Works Programme Incentive Grant	8,570			
MIG	50,697			
Urban Settlements Development Grant	411,995	485,967	596,719	693,272
Motheo District Municipality - Environment	1,382			
National Electrification Grant	20,000	25,000	20,000	18,000
Public Transport Infrastructure & System	48,969			
SUB-TOTAL	571,613	513,967	619,719	711,272
TOTAL	1,132,470	1,165,101	1,314,432	1,432,100

Revenue per vote

As outlined below is the revenue per vote, indicating the various directorates' resource income:

REVENUE PER VOTE	Budget	Adj Budget	Budget	Budget	Budget
	2011/12	2011/12	2012/13	2013/14	2014/15
PROPERTY RATES	-621 211 254	-621 211 254	-933 471 320	-998 278 595	-1 071 625 422
OFFICE OF THE CITY MANAGER	-	-	-	-	-
CITY MANAGER - OPERATIONS	-5 081 822	-5 081 822	-1 650	-1 815	-1 997
EXECUTIVE MAYOR	-	-	-	-	-
CORPORATE SERVICES	-8 504 080	-8 504 080	-10 164 315	-11 148 333	-12 242 849
FINANCE	-44 675 280	-44 675 280	-28 119 244	-27 452 451	-27 309 864
SOCIAL SERVICES	-20 529 398	-13 515 008	-32 546 261	-34 398 019	-36 438 423
PLANNING	-27 583 966	-27 583 966	-5 373 060	-5 910 366	-6 501 402
HUMAN SETTLEMENT	-12 948 376	-12 948 376	-31 792 890	-33 434 652	-35 222 210
FRESH PRODUCE MARKET	-18 679 990	-18 679 990	-20 560 770	-22 616 847	-24 878 532
ENGINEERING	-337 856 847	-337 856 847	-256 040 408	-279 184 647	-302 382 874
WATER	-602 054 685	-602 054 685	-610 173 576	-678 251 271	-746 911 076
MISCELLANEOUS SERVICES	-1 122 896 001	-1 155 390 837	-1 105 739 382	-1 289 202 108	-1 436 859 059
REGIONAL OPERATIONS - BFN NORTH	-7 139 207	-7 139 207	-	-	-
REGIONAL OPERATIONS - BFN SOUTH	-4 059 638	-4 059 638	-	-	-
REGIONAL OPERATIONS - BOTSHABELO	-3 448 018	-3 448 018	-	-	-
REGIONAL OPERATIONS - THABA NCHU	-133 690	-133 690	-	-	-
STRATEGIC PROJECTS & SERVICE DELIVERY REGULATION	-	-	-4 950	-5 445	-5 990
CENTLEC	-1 601 647 954	-1 608 665 498	-1 854 327 673	-2 134 160 004	-2 457 382 296
	-4 438 450 206	-4 470 948 196	-4 888 315 499	-5 514 044 553	-6 157 761 992

The above table can also be graphically depicted as follows:



C. CAPITAL BUDGET

The capital budget has declined by R 70,48 million (increase in 2011/12 - R 450,892) for the 2012/13 financial year to R 753,667 million as compared to the main approved budget of R 824,147 million for the 2011/12 period. The projected capital expenditure budget for the two (2) outer years of the MTREF period has been set at R 761,661 million and R 832,251 million respectively. For the 2012/13 financial year the municipality will be working hard in improving the adverse audit outcome, the low collection level, low expenditure levels on capital budget and improving its credit rating in order to raise borrowings for investment in new infrastructure that will drive economic development and grow the City's revenue base.

The Capital Budget is funded mainly out of three sources, namely capital grants from National Government, loan funded projects (DBSA) and own funded projects. Council is to receive most of its capital grants from the Urban Settlements Development Grant (USDG) to the extent of R 485,967 million for the 2012/13 budget year. Grants and subsidies from all spheres of government contribute 65.48 % of the current year's budget funding.

FUNDING BY SOURCE – MTREF CAPITAL

Funding of the capital budget for the new budget cycle is as outlined below:

R thousands	Description			2012/13 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
<u>Capital expenditure & funds sources</u>						
Capital expenditure	824,147	815,046	815,046	753,667	761,661	832,251
Transfers recognised - capital	571,745	585,341	585,341	513,967	619,719	711,272
Public contributions & donations	23,181	23,181	23,181	24,767	24,767	24,767
Borrowing	110,547	71,856	71,856	105,885	-	-
Internally generated funds	118,675	134,668	134,668	109,048	117,175	96,212
Total sources of capital funds	824,147	815,046	815,046	753,667	761,603	832,251

USDG FUNDING

The main projects to be undertaken out of the USDG allocation are as outlined on the table below:

	Budget 2012/13	Budget 2013/14	Budget 2014/15	MTREF Total
	R'000	R'000	R'000	
Corporate Services				
Upgrading of Stadium Swimming Pool	8 000	0	0	8 000
Upgrading of Bochabela boxing arena	3 000	0	0	3 000
New Community Hall : Botshabelo	4 000	0	0	4 000
Sub-Total	15 000	0	0	15 000
Social Services				
Construction of purpose build disaster management centre	500	400	0	900
Development and upgrading of parks - Bloemfontein	1 000	3 000	1 200	5 200
Development and upgrading of parks - Botshabelo	1 000	2 000	1 200	4 200
Development and upgrading of parks – Thaba Nchu	1 000	2 000	1 100	4 100
Relocation of Zoo	2 000	40 000	40 000	82 000
Access control and perimeter fencing – Naval Hill	4 000	0	0	4 000
Palisade/rasonwire perimeter fencing around cemetery - Botshabelo	6 400	0	0	6 400
Palisade/rasonwire perimeter fencing around cemetery - Thaba Nchu	2 500	0	0	2 500
Construction of Ablution block - Thaba Nchu cemetery	450	0	0	450
Sub-Total	18 850	47 400	43 500	109 750
Planning				
Township establishment Botshabelo West extension	1500	0	0	1500
Engineering design of 2 nodes	8 000	0	0	8 000
Services reticulation of MMM land within the two N8 nodes	25 186	0	0	25 186
Concept and detail design for MMM land	9 000	0	0	9 000
Land use management framework Thaba Nchu area	1 500	0	0	1 500
Establishment of GIS system	10 000	0	0	10 000
Proactive acquisition of land for human settlements in Bloemspruit	6 500	30 000	10 000	46 500
Further acquisition of land for human settlements in Grassland Phase 4	6 000	0	0	6 000
Pro active acquisition along N8 for human settlement	0	30 000	0	30 000
Thaba Nchu station sites project	1 000	0	0	1 000
Sub-Total	68 686	60 000	10 000	138 686
Housing				
Toilet facilities – 60 two roomed houses Heidedal Ward 16	500	500	0	1 000
White City Infrastructure – bulk services :water network sewer connections	3 000	0	0	3 000
Sewerage upgrading – Brandwag Flats	8 000	0	0	8 000
Electrical substation – Brandwag Flats	5 000	0	0	5 000
Sub-Total	16 500	500	0	17 000
Upgrading of Roads and Stormwater - General	129 158	171 695	164 731	465,584
Landfill Sites				
Upgrading and construction of northern landfill sites	5 150	4 000	3 350	12 500
Upgrading and construction of southern landfill sites	3 880	5 550	1 500	10 930
Upgrading and rehabilitation of Botshabelo landfill sites	2 000	2 250	4 700	8 950
Closure of Thaba Nchu Landfill sites	880	0	0	880
Development of Transfer station in Thaba Nchu	500	1 750	1 750	4 000
Sub-Total	12 410	13 550	11 300	37 260
Waste water Treatment				
North eastern – WWTW and 1.8km outfall sewer	0	14 600	0	14 600
Addition of 10ml to Sterkwater WWTW	44 990	10 000	10 000	64 990
Upgrade bulk sewer for Brandwag project	0	4 200	0	4 200
Refurbishment of sewer systems	9 000	12 000	15 000	36 000
Waterborne Sanitation in Ratau & Moroka	-	8,000	11,264	19,264
Waterborne Sanitation in Bultfontein	-	8,000	42,357	50,357
Waterborne Sanitation in Section F	-	6,000	33,019	39,019
Sub-Total	53 990	62,800	111,640	228,430
	R'000	R'000	R'000	
Bulk Water Supply				
Basic water to stands	0	10 000	10 000	20 000
Naval Hill Reservoir	0	10 388	0	10 388
Naval Hill Reservoir: 3,5km Supl And Del Lines	0	9 900	0	9 900
New 45 ML Longridge Reservoir	16 560	0	0	16 560
Longridge Reservoir Supply Line 8.3 Km	-	25 000	0	25 000
Upgrading Of Maselspoort Pump Supply To Naval Hill	30 810	29 000	0	59 810
Botshabelo And Thaba Nchu Internal Bulk Water	-	12 000	9 533	21 533

Replace Pumps Maselspoort	-	-	20 000	20 000
Refurbishment Of Water Supply Systems	9 000	12 000	15 000	36 000
Sub-Total	56 370	108 288	54 533	219 191
Water Demand Management				
Replacement of water meters and fire hydrants	10 000	20 000	48 000	78 000
Metering of unmetered sites	5 000	10 000	10 000	25 000
Sub-Total	15 000	30 000	58 000	103 000
ELECTRICITY				
Vending back office	2 000	5 000	5 000	12 000
Demand side management energy efficiency lights	0	10 000	10 000	20 000
Installation of smart meters	20 000	25 000	25 000	70 000
Electrification connections dme	10 000	15 000	15 000	40 000
Electrification connections dme	13 000	14 000	14 000	41 000
Clover dc: 132kv/11kv 30mva dc	15 000	10 000	10 000	35 000
Shannon a dc: 132kv/11kv dc	3 000	1 000	1 000	5 000
Vista park dc: 132kv/11kv 20mva dc	12 000	10 000	10 000	32 000
Fichardtpark dc: 132kv/11kv 20mva dc	0	8 000	8 000	16 000
Cecelia dc: 132kv/11kv 30mva dc	13 000	22 000	13 700	48 700
Tempe dc: 11kv primary cables from dc to van Blerk primary substation	4 000	0	4 000	8 000
132kv northern ring from Noordstad dc to Harvard dc	8 000	17 000	17 000	42 000
Botshabelo: 132kv Eskom connection & extensions to substation	0	5 000	5 000	10 000
Sub-Total	100 000	142 000	133 700	375 700

Loan Funded Projects

Included in the capital budget are projects to be funded out of the DBSA loan facility that the Council has approved. The facility is to be used mainly to fund the bulk water and sewerage infrastructure as outlined below:

	Budget 2011/12	Budget 2012/13
	R'000	R'000
Loan Funded Projects		
Bulk Water Supply to Mangaung (Longridge Reservoir 45 ML)	25, 063	10, 000
North Eastern Wastewater Treatment Works and Collectors	39, 120	43,100
Extension to Sterkwater Wastewater Treatment works	17, 751	13,500
Extension to Northern Wastewater Treatment Works and Collectors	3, 674	
Upgrading of Sewer System in Freedom Square	18, 000	-
Estoire Race Course Sewer Mains Connection	669	4,345
Naval Hill Reservoir – 35 ML	-	34,940
Grassland & Bloemspruit Sewer Mains Connections	6, 270	8,550
Total	110,547	105,885

Own Funded Projects

Included in the capital budget are projects to the extent of R 99,848 million for 2011/12 budget year. The allocation of the two MTREF period outer years is R 141,101 million and R 149,904 million respectively. The key highlights of the own funded projects for 2012/15 budget year are:

	Budget 2012/13	Budget 2013/14	Budget 2014/15
	R'000	R'000	R'000
Own Funded Projects			
Information management system enhancement	2,000	2,500	3,000
Desktop computers (desktop, server, tablet, notebooks,etc.)	2,000	2,500	2,000
Asset register	5,000	-	-
Rates hall - revamp	1,000	-	-
Establishment of a municipal court	-	3,000	5,000
Vehicle leasing	25,447	32,975	35,711
Waterborne sanitation in Ratau & Moroka (2 192 stands)	5,000	-	-
Waterborne sanitation in Bultfontein 2,3,4 (4 021 stands)	5,000	-	-
Waterborne sanitation in section f, f ext, informal (5 776 stands)	5,000	-	-
Real loss reduction programme (water)	9,000	10,000	-
Automated meter reading programme	9,000	10,000	-
Telemetry and Scada system	5,000	5,000	-
Electrification connections DME	10,000	-	-
Electrification connections DME	10,000	5,000	-
Botshabelo: 132kv line from dc around western side to south of Botshabelo	7,000	30,000	7,000
Installation of prepaid meters (indigents)	5,000	1,000	35,000
TOTAL	105,447	101,975	87,711

Capital Budget per Cluster

The table below is giving an outline of where is the budget going to be spend within the municipal boundaries per cluster and wards:

MANGAUNG AND CENTLEC			CAPITAL ESTIMATES		
CLUSTERS	CLUSTER	WARD NR's	Budget 2012/13	Budget 2013/14	Budget 2014/2015
Bloemfontein Central	A	1, 2, 3, 4, 5	22 727 678	57 199 861	23 153 065
Mangaung South	B	9, 13, 14, 15, 18	31 160 351	25 400 000	6 626 389
Bloemfontein South	C	6, 10, 11, 12	46 100 000	38 900 000	46 909 204
Bloemfontein East	D	16, 17, 19, 47	170 078 682	131 942 176	63 035 000
Bloemfontein North	E	8, 45, 46	95 490 492	62 000 000	97 000 000
Bloemfontein West	F	20, 21, 22, 44, 48	86 158 146	71 405 771	65 687 424
Botshabelo North	G	23, 24, 25, 26	66 000 000	91 000 000	59 000 000
Botshabelo East	H	27, 28, 29, 30	11 000 000	7 650 000	52 791 766
Botshabelo South	I	31, 32, 33, 35	12 400 000	13 785 250	400 000
Thaba Nchu Central	J	34, 36, 37	5 700 206	2 750 206	15 732 331
Thaba Nchu Peri-Urban	K	39, 40, 43	9 843 035	15 603 160	17 414 000
	L	42, 49	5 000 000	8 000 000	42 357 000
	M	38, 41	-	-	-
Not Dermined (Utilization in all wards)	N	All	192 008 576	236 024 713	342 144 842
	TOTAL		753 667 166	761 661 137	832 251 021

D. SUMMARY OF THE BUDGET

The projected financial outcome of this budget at the end of the 2012/13 budget year can be summarized as follows (See Table A1):

FS000 Mangaung - Table A1 Consolidated Budget Summary

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousands									
Financial Performance									
Property rates	278,236	345,558	396,843	445,409	445,409	445,409	493,976	545,350	599,317
Service charges	1,077,976	1,402,178	1,688,056	2,023,408	2,023,408	2,023,408	2,400,057	2,725,756	3,099,673
Investment revenue	32,811	23,976	10,644	32,336	23,936	23,936	31,717	35,174	36,761
Transfers recognised - operational	325,338	458,359	537,300	560,857	572,282	572,282	651,134	694,671	716,638
Other own revenue	352,203	304,043	168,696	781,515	797,390	797,390	772,697	868,608	969,334
Total Revenue (excluding capital transfers and contributions)	2,066,565	2,534,116	2,801,538	3,843,525	3,862,426	3,862,426	4,349,581	4,869,558	5,421,723
Employee costs	580,073	665,765	765,829	886,816	886,816	886,816	954,589	1,053,836	1,155,020
Remuneration of councillors	20,639	22,283	22,626	43,690	43,690	43,690	46,207	49,653	53,102
Depreciation & asset impairment	189,265	200,440	288,056	200,299	200,299	200,299	200,157	228,215	259,284
Finance charges	35,887	32,796	68,965	39,953	39,953	39,953	65,664	67,327	66,050
Materials and bulk purchases	759,075	924,359	1,102,170	1,477,306	1,482,306	1,482,306	1,716,985	1,987,367	2,310,882
Transfers and grants	15,915	49,434	-	139,801	147,801	147,801	140,289	167,393	200,507
Other expenditure	707,727	802,854	604,758	903,665	949,724	949,724	1,052,423	1,131,055	1,213,033
Total Expenditure	2,308,580	2,697,932	2,852,404	3,691,530	3,750,588	3,750,588	4,176,315	4,684,847	5,257,878
Surplus/(Deficit)	(242,015)	(163,816)	(50,866)	151,995	111,837	111,837	173,266	184,711	163,844
Transfers recognised - capital	470,637	449,971	351,546	571,745	585,341	585,341	513,967	619,719	711,272
Contributions recognised - capital & contributed assets	-	-	-	23,181	23,181	23,181	24,767	24,767	24,767
Surplus/(Deficit) after capital transfers & contributions	228,622	286,156	300,680	746,920	720,360	720,360	712,001	829,198	899,884
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	228,622	286,156	300,680	746,920	720,360	720,360	712,001	829,198	899,884
Capital expenditure & funds sources									
Capital expenditure	586,466	702,491	458,735	824,147	815,046	815,046	753,667	761,661	832,251
Transfers recognised - capital	390,058	420,360	350,090	571,745	585,341	585,341	513,967	619,719	711,272
Public contributions & donations	22,535	15,978	13,195	23,181	23,181	23,181	24,767	24,767	24,767
Borrowing	-	-	22,259	110,547	71,856	71,856	105,885	-	-
Internally generated funds	173,873	266,153	73,190	118,675	134,668	134,668	109,048	117,175	96,212
Total sources of capital funds	586,466	702,491	458,735	824,147	815,046	815,046	753,667	761,661	832,251
Financial position									
Total current assets	749,396	522,911	774,009	841,696	913,082	913,082	845,803	1,029,426	1,222,318
Total non current assets	2,811,019	4,236,689	4,311,943	5,546,981	5,537,881	5,537,881	4,873,053	5,144,464	5,358,987
Total current liabilities	919,100	918,706	968,920	706,515	571,289	701,289	831,569	968,600	1,008,529
Total non current liabilities	380,970	436,444	506,565	544,704	506,013	506,013	817,881	808,689	792,635
Community wealth/Equity	2,260,345	3,404,450	3,610,466	5,137,459	5,373,661	5,243,661	4,069,406	4,396,602	4,780,141
Cash flows									
Net cash from (used) operating	628,602	599,827	631,154	979,854	629,738	629,738	758,510	850,736	925,893
Net cash from (used) investing	(592,852)	(908,760)	(453,909)	(1,086,414)	(808,675)	(808,675)	(678,265)	(685,459)	(748,984)
Net cash from (used) financing	1,192	69,912	23,758	99,414	63,722	63,722	93,641	(14,047)	(13,864)
Cash/cash equivalents at the year end	284,482	45,461	246,465	239,318	131,250	131,250	305,136	456,365	619,409
Cash backing/surplus reconciliation									
Cash and investments available	284,491	45,472	246,477	267,470	432,107	432,107	305,148	456,377	619,421
Application of cash and investments	542,002	501,647	407,006	88,390	63,600	193,600	298,757	430,256	440,314
Balance - surplus (shortfall)	(257,511)	(456,175)	(160,529)	179,080	368,506	238,506	6,391	26,121	179,107
Asset management									
Asset register summary (WDV)	2,795,811	4,224,903	4,309,432	5,536,343	5,527,243	5,527,243	4,870,786	5,142,310	5,356,940
Depreciation & asset impairment	189,265	200,440	288,056	200,299	200,299	200,299	200,157	228,215	259,284
Renewal of Existing Assets	241,823	326,506	251,834	374,709	408,166	408,166	160,705	157,594	256,464
Repairs and Maintenance	142,169	132,939	93,253	216,941	221,941	221,941	238,250	255,085	272,326
Free services									
Cost of Free Basic Services provided	-	258,354	-	69,615	69,615	69,615	172,226	199,544	237,648
Revenue cost of free services provided	277,906	368,777	-	60,486	60,486	60,486	184,683	212,748	251,645
Households below minimum service level									
Water:	2	3	3	3	3	3	3	3	2
Sanitation/sewerage:	2	5	2	5	5	5	5	4	4
Energy:	26	26	27	26	26	26	26	24	22
Refuse:	-	80	79	67	67	67	49	35	21

1. Table A1 is a budget summary and provides a concise overview of the City'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 amount approved by Council for operating performance, resources deployed to capital expenditure, financial positions, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit(after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. These places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations with the development of the draft Funding and Reserves Policy. This cannot be achieved in one financial year. The municipality is to strive to have all of its reserves to be backed up by cash in the medium to long term period.

3. BUDGET RELATED RESOLUTIONS

3.1 That in terms of Section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of the municipality's Operating Revenue of R 4 888,32 million, Operating Expenditure of R 4 176,315 million and Capital Expenditure Budget of R 753,667 million for the financial year 2012/13, and indicative allocations for the two projected outer years 2013/14 and 2014/15, be approved/adapted as set-out in the following tables:

- (a) Budgeted Financial Performance (revenue and expenditure by standard classification); - Table A2 – page 25
- (b) Budgeted Financial Performance (revenue and expenditure by municipal vote); -Table A3 – page 28
- (c) Budgeted Financial Performance (revenue by source and expenditure by type); - Table A4 – page 33 and,
- (d) Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source – Table A5 – page 34.

3.2 That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets be adopted as set-out in the following tables:

- (a) Budgeted Financial Position -Table A6 – page 38;
- (b) Budgeted Cash Flows – Table A7 – page 39;
- (c) Cash backed reserves and accumulated surplus reconciliation – Table A8 – page 40 and
- (d) Asset management – Table A9 – page 41

3.3 That the consolidated budget that includes the financial impact of Centlec (SOC) Ltd be approved.

3.4 That Centlec (SOC) Limited budget be noted.

3.5 That the Council of Mangaung Metropolitan Municipality acting in terms of Section 75A of the Local Government Municipal Systems Act, Act 32 of 2000 as amended, approves and adopt with effect from 1 July 2012, the following tariffs:

- 3.5.1 Property rates as set out in Annexure A1 – Page 44
- 3.5.2 Supply of water as set out in Annexure A1 – Page 44
- 3.5.3 Supply of water as set out in Annexure A1 – Page 44
- 3.5.4 Sanitation fees as set out in Annexure A1 – Page 46
- 3.5.5 Refuse removal fees as set out in Annexure A1 – Page 48
- 3.5.6 Supply of electricity as set out in Annexure A1 – Page 49, and

3.6 That the General Tariffs as set out in the Tariffs Booklet be approved for the 2012/13, financial year.

3.7 That in terms of Section 24(2) (c) (v) of Municipal Finance Management Act, 56 of 2003, the budget related policies, including any amendments as set out in the Annexure B be approved for the budget year 2012/13 and that the Credit Control and Debt Collection Policy, Indigent Policy and tariff policy be gazetted as by-laws.

3.8 That the Council of Mangaung Metropolitan Municipality resolves to waive the need for an adjustment budget in respect of reallocation of the vacancies, which have been pooled together as unforeseen salaries.

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

Table A2 gives an overview 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.

FS000 Mangaung - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Revenue - Standard									
Government and administration	1,128,278	1,201,193	1,289,117	1,822,519	1,855,014	1,855,014	2,094,853	2,343,657	2,565,816
Executive and council	463,231	470,971	418,969	843	843	843	1,470	1,470	1,544
Budget and treasury office	571,339	622,981	750,693	1,787,940	1,820,435	1,820,435	2,065,865	2,313,468	2,534,256
Corporate services	93,708	107,240	119,454	33,736	33,736	33,736	27,518	28,718	30,016
Community and public safety	33,166	14,962	15,221	42,608	40,466	40,466	31,812	34,966	38,449
Community and social services	4,047	5,167	5,227	8,368	8,317	8,317	8,997	9,897	10,886
Sport and recreation	1,431	1,594	2,029	482	482	482	531	584	642
Public safety	6,208	2,498	2,943	20,537	18,447	18,447	7,591	8,351	9,186
Housing	17,711	5,414	4,740	12,948	12,948	12,948	14,376	15,814	17,395
Health	3,769	289	282	272	272	272	318	322	340
Economic and environmental services	15,178	63,586	54,837	17,418	12,545	12,545	21,523	22,273	23,100
Planning and development	4,291	3,724	3,626	7,369	7,369	7,369	5,373	5,910	6,501
Road transport	9,831	57,648	41,267	2,119	2,119	2,119	1,975	2,169	2,387
Environmental protection	1,055	2,214	9,943	7,930	3,058	3,058	14,175	14,193	14,212
Trading services	1,345,009	1,687,967	1,776,763	2,536,918	2,543,935	2,543,935	2,719,228	3,090,160	3,505,108
Electricity	783,733	1,037,152	930,711	1,590,042	1,597,060	1,597,060	1,854,328	2,134,160	2,457,382
Water	363,586	404,953	541,421	602,055	602,055	602,055	610,174	678,251	746,911
Waste water management	193,616	241,237	299,125	338,329	338,329	338,329	134,242	145,850	158,434
Waste management	4,074	4,626	5,506	6,491	6,491	6,491	120,485	131,899	142,381
Other	15,572	16,380	17,147	18,988	18,988	18,988	20,900	22,990	25,289
Total Revenue - Standard	2,537,202	2,984,087	3,153,085	4,438,450	4,470,948	4,470,948	4,888,315	5,514,045	6,157,762
Expenditure - Standard									
Government and administration	637,838	657,756	801,062	1,153,438	1,177,655	1,177,655	1,166,500	1,288,458	1,432,835
Executive and council	196,895	150,634	150,585	193,965	203,122	203,122	236,363	252,268	269,821
Budget and treasury office	249,402	274,536	346,893	732,956	723,493	723,493	662,142	756,747	864,040
Corporate services	191,542	232,587	303,585	226,517	251,040	251,040	267,995	279,443	298,975
Community and public safety	205,163	232,571	236,966	296,332	301,930	301,930	317,651	338,076	359,811
Community and social services	33,842	36,100	36,452	89,845	89,565	89,565	98,899	106,049	113,614
Sport and recreation	49,988	52,118	51,876	2,459	2,729	2,729	4,439	4,693	5,008
Public safety	86,030	104,210	109,625	157,293	159,293	159,293	168,163	177,937	188,330
Housing	27,882	31,463	31,480	41,363	44,998	44,998	36,165	38,713	41,428
Health	7,422	8,681	7,533	5,372	5,346	5,346	9,985	10,684	11,430
Economic and environmental services	191,027	271,076	216,370	187,397	182,046	182,046	279,065	300,187	299,425
Planning and development	27,813	33,337	33,252	34,796	37,655	37,655	77,737	81,640	65,839
Road transport	150,303	223,485	170,586	128,611	120,400	120,400	185,093	201,156	214,994
Environmental protection	12,911	14,254	12,532	23,990	23,990	23,990	16,234	17,391	18,591
Trading services	1,262,464	1,523,130	1,583,670	2,041,278	2,075,872	2,075,872	2,398,893	2,742,963	3,149,596
Electricity	779,907	1,043,547	1,053,062	1,438,444	1,438,444	1,438,444	1,656,949	1,906,339	2,218,360
Water	315,926	307,971	363,986	402,198	400,498	400,498	518,065	592,294	669,821
Waste water management	88,409	91,406	93,806	122,748	136,082	136,082	116,246	127,954	137,015
Waste management	78,222	80,206	72,816	77,889	100,849	100,849	107,633	116,376	124,400
Other	12,088	13,398	14,337	13,085	13,085	13,085	14,206	15,163	16,211
Total Expenditure - Standard	2,308,580	2,697,932	2,852,404	3,691,530	3,750,588	3,750,588	4,176,315	4,684,847	5,257,878
Surplus/(Deficit) for the year	228,622	286,156	300,680	746,920	720,360	720,360	712,001	829,198	899,884

FS000 Mangaung - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue - Standard									
Municipal governance and administration	1,128,278	1,201,193	1,289,117	1,822,519	1,855,014	1,855,014	2,094,853	2,343,657	2,565,816
Executive and council	463,231	470,971	418,969	843	843	843	1,470	1,470	1,544
Mayor and Council	463,231	470,971	418,969	-	-	-	1,470	1,470	1,544
Municipal Manager	-	-	0	843	843	843	-	-	-
Budget and treasury office	571,339	622,981	750,693	1,787,940	1,820,435	1,820,435	2,065,865	2,313,468	2,534,256
Corporate services	93,708	107,240	119,454	33,736	33,736	33,736	27,518	28,718	30,016
Human Resources	83,361	97,405	108,101	4,785	4,785	4,785	5,222	5,744	6,318
Information Technology	-	-	10	1,900	1,900	1,900	118	125	131
Property Services	8,378	8,441	7,681	21,662	21,662	21,662	19,008	19,372	19,753
Other Admin	1,969	1,394	3,662	5,389	5,389	5,389	3,169	3,477	3,813
Community and public safety	33,166	14,962	15,221	42,608	40,466	40,466	31,812	34,966	38,449
Community and social services	4,047	5,167	5,227	8,368	8,317	8,317	8,997	9,897	10,886
Libraries and Archives	264	239	223	425	425	425	264	291	320
Museums & Art Galleries etc	10	22	17	-	-	-	11	12	13
Community halls and Facilities	-	-	-	-	-	-	-	-	-
Cemeteries & Crematoriums	2,556	2,626	2,671	2,728	2,728	2,728	6,511	7,162	7,878
Child Care	-	-	-	-	-	-	-	-	-
Aged Care	-	-	-	-	-	-	-	-	-
Other Community	1,218	2,280	2,316	3,192	3,192	3,192	-	-	-
Other Social	-	-	-	2,024	1,972	1,972	2,210	2,431	2,675
Sport and recreation	1,431	1,594	2,029	482	482	482	531	584	642
Public safety	6,208	2,498	2,943	20,537	18,447	18,447	7,591	8,351	9,186
Police	5,431	2,001	2,279	8,371	6,281	6,281	6,976	7,673	8,440
Fire	506	462	661	560	560	560	616	678	745
Civil Defence	271	35	3	-	-	-	-	-	-
Street Lighting	-	-	-	11,605	11,605	11,605	-	-	-
Other	-	-	-	-	-	-	-	-	-
Housing	17,711	5,414	4,740	12,948	12,948	12,948	14,376	15,814	17,395
Health	3,769	289	282	272	272	272	318	322	340
Clinics	3,671	53	30	-	-	-	-	-	-
Ambulance	-	-	-	-	-	-	-	-	-
Other	98	235	252	272	272	272	318	322	340
Economic and environmental services	15,178	63,586	54,837	17,418	12,545	12,545	21,523	22,273	23,100
Planning and development	4,291	3,724	3,626	7,369	7,369	7,369	5,373	5,910	6,501
Economic Development/Planning	4,291	3,724	3,626	401	401	401	442	486	534
Town Planning/Building enforcement	-	-	-	5,724	5,724	5,724	4,932	5,425	5,967
Licensing & Regulation	-	-	-	1,244	1,244	1,244	-	-	-
Road transport	9,831	57,648	41,267	2,119	2,119	2,119	1,975	2,169	2,387
Roads	8,030	56,801	40,181	1,026	1,026	1,026	1,095	1,204	1,325
Public Buses	-	-	-	-	-	-	-	-	-
Parking Garages	916	846	980	1,093	1,093	1,093	880	965	1,062
Vehicle Licensing and Testing	-	-	-	-	-	-	-	-	-
Other	886	1	106	-	-	-	-	-	-
Environmental protection	1,055	2,214	9,943	7,930	3,058	3,058	14,175	14,193	14,212
Pollution Control	541	1,738	8,824	-	-	-	-	-	-
Biodiversity & Landscape	-	-	-	-	-	-	-	-	-
Other	514	476	1,119	7,930	3,058	3,058	14,175	14,193	14,212
Trading services	1,345,009	1,687,967	1,776,763	2,536,918	2,543,935	2,543,935	2,719,228	3,090,160	3,505,108
Electricity	783,733	1,037,152	930,711	1,590,042	1,597,060	1,597,060	1,854,328	2,134,160	2,457,382
Electricity Distribution	783,733	1,037,152	930,711	1,590,042	1,597,060	1,597,060	1,854,328	2,134,160	2,457,382
Electricity Generation	-	-	-	-	-	-	-	-	-
Water	363,586	404,953	541,421	602,055	602,055	602,055	610,174	678,251	746,911
Water Distribution	363,586	404,953	541,421	602,055	602,055	602,055	610,174	678,251	746,911
Water Storage	-	-	-	-	-	-	-	-	-
Waste water management	193,616	241,237	299,125	338,329	338,329	338,329	134,242	145,850	158,434
Sewerage	193,616	241,237	299,125	338,329	338,329	338,329	134,242	145,850	158,434
Storm Water Management	-	-	-	-	-	-	-	-	-
Public Toilets	-	-	-	-	-	-	-	-	-
Waste management	4,074	4,626	5,506	6,491	6,491	6,491	120,485	131,899	142,381
Solid Waste	4,074	4,626	5,506	6,491	6,491	6,491	120,485	131,899	142,381
Other	15,572	16,380	17,147	18,988	18,988	18,988	20,900	22,990	25,289
Air Transport	285	308	343	308	308	308	339	373	410
Abattoirs	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-	-
Markets	15,287	16,072	16,804	18,680	18,680	18,680	20,561	22,617	24,879
Total Revenue - Standard	2,537,202	2,984,087	3,153,085	4,438,450	4,470,948	4,470,948	4,888,315	5,514,045	6,157,762

Standard Classification Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Expenditure - Standard									
Municipal governance and administration	637,838	657,756	801,062	1,153,438	1,177,655	1,177,655	1,166,500	1,288,458	1,432,835
Executive and council	196,895	150,634	150,585	193,965	203,122	203,122	236,363	252,268	269,821
Mayor and Council	191,832	148,429	140,066	106,338	115,495	115,495	226,841	242,134	259,001
Municipal Manager	5,063	2,205	10,519	87,627	87,627	87,627	9,522	10,134	10,820
Budget and treasury office	249,402	274,536	346,893	732,956	723,493	723,493	662,142	756,747	864,040
Corporate services	191,542	232,587	303,585	226,517	251,040	251,040	267,995	279,443	298,975
Human Resources	108,581	131,875	141,406	32,644	32,900	32,900	39,539	42,056	44,999
Information Technology	12,500	21,713	36,529	64,178	63,878	63,878	74,923	79,313	84,480
Property Services	7,874	6,940	7,191	55,004	54,980	54,980	64,443	68,806	73,581
Other Admin	62,586	72,058	118,458	74,691	99,281	99,281	89,090	89,268	95,916
Community and public safety	205,163	232,571	236,966	296,332	301,930	301,930	317,651	338,076	359,811
Community and social services	33,842	36,100	36,452	89,845	89,565	89,565	98,899	106,049	113,614
Libraries and Archives	12,975	14,633	15,771	18,935	17,270	17,270	17,698	18,982	20,490
Museums & Art Galleries etc	845	880	849	-	-	-	1,532	1,645	1,762
Community halls and Facilities	-	-	-	-	-	-	-	-	-
Cemeteries & Crematoriums	9,740	9,283	9,274	9,372	10,300	10,300	15,662	16,702	17,787
Child Care	-	-	-	-	-	-	-	-	-
Aged Care	-	-	-	-	-	-	-	-	-
Other Community	10,281	11,303	10,558	35,528	36,018	36,018	-	-	-
Other Social	-	-	-	26,010	25,978	25,978	64,007	68,720	73,575
Sport and recreation	49,988	52,118	51,876	2,459	2,729	2,729	4,439	4,693	5,008
Public safety	86,030	104,210	109,625	157,293	159,293	159,293	168,163	177,937	188,330
Police	51,515	64,563	69,682	96,479	98,479	98,479	103,171	108,699	115,970
Fire	29,898	34,612	34,925	52,055	52,055	52,055	50,750	54,016	56,657
Civil Defence	4,618	5,035	5,017	-	-	-	-	-	-
Street Lighting	-	-	-	8,759	8,759	8,759	10,699	11,175	11,683
Other	-	-	-	-	-	-	3,543	3,777	4,020
Housing	27,882	31,463	31,480	41,363	44,998	44,998	36,165	38,713	41,428
Health	7,422	8,681	7,533	5,372	5,346	5,346	9,985	10,684	11,430
Clinics	4,928	5,002	4,950	-	-	-	-	-	-
Ambulance	-	-	-	-	-	-	-	-	-
Other	2,494	3,679	2,584	5,372	5,346	5,346	9,985	10,684	11,430
Economic and environmental services	191,027	271,076	216,370	187,397	182,046	182,046	279,065	300,187	299,425
Planning and development	27,813	33,337	33,252	34,796	37,655	37,655	77,737	81,640	65,839
Economic Development/Planning	27,813	33,337	33,252	8,939	11,300	11,300	25,231	26,853	28,716
Town Planning/Building enforcement	-	-	-	23,479	23,978	23,978	52,506	54,788	37,124
Licensing & Regulation	-	-	-	2,378	2,378	2,378	-	-	-
Road transport	150,303	223,485	170,586	128,611	120,400	120,400	185,093	201,156	214,994
Roads	148,036	220,330	167,315	127,273	119,062	119,062	183,673	199,635	213,367
Public Buses	-	-	-	-	-	-	-	-	-
Parking Garages	659	1,259	1,638	1,338	1,338	1,338	1,420	1,522	1,628
Vehicle Licensing and Testing	-	-	-	-	-	-	-	-	-
Other	1,608	1,896	1,634	-	-	-	-	-	-
Environmental protection	12,911	14,254	12,532	23,990	23,990	23,990	16,234	17,391	18,591
Pollution Control	7,565	9,519	8,809	-	-	-	-	-	-
Biodiversity & Landscape	-	-	-	-	-	-	-	-	-
Other	5,346	4,735	3,723	23,990	23,990	23,990	16,234	17,391	18,591
Trading services	1,262,464	1,523,130	1,583,670	2,041,278	2,075,872	2,075,872	2,398,893	2,742,963	3,149,596
Electricity	779,907	1,043,547	1,053,062	1,438,444	1,438,444	1,438,444	1,656,949	1,906,339	2,218,360
Electricity Distribution	773,711	1,036,955	1,046,365	1,432,694	1,432,694	1,432,694	1,649,546	1,896,297	2,207,874
Electricity Generation	6,196	6,592	6,697	5,750	5,750	5,750	7,403	10,042	10,486
Water	315,926	307,971	363,986	402,198	400,498	400,498	518,065	592,294	669,821
Water Distribution	315,926	307,971	363,986	402,198	400,498	400,498	518,065	592,294	669,821
Water Storage	-	-	-	-	-	-	-	-	-
Waste water management	88,409	91,406	93,806	122,748	136,082	136,082	116,246	127,954	137,015
Sewerage	88,409	91,406	93,806	122,748	136,082	136,082	116,246	127,954	137,015
Storm Water Management	-	-	-	-	-	-	-	-	-
Public Toilets	-	-	-	-	-	-	-	-	-
Waste management	78,222	80,206	72,816	77,889	100,849	100,849	107,633	116,376	124,400
Solid Waste	78,222	80,206	72,816	77,889	100,849	100,849	107,633	116,376	124,400
Other	12,088	13,398	14,337	13,085	13,085	13,085	14,206	15,163	16,211
Air Transport	194	248	312	320	320	320	345	368	393
Abattoirs	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-	-
Markets	11,894	13,150	14,025	12,764	12,764	12,764	13,861	14,795	15,817
Total Expenditure - Standard	2,308,580	2,697,932	2,852,404	3,691,530	3,750,588	3,750,588	4,176,315	4,684,847	5,257,878
Surplus/(Deficit) for the year	228,622	286,156	300,680	746,920	720,360	720,360	712,001	829,198	899,884

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

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

FS000 Mangaung - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue by Vote									
Vote 1 - City Manager	16,425	17,996	22,352	5,082	5,082	5,082	2	2	2
Vote 2 - Executive Mayor	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	1,348	1,669	4,674	8,504	8,504	8,504	10,164	11,148	12,243
Vote 4 - Finance	406,380	497,522	601,298	665,887	665,887	665,887	961,591	1,025,731	1,098,935
Vote 5 - Social Services	17,986	12,209	20,483	20,529	13,515	13,515	32,546	34,398	36,438
Vote 6 - Planning	13,184	12,641	12,427	27,584	27,584	27,584	5,373	5,910	6,501
Vote 7 - Human Settlement and Housing	17,711	5,414	4,740	12,948	12,948	12,948	31,793	33,435	35,222
Vote 8 - Fresh Produce Market	15,287	16,071	16,804	18,680	18,680	18,680	20,561	22,617	24,879
Vote 9 - Engineering Services	203,000	299,668	341,760	337,857	337,857	337,857	256,040	279,185	302,383
Vote 10 - Water Services	363,586	404,953	541,421	602,055	602,055	602,055	610,174	678,251	746,911
Vote 11 - Miscellaneous Services	698,563	678,792	656,415	1,122,896	1,155,391	1,155,391	1,105,739	1,289,202	1,436,859
Vote 12 - Regional Operations	-	-	-	14,781	14,781	14,781	-	-	-
Vote 13 - Strategic Projects and Service Delivery Regu	-	-	-	-	-	-	5	5	6
Vote 14 - Electricity - Centlec (Soc) Ltd	783,733	1,037,152	930,711	1,601,648	1,608,665	1,608,665	1,854,328	2,134,160	2,457,382
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2,537,202	2,984,087	3,153,085	4,438,450	4,470,948	4,470,948	4,888,315	5,514,045	6,157,762
Expenditure by Vote to be appropriated									
Vote 1 - City Manager	123,180	136,689	170,804	120,874	111,656	111,656	43,788	46,699	49,959
Vote 2 - Executive Mayor	-	-	-	-	-	-	134,047	143,377	153,395
Vote 3 - Corporate Services	63,183	72,869	66,097	206,319	233,781	233,781	206,889	219,626	234,537
Vote 4 - Finance	57,556	91,682	94,633	63,266	73,097	73,097	133,283	141,681	150,847
Vote 5 - Social Services	188,785	216,152	218,117	221,029	223,029	223,029	288,852	307,583	327,440
Vote 6 - Planning	42,963	50,720	51,537	76,793	87,323	87,323	85,190	89,635	74,388
Vote 7 - Human Settlement and Housing	27,882	26,884	24,967	15,806	19,441	19,441	80,507	86,080	92,073
Vote 8 - Fresh Produce Market	11,894	13,150	11,073	12,764	12,764	12,764	13,861	14,795	15,817
Vote 9 - Engineering Services	326,891	405,559	360,955	75,803	75,803	75,803	429,750	461,829	494,356
Vote 10 - Water Services	315,926	307,971	348,129	349,913	349,913	349,913	518,065	592,294	669,821
Vote 11 - Miscellaneous Services	370,413	332,711	560,320	661,323	642,291	642,291	536,581	623,370	722,084
Vote 12 - Regional Operations	-	-	-	440,436	474,286	474,286	-	-	-
Vote 13 - Strategic Projects and Service Delivery Regu	-	-	-	-	-	-	37,852	40,362	43,117
Vote 14 - Electricity - Centlec (Soc) Ltd	779,907	1,043,547	945,772	1,447,203	1,447,203	1,447,203	1,667,649	1,917,514	2,230,043
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2,308,580	2,697,932	2,852,404	3,691,530	3,750,588	3,750,588	4,176,315	4,684,847	5,257,878
Surplus/(Deficit) for the year	228,622	286,156	300,680	746,920	720,360	720,360	712,001	829,198	899,884

FS000 Mangaung - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Revenue by Vote									
Vote 1 - City Manager	16,425	17,996	22,352	5,082	5,082	5,082	2	2	2
1.1 - Office of the City Manager	16,425	17,996	22,352	-	-	-	-	-	-
1.2 - Deputy Executive Director Operations	-	-	-	2	2	2	2	2	2
1.3 - Information Technology and Management	-	-	-	1,900	1,900	1,900	-	-	-
1.4 - Committee Services	-	-	-	-	-	-	-	-	-
1.5 - Deputy Executive Director Performance	-	-	-	-	-	-	-	-	-
1.6 - Risk Management and anti-Fraud&Corruption	-	-	-	3,180	3,180	3,180	-	-	-
Vote 2 - Executive Mayor	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	1,348	1,669	4,674	8,504	8,504	8,504	10,164	11,148	12,243
3.1 - Head	1,348	1,669	4,674	-	-	-	-	-	-
3.2 - Human Resource Management & Development	-	-	-	5,057	5,057	5,057	5,506	6,029	6,619
3.7 - Facilities Management	-	-	-	3,448	3,448	3,448	4,540	4,993	5,493
3.10 - Information Technology and Management	-	-	-	-	-	-	118	125	131
Vote 4 - Finance	406,380	497,522	601,298	665,887	665,887	665,887	961,591	1,025,731	1,098,935
4.1 - Property Rates	406,380	497,522	549,096	621,211	621,211	621,211	933,471	998,279	1,071,625
4.2 - Chief Executive Officer	-	-	52,202	843	843	843	1,465	1,465	1,538
4.3 - Accounting and Compliance	-	-	-	-	-	-	-	-	-
4.4 - Financial Support	-	-	-	-	-	-	-	-	-
4.5 - Budget and Treasury	-	-	-	4,186	4,186	4,186	1,358	1,494	1,644
4.6 - Supply Chain Management	-	-	-	1,274	1,274	1,274	1,388	1,526	1,679
4.7 - Revenue Management	-	-	-	38,373	38,373	38,373	23,908	22,967	22,449
4.8 - Asset Management	-	-	-	-	-	-	-	-	-
Vote 5 - Social Services	17,986	12,209	20,483	20,529	13,515	13,515	32,546	34,398	36,438
5.1 - Administration	17,986	12,209	20,483	-	-	-	-	-	-
5.2 - Education and Library Services	-	-	-	250	250	250	15,015	15,116	15,228
5.3 - Social Development	-	-	-	-	-	-	-	-	-
5.4 - Environmental Health Services	-	-	-	7,930	3,058	3,058	-	-	-
5.5 - Emergency Management Services	-	-	-	560	560	560	616	678	745
5.6 - Traffic and Law Enforcement	-	-	-	9,464	7,374	7,374	7,855	8,638	9,502
5.7 - Parks and Cemeteries	-	-	-	2,325	2,273	2,273	9,060	9,966	10,963
5.8 - Disaster Management	-	-	-	-	-	-	-	-	-
5.8 - Health	-	-	-	-	-	-	-	-	-
Vote 6 - Planning	13,184	12,641	12,427	27,584	27,584	27,584	5,373	5,910	6,501
6.1 - Administration and Finance	13,184	12,641	12,427	-	-	-	-	-	-
6.2 - Planning	-	-	-	6,968	6,968	6,968	-	-	-
6.3 - Economic Development	-	-	-	401	401	401	442	486	534
6.4 - Town and Regional Planning	-	-	-	-	-	-	142	156	172
6.5 - Land Use Control	-	-	-	-	-	-	4,789	5,268	5,795
6.9 - Property and Land Management	-	-	-	20,215	20,215	20,215	-	-	-
Vote 7 - Human Settlement and Housing	17,711	5,414	4,740	12,948	12,948	12,948	31,793	33,435	35,222
7.1 - Head	-	-	-	-	-	-	-	-	-
7.2 - Rental and Social Housing	-	-	-	-	-	-	5,040	5,544	6,099
7.3 - Land Development and Property Management	-	-	-	-	-	-	17,417	17,621	17,827
7.4 - Implementation Support	-	-	-	-	-	-	9,336	10,269	11,296
7.7 - Housing	-	-	-	12,948	12,948	12,948	-	-	-
Vote 8 - Fresh Produce Market	15,287	16,071	16,804	18,680	18,680	18,680	20,561	22,617	24,879
8.1 - Administration	15,287	16,071	16,804	16,048	16,048	16,048	17,653	19,418	21,360
8.2 - Business Operations	-	-	-	2,632	2,632	2,632	2,908	3,199	3,519
Vote 9 - Engineering Services	203,000	299,668	341,760	337,857	337,857	337,857	256,040	279,185	302,383
9.1 - Head	203,000	299,668	341,760	-	-	-	-	-	-
9.2 - Fleet Services and Engineering Support	-	-	-	207	207	207	219	232	244
9.3 - Roads and Stormwater	-	-	-	560	560	560	1,095	1,204	1,325
9.4 - Solid Waste Management	-	-	-	337,037	337,037	337,037	120,485	131,899	142,381
9.5 - Water and Sanitation	-	-	-	53	53	53	134,242	145,850	158,434
Vote 10 - Water Services	363,586	404,953	541,421	602,055	602,055	602,055	610,174	678,251	746,911
10.1 - Water	363,586	404,953	541,421	602,055	602,055	602,055	610,174	678,251	746,911
Vote 11 - Miscellaneous Services	698,563	678,792	656,415	1,122,896	1,155,391	1,155,391	1,105,739	1,289,202	1,436,859
11.1 - Transfers, Grants and Miscellaneous	698,563	678,792	656,415	1,122,896	1,155,391	1,155,391	1,105,739	1,289,202	1,436,859
Vote 12 - Regional Operations	-	-	-	14,781	14,781	14,781	-	-	-
12.1 - Administration	-	-	-	-	-	-	-	-	-
12.2 - Bloemfontein North	-	-	-	7,139	7,139	7,139	-	-	-
12.3 - Bloemfontein South	-	-	-	4,060	4,060	4,060	-	-	-
12.4 - Botshabelo	-	-	-	3,448	3,448	3,448	-	-	-
12.5 - Thaba Nchu	-	-	-	134	134	134	-	-	-
Vote 13 - Strategic Projects and Service Delivery R	-	-	-	-	-	-	5	5	6
13.4 - Regional Centre Bloemfontein	-	-	-	-	-	-	2	2	2
13.5 - Regional Centre Botshabelo	-	-	-	-	-	-	2	2	2
13.6 - Regional Centre Thaba Nchu	-	-	-	-	-	-	2	2	2
Vote 14 - Electricity - Centlec (Soc) Ltd	783,733	1,037,152	930,711	1,601,648	1,608,665	1,608,665	1,854,328	2,134,160	2,457,382
14.1 - Board of Directors	783,733	-	-	-	-	-	-	-	-
14.4 - Finance	-	1,019,927	930,711	1,571,304	1,578,321	1,578,321	1,854,328	2,134,160	2,457,382
14.5 - Corporate Services	-	1,732	-	3,569	3,569	3,569	-	-	-
14.6 - Engineering	-	-	-	-	-	-	-	-	-
14.7 - Customer Services	-	1,545	-	5,481	5,481	5,481	-	-	-
14.8 - Design and Development	-	6,987	-	4,540	4,540	4,540	-	-	-
14.9 - Distribution	-	6,927	-	5,150	5,150	5,150	-	-	-
14.10 - Street Lights	-	33	-	11,605	11,605	11,605	-	-	-
Total Revenue by Vote	2,537,202	2,984,087	3,153,085	4,438,450	4,470,948	4,470,948	4,888,315	5,514,045	6,157,762

Table A4- Budgeted Financial Performance (revenue and expenditure)

Table A4 gives an overview of the budgeted financial performance in relation to the revenue by source and expenditure by type. This table facilitates the view of the budgeted operating performance in relation to indicates the sources of funding and on what activities are the scarce resources are to be spend on

FS000 Mangaung - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue By Source									
Property rates	278,236	345,558	396,843	445,409	445,409	445,409	493,976	545,350	599,317
Property rates - penalties & collection charges			-	-	-	-	-	-	-
Service charges - electricity revenue	681,423	966,793	1,130,497	1,409,096	1,409,096	1,409,096	1,690,563	1,943,395	2,234,085
Service charges - water revenue	285,954	303,538	406,242	445,979	445,979	445,979	543,286	599,996	665,977
Service charges - sanitation revenue	110,600	127,253	145,974	161,956	161,956	161,956	132,361	143,783	156,163
Service charges - refuse revenue	-	4,593	5,343	6,377	6,377	6,377	33,847	38,582	43,448
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	18,429	18,178	34,858	23,722	23,673	23,673	24,793	26,327	28,002
Interest earned - external investments	32,811	23,976	10,644	32,336	23,936	23,936	31,717	35,174	36,761
Interest earned - outstanding debtors	30,103	26,385	45,093	31,588	31,588	31,588	23,010	21,980	21,365
Dividends received	-	-	-	-	-	-	-	-	-
Fines	4,734	1,385	1,642	6,449	4,359	4,359	5,063	5,569	6,126
Licences and permits	242	201	203	569	569	569	766	842	926
Agency services	96,960	115,096	-	20,124	41,786	41,786	3,527	3,603	3,282
Transfers recognised - operational	325,338	458,359	537,300	560,857	572,282	572,282	651,134	694,671	716,638
Other revenue	201,736	142,798	86,782	699,025	695,379	695,379	715,498	810,247	909,591
Gains on disposal of PPE	-	-	117	38	36	36	40	40	42
Total Revenue (excluding capital transfers and contributions)	2,066,565	2,534,116	2,801,538	3,843,525	3,862,426	3,862,426	4,349,581	4,869,558	5,421,723
Expenditure By Type									
Employee related costs	580,073	665,765	765,829	886,816	886,816	886,816	954,589	1,053,836	1,155,020
Remuneration of councillors	20,639	22,283	22,626	43,690	43,690	43,690	46,207	49,653	53,102
Debt impairment	169,022	93,235	217,844	150,327	150,327	150,327	142,989	143,322	157,911
Depreciation & asset impairment	189,265	200,440	288,056	200,299	200,299	200,299	200,157	228,215	259,284
Finance charges	35,887	32,796	68,965	39,953	39,953	39,953	65,664	67,327	66,050
Bulk purchases	616,906	791,421	1,008,917	1,260,365	1,260,365	1,260,365	1,478,735	1,732,282	2,038,556
Other materials	142,169	132,939	93,253	216,941	221,941	221,941	238,250	255,085	272,326
Contracted services	220,775	174,274	115,600	171,687	192,787	192,787	180,438	201,046	186,129
Transfers and grants	15,915	49,434	-	139,801	147,801	147,801	140,289	167,393	200,507
Other expenditure	317,929	535,345	271,314	581,650	606,610	606,610	728,996	786,688	868,993
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Expenditure	2,308,580	2,697,932	2,852,404	3,691,530	3,750,588	3,750,588	4,176,315	4,684,847	5,257,878
Surplus/(Deficit)	(242,015)	(163,816)	(50,866)	151,995	111,837	111,837	173,266	184,711	163,844
Transfers recognised - capital	470,637	449,971	351,546	571,745	585,341	585,341	513,967	619,719	711,272
Contributions recognised - capital	-	-	-	23,181	23,181	23,181	24,767	24,767	24,767
Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	228,622	286,156	300,680	746,920	720,360	720,360	712,001	829,198	899,884
Taxation									
Surplus/(Deficit) after taxation	228,622	286,156	300,680	746,920	720,360	720,360	712,001	829,198	899,884
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	228,622	286,156	300,680	746,920	720,360	720,360	712,001	829,198	899,884
Share of surplus/ (deficit) of associate									
Surplus/(Deficit) for the year	228,622	286,156	300,680	746,920	720,360	720,360	712,001	829,198	899,884

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

Table A5 outlines 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.

FS000 Mangaung - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - City Manager	1,236	33	-	4,000	4,000	4,000	4,000	5,000	5,000
Vote 2 - Executive Mayor	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	118	-	-	-	-	-	3,500	4,000	5,200
Vote 4 - Finance	831	-	-	7,000	6,400	6,400	5,600	500	500
Vote 5 - Social Services	16,461	487	-	3,500	2,000	2,000	8,500	31,400	62,300
Vote 6 - Planning	9,477	1,050	-	19,000	15,000	15,000	-	-	-
Vote 7 - Human Settlement and Housing	5,062	-	-	-	-	-	6,500	15,000	20,000
Vote 8 - Fresh Produce Market	-	-	-	-	-	-	-	-	-
Vote 9 - Engineering Services	422,759	49,564	246,068	147,763	115,718	115,718	180,810	198,416	250,367
Vote 10 - Water Services	23,021	18,532	-	75,363	69,283	69,283	112,751	106,000	83,000
Vote 11 - Miscellaneous Services	-	-	-	-	-	-	-	-	-
Vote 12 - Regional Operations	-	-	-	2,689	3,803	3,803	-	-	-
Vote 13 - Strategic Projects and Service Delivery Regu	-	-	-	-	-	-	-	-	-
Vote 14 - Electricity - Centlec (Soc) Ltd	107,501	21,924	19,960	110,565	110,565	110,565	179,831	215,467	223,167
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	586,466	91,589	266,028	369,881	326,769	326,769	501,492	575,784	649,535
Single-year expenditure to be appropriated									
Vote 1 - City Manager	-	9,787	531	35	35	35	-	-	-
Vote 2 - Executive Mayor	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	-	-	-	41,533	43,085	43,085	11,500	2,750	3,000
Vote 4 - Finance	-	1,087	4,597	2,000	2,000	2,000	1,000	-	-
Vote 5 - Social Services	-	39,294	5,998	18,173	21,924	21,924	13,350	2,900	1,032
Vote 6 - Planning	-	1,282	1,467	60,202	61,057	61,057	55,187	42,835	42,835
Vote 7 - Human Settlement and Housing	-	31,982	5,266	484	611	611	23,500	500	30,000
Vote 8 - Fresh Produce Market	-	-	-	1,150	3,670	3,670	-	-	-
Vote 9 - Engineering Services	-	441,520	132,012	253,218	272,164	272,164	116,142	79,604	73,016
Vote 10 - Water Services	-	5,798	22,351	20,815	20,815	20,815	26,560	57,288	29,533
Vote 11 - Miscellaneous Services	-	-	-	-	-	-	-	-	-
Vote 12 - Regional Operations	-	-	-	23,220	21,479	21,479	-	-	-
Vote 13 - Strategic Projects and Service Delivery Regu	-	-	-	-	-	-	-	-	-
Vote 14 - Electricity - Centlec (Soc) Ltd	-	80,151	20,485	33,437	41,437	41,437	4,936	-	3,300
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	-	610,902	192,707	454,266	488,277	488,277	252,175	185,877	182,716
Total Capital Expenditure - Vote	586,466	702,491	458,735	824,147	815,046	815,046	753,667	761,661	832,251
Capital Expenditure - Standard									
Governance and administration	8,816	10,881	5,122	94,717	91,736	91,736	49,548	53,475	91,212
Executive and council	100	-	23	-	1,067	1,067	-	-	-
Budget and treasury office	831	1,087	4,597	9,000	3,400	3,400	6,600	500	500
Corporate services	7,886	9,794	503	85,717	87,269	87,269	42,948	52,975	90,712
Community and public safety	19,283	70,627	11,164	28,817	27,817	27,817	53,350	41,550	71,532
Community and social services	64	1,750	200	-	2,373	2,373	-	-	-
Sport and recreation	499	1,063	2,955	8,002	8,002	8,002	33,350	31,750	65,500
Public safety	13,658	35,831	2,743	20,291	16,791	16,791	3,500	9,300	6,032
Housing	5,062	31,982	5,266	484	611	611	16,500	500	-
Health	-	-	-	40	40	40	-	-	-
Economic and environmental services	308,360	455,918	304,090	305,410	321,876	321,876	184,345	211,531	207,567
Planning and development	3,148	2,324	1,555	67,458	64,851	64,851	55,187	42,835	42,835
Road transport	302,972	452,457	302,238	236,569	250,497	250,497	129,159	168,696	164,732
Environmental protection	2,240	1,137	298	1,383	6,528	6,528	-	-	-
Trading services	250,007	165,066	138,359	394,054	369,947	369,947	466,424	455,106	461,941
Electricity	107,501	102,075	40,167	144,002	152,002	152,002	184,767	215,467	226,467
Water	22,944	24,331	22,351	96,178	90,098	90,098	139,311	163,288	112,533
Waste water management	113,325	30,426	70,278	145,925	119,904	119,904	129,936	62,800	111,640
Waste management	6,237	8,234	5,563	7,948	7,944	7,944	12,410	13,550	11,300
Other	-	-	-	1,150	3,670	3,670	-	-	-
Total Capital Expenditure - Standard	586,466	702,491	458,735	824,147	815,046	815,046	753,667	761,661	832,251
Funded by:									
National Government	334,675	332,540	333,489	545,231	542,347	542,347	510,967	616,719	711,272
Provincial Government	55,070	86,684	16,303	25,131	36,466	36,466	3,000	3,000	-
District Municipality	313	1,137	298	1,383	6,528	6,528	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	390,058	420,360	350,090	571,745	585,341	585,341	513,967	619,719	711,272
Public contributions & donations	22,535	15,978	13,195	23,181	23,181	23,181	24,767	24,767	24,767
Borrowing	-	-	22,259	110,547	71,856	71,856	105,885	-	-
Internally generated funds	173,873	266,153	73,190	118,675	134,668	134,668	109,048	117,175	96,212
Total Capital Funding	586,466	702,491	458,735	824,147	815,046	815,046	753,667	761,661	832,251

FS000 Mangaung - Table A5 Consolidated Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Capital expenditure - Municipal Vote									
Multi-year expenditure appropriation									
Vote 1 - City Manager	1,236	33	-	4,000	4,000	4,000	4,000	5,000	5,000
1.1 - Office of the City Manager	-	-	-	-	-	-	-	-	-
1.2 - Deputy Executive Director Operations	127	33	-	4,000	4,000	4,000	-	-	-
1.7 - Internal Audit	-	-	-	-	-	-	4,000	5,000	5,000
Vote 2 - Executive Mayor	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	118	-	-	-	-	-	3,500	4,000	5,200
3.2 - Human Resource Management & Development	118	-	-	-	-	-	-	-	-
3.7 - Facilities Management	-	-	-	-	-	-	3,500	4,000	5,200
Vote 4 - Finance	831	-	-	7,000	6,400	6,400	5,600	500	500
4.1 - Property Rates	-	-	-	-	-	-	-	-	-
4.2 - Chief Executive Officer	-	-	-	7,000	6,400	6,400	-	-	-
4.6 - Supply Chain Management	831	-	-	-	-	-	-	-	-
4.8 - Asset Management	-	-	-	-	-	-	5,600	500	500
Vote 5 - Social Services	16,461	487	-	3,500	2,000	2,000	8,500	31,400	62,300
5.1 - Administration	-	-	-	-	-	-	-	-	-
5.2 - Education and Library Services	-	-	-	-	-	-	-	-	-
5.3 - Social Development	-	-	-	-	-	-	-	-	-
5.4 - Environmental Health Services	2,240	-	-	-	-	-	-	-	-
5.5 - Emergency Management Services	2,697	-	-	-	-	-	500	400	-
5.6 - Traffic and Law Enforcement	10,961	-	-	3,500	2,000	2,000	3,000	6,000	5,000
5.7 - Parks and Cemeteries	563	487	-	-	-	-	5,000	25,000	57,300
5.8 - Disaster Management	-	-	-	-	-	-	-	-	-
5.8 - Health	-	-	-	-	-	-	-	-	-
Vote 6 - Planning	9,477	1,050	-	19,000	15,000	15,000	-	-	-
6.1 - Administration and Finance	-	-	-	-	-	-	-	-	-
6.2 - Planning	1,252	1,050	-	19,000	15,000	15,000	-	-	-
6.3 - Economic Development	1,896	-	-	-	-	-	-	-	-
6.9 - Property and Land Management	6,329	-	-	-	-	-	-	-	-
Vote 7 - Human Settlement and Housing	5,062	-	-	-	-	-	6,500	15,000	20,000
7.1 - Head	-	-	-	-	-	-	-	-	-
7.2 - Rental and Social Housing	-	-	-	-	-	-	-	-	-
7.3 - Land Development and Property Management	-	-	-	-	-	-	6,500	15,000	20,000
7.7 - Housing	5,062	-	-	-	-	-	-	-	-
Vote 8 - Fresh Produce Market	-	-	-	-	-	-	-	-	-
Vote 9 - Engineering Services	422,759	49,564	246,068	147,763	115,718	115,718	180,810	198,416	250,367
9.1 - Head	243,012	-	180,016	-	-	-	-	-	-
9.2 - Fleet Services and Engineering Support	330	-	-	-	-	-	25,448	32,975	35,712
9.3 - Roads and Stormwater	59,855	27,153	19,906	56,500	58,444	58,444	74,842	107,892	91,716
9.4 - Solid Waste Management	6,237	545	1,500	7,050	7,050	7,050	11,530	13,550	11,300
9.5 - Water and Sanitation	113,325	21,865	44,646	84,213	50,224	50,224	68,990	44,000	111,640
Vote 10 - Water Services	23,021	18,532	-	75,363	69,283	69,283	112,751	106,000	83,000
10.1 - Water	23,021	18,532	-	75,363	69,283	69,283	112,751	106,000	83,000
Vote 11 - Miscellaneous Services	-	-	-	-	-	-	-	-	-
Vote 12 - Regional Operations	-	-	-	2,689	3,803	3,803	-	-	-
12.4 - Botshabelo	-	-	-	2,689	3,803	3,803	-	-	-
Vote 13 - Strategic Projects and Service Delivery R	-	-	-	-	-	-	-	-	-
Vote 14 - Electricity - Centlec (Soc) Ltd	107,501	21,924	19,960	110,565	110,565	110,565	179,831	215,467	223,167
14.6 - Engineering	107,501	21,924	19,960	-	-	-	-	-	-
14.7 - Customer Services	-	-	-	-	-	-	104,831	115,967	145,967
14.8 - Design and Development	-	-	-	40,340	40,340	40,340	-	-	-
14.9 - Distribution	-	-	-	70,225	70,225	70,225	75,000	99,500	77,200
14.10 - Street Lights	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	586,466	91,589	266,028	369,881	326,769	326,769	501,492	575,784	649,535

Capital expenditure - Municipal Vote									
Single-year expenditure appropriation									
Vote 1 - City Manager	-	9,787	531	35	35	35	-	-	-
1.3 - Information Technology and Management		9,787	531	35	35	35			
Vote 2 - Executive Mayor	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	-	-	-	41,533	43,085	43,085	11,500	2,750	3,000
3.2 - Human Resource Management & Development				40	40	40			
3.7 - Facilities Management				41,493	43,045	43,045	11,500	2,750	3,000
Vote 4 - Finance	-	1,087	4,597	2,000	2,000	2,000	1,000	-	-
4.4 - Financial Support				3,576	-	-	-	-	-
4.6 - Supply Chain Management				2,000	2,000	2,000			
4.7 - Revenue Management		1,087	1,020	-	-	-	1,000	-	-
Vote 5 - Social Services	-	39,294	5,998	18,173	21,924	21,924	13,350	2,900	1,032
5.2 - Education and Library Services		21	-	-	-	-	-	-	-
5.3 - Social Development			2,955	-	-	-	-	-	-
5.4 - Environmental Health Services		1,137	-	1,383	7,133	7,133	-	-	-
5.5 - Emergency Management Services		10,923	-	660	660	660	-	2,900	1,032
5.6 - Traffic and Law Enforcement		24,908	2,743	16,131	14,131	14,131	-	-	-
5.7 - Parks and Cemeteries		2,306	2	-	-	-	13,350	-	-
5.8 - Health			298	-	-	-	-	-	-
Vote 6 - Planning	-	1,282	1,467	60,202	61,057	61,057	55,187	42,835	42,835
6.1 - Administration and Finance				-	67	67	-	-	-
6.2 - Planning		1,271	1,427	48,271	48,497	48,497	-	-	-
6.3 - Economic Development		4	40	187	749	749	-	-	-
6.4 - Town and Regional Planning				-	-	-	43,687	42,835	42,835
6.5 - Land Use Control				-	-	-	1,500	-	-
6.7 - Geographic Information Services				-	-	-	10,000	-	-
6.9 - Property and Land Management		7	-	11,744	11,744	11,744	-	-	-
Vote 7 - Human Settlement and Housing	-	31,982	5,266	484	611	611	23,500	500	30,000
7.3 - Land Development and Property Management				-	-	-	7,000	-	30,000
7.7 - Housing		31,982	5,266	484	611	611	16,500	500	-
Vote 8 - Fresh Produce Market	-	-	-	1,150	3,670	3,670	-	-	-
8.1 - Administration				-	-	-	-	-	-
8.2 - Business Operations				1,150	3,670	3,670	-	-	-
Vote 9 - Engineering Services	-	441,520	132,012	253,218	272,164	272,164	116,142	79,604	73,016
9.1 - Head		324,446	17,465	-	-	-	-	-	-
9.2 - Fleet Services and Engineering Support				29,973	29,973	29,973	-	-	-
9.3 - Roads and Stormwater		100,825	84,851	160,735	171,718	171,718	54,317	60,804	73,016
9.4 - Solid Waste Management		7,689	4,063	898	894	894	880	-	-
9.5 - Water and Sanitation		8,561	25,633	61,612	69,579	69,579	60,945	18,800	-
Vote 10 - Water Services	-	5,798	22,351	20,815	20,815	20,815	26,560	57,288	29,533
10.1 - Water		5,798	22,351	20,815	20,815	20,815	26,560	57,288	29,533
Vote 11 - Miscellaneous Services	-	-	-	-	-	-	-	-	-
11.1 - Transfers, Grants and Miscellaneous				-	-	-	-	-	-
Vote 12 - Regional Operations	-	-	-	23,220	21,479	21,479	-	-	-
12.1 - Administration				-	-	-	-	-	-
12.2 - Bloemfontein North				19,300	9,087	9,087	-	-	-
12.3 - Bloemfontein South				666	8,138	8,138	-	-	-
12.4 - Botshabelo				1,018	1,018	1,018	-	-	-
12.5 - Thaba Nchu				2,236	3,236	3,236	-	-	-
Vote 13 - Strategic Projects and Service Delivery R	-	-	-	-	-	-	-	-	-
Vote 14 - Electricity - Centlec (Soc) Ltd	-	80,151	20,485	33,437	41,437	41,437	4,936	-	3,300
14.1 - Board of Directors				-	-	-	-	-	-
14.2 - Company Secretary				-	-	-	-	-	-
14.3 - Chief Executive Officer				-	-	-	-	-	-
14.4 - Finance			915	-	-	-	-	-	-
14.5 - Corporate Services				-	-	-	-	-	-
14.6 - Engineering		80,151	19,570	2,281	2,281	2,281	-	-	-
14.7 - Customer Services				-	-	-	-	-	-
14.8 - Design and Development				30,800	38,800	38,800	-	-	-
14.9 - Distribution				356	356	356	4,936	-	3,300
14.10 - Street Lights				-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]				-	-	-	-	-	-
Capital single-year expenditure sub-total	-	610,902	192,707	454,266	488,277	488,277	252,175	185,877	182,716
Total Capital Expenditure	586,466	702,491	458,735	824,147	815,046	815,046	753,667	761,661	832,251

Multi-year appropriation for 2012/13 in the 2011/12 Annual Budget				Multi-year appropriation for 2013/14 in the 2011/12 Annual Budget				New multi-year appropriations (funds for new and existing projects)		
Appropriation for 2012/13	Adjustments in 2011/12	Downward adjustments for 2012/13	Appropriation carried forward	Appropriation for 2012/13	Adjustments in 2011/12	Downward adjustments for 2012/13	Appropriation carried forward	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
-	-	-	-	-	-	-	-	4,000	5,000	5,000
-	-	-	-	-	-	-	-	4,000	5,000	5,000
-	-	-	-	-	-	-	-	3,500	4,000	5,200
-	-	-	-	-	-	-	-	3,500	4,000	5,200
-	-	-	-	-	-	-	-	5,600	500	500
-	-	-	-	-	-	-	-	5,600	500	500
-	-	-	-	-	-	-	-	8,500	31,400	62,300
-	-	-	-	-	-	-	-	500	400	5,000
-	-	-	-	-	-	-	-	3,000	6,000	57,300
-	-	-	-	-	-	-	-	5,000	25,000	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	6,500	15,000	20,000
-	-	-	-	-	-	-	-	6,500	15,000	20,000
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	180,810	198,416	250,367
-	-	-	-	-	-	-	-	25,448	32,975	35,712
-	-	-	-	-	-	-	-	74,842	107,892	91,716
-	-	-	-	-	-	-	-	11,530	13,550	11,300
-	-	-	-	-	-	-	-	68,990	44,000	111,640
-	-	-	-	-	-	-	-	112,751	106,000	83,000
-	-	-	-	-	-	-	-	112,751	106,000	83,000
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	179,831	215,467	223,167
-	-	-	-	-	-	-	-	104,831	115,967	145,967
-	-	-	-	-	-	-	-	75,000	99,500	77,200
-	-	-	-	-	-	-	-	501,492	575,784	649,535

Table A6- Budgeted Financial Position

Table A6 is consistent with international standards of good financial management practice and improves understanding of the councillors and management of the impact of the budget on the statement of financial position (balance sheet). This format of presenting the statement of financial position is aligned to GRAP 1, which is generally aligned to the international version which presents Assets less Liabilities as 'accounting' Community Wealth. The order of items which 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.

FS000 Mangaung - Table A6 Consolidated Budgeted Financial Position

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
ASSETS									
Current assets									
Cash	187,649	18,822	47,571	7,460	7,460	7,460	22,956	18,744	21,951
Call investment deposits	96,834	26,639	198,895	260,000	424,636	424,636	282,180	437,622	597,458
Consumer debtors	314,104	326,754	342,569	412,133	318,882	318,882	354,286	385,976	415,121
Other debtors	96,710	83,187	130,479	91,711	91,711	91,711	129,003	128,264	127,526
Current portion of long-term receivables	4,322	14,060	11,250	19,149	19,149	19,149	16,339	18,883	21,427
Inventory	49,777	53,449	43,245	51,243	51,243	51,243	41,040	39,937	38,834
Total current assets	749,396	522,911	774,009	841,696	913,082	913,082	845,803	1,029,426	1,222,318
Non current assets									
Long-term receivables	15,199	11,776	2,498	10,628	10,628	10,628	2,255	2,142	2,035
Investments	9	10	12	10	10	10	12	12	12
Investment property	-	-	42,449	-	-	-	43,722	45,034	46,385
Investment in Associate	-	-	-	-	-	-	-	-	-
Property, plant and equipment	2,790,755	4,222,094	4,248,358	5,536,343	5,527,243	5,527,243	4,813,650	5,083,460	5,296,324
Agricultural	-	-	-	-	-	-	-	-	-
Biological	-	-	5,602	-	-	-	-	-	-
Intangible	5,055	2,808	13,024	-	-	-	13,414	13,817	14,231
Other non-current assets	-	-	-	-	-	-	-	-	-
Total non current assets	2,811,019	4,236,689	4,311,943	5,546,981	5,537,881	5,537,881	4,873,053	5,144,464	5,358,987
TOTAL ASSETS	3,560,414	4,759,600	5,085,952	6,388,677	6,450,963	6,450,963	5,718,856	6,173,890	6,581,305
LIABILITIES									
Current liabilities									
Bank overdraft	-	-	-	-	-	-	-	-	-
Borrowing	1,785	1,976	2,184	18,121	18,121	18,121	18,504	16,654	14,988
Consumer deposits	57,729	63,476	73,795	74,857	74,857	74,857	85,176	88,057	98,946
Trade and other payables	859,585	853,254	892,941	613,537	478,311	608,311	727,889	863,889	894,594
Provisions	-	-	-	-	-	-	-	-	-
Total current liabilities	919,100	918,706	968,920	706,515	571,289	701,289	831,569	968,600	1,008,529
Non current liabilities									
Borrowing	13,989	11,241	20,163	118,426	79,735	79,735	253,814	202,318	149,882
Provisions	366,981	425,203	486,402	426,278	426,278	426,278	564,066	606,371	642,753
Total non current liabilities	380,970	436,444	506,565	544,704	506,013	506,013	817,881	808,689	792,635
TOTAL LIABILITIES	1,300,069	1,355,150	1,475,486	1,251,219	1,077,302	1,207,302	1,649,449	1,777,289	1,801,164
NET ASSETS	2,260,345	3,404,450	3,610,466	5,137,459	5,373,661	5,243,661	4,069,406	4,396,602	4,780,141
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	1,568,096	1,820,447	2,033,996	4,464,936	4,701,139	4,571,139	2,572,969	2,864,025	3,207,983
Reserves	692,249	1,584,003	1,576,470	672,522	672,522	672,522	1,496,438	1,532,577	1,572,159
Minorities' interests	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2,260,345	3,404,450	3,610,466	5,137,459	5,373,661	5,243,661	4,069,406	4,396,602	4,780,141

Table A7 -Budgeted Cash Flow Statement

The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

FS000 Mangaung - Table A7 Consolidated Budgeted Cash Flows

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	1,273,582	1,710,673	2,302,704	2,893,771	2,695,331	2,695,331	3,240,690	3,641,531	4,091,715
Government - operating	395,786	451,708	458,136	560,857	560,857	560,857	651,134	694,671	716,638
Government - capital	518,114	215,983	422,087	470,656	470,656	470,656	513,967	619,719	711,272
Interest	63,044	149,617	30,837	52,288	55,524	55,524	52,656	55,176	56,203
Dividends	-	-	-	-	-	-	-	-	-
Payments									
Suppliers and employees	(1,609,336)	(1,801,450)	(2,579,094)	(2,976,903)	(3,146,816)	(3,146,816)	(3,497,849)	(3,928,677)	(4,386,597)
Finance charges	(12,588)	(123,468)	(1,483)	(18,657)	(3,655)	(3,655)	(61,799)	(64,291)	(62,831)
Transfers and Grants	-	(3,237)	(2,033)	(2,159)	(2,159)	(2,159)	(140,289)	(167,393)	(200,507)
NET CASH FROM/(USED) OPERATING ACTIVITIES	628,602	599,827	631,154	979,854	629,738	629,738	758,510	850,736	925,893
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	234	12,408	(4,234)	38	38	38	36	36	42
Decrease (Increase) in non-current debtors	(3,776)	(221,918)	9,060	(2,305)	4,298	4,298	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	162	-	-	(260,000)	2,036	2,036	-	-	-
Payments									
Capital assets	(589,471)	(699,250)	(458,735)	(824,147)	(815,046)	(815,046)	(678,300)	(685,495)	(749,026)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(592,852)	(908,760)	(453,909)	(1,086,414)	(808,675)	(808,675)	(678,265)	(685,459)	(748,984)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	(1,413)	72,030	23,377	110,547	71,855	71,855	105,885	-	-
Increase (decrease) in consumer deposits	4,262	1,217	2,357	6,000	6,000	6,000	1,255	1,453	1,636
Payments									
Repayment of borrowing	(1,656)	(3,335)	(1,976)	(17,133)	(14,133)	(14,133)	(13,500)	(15,500)	(15,500)
NET CASH FROM/(USED) FINANCING ACTIVITIES	1,192	69,912	23,758	99,414	63,722	63,722	93,641	(14,047)	(13,864)
NET INCREASE/ (DECREASE) IN CASH HELD	36,942	(239,021)	201,004	(7,147)	(115,214)	(115,214)	173,886	151,229	163,044
Cash/cash equivalents at the year begin:	247,540	284,482	45,461	246,465	246,465	246,465	131,250	305,136	456,365
Cash/cash equivalents at the year end:	284,482	45,461	246,465	239,318	131,250	131,250	305,136	456,365	619,409

Table A8-Cash Backed Reserves/Accumulated Surplus Reconciliation

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42-Funding a Municipal Budget. In essence the table evaluates the funding levels of the budget by the firstly forecasting the cash and investments at the 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'.

FS000 Mangaung - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Cash and investments available									
Cash/cash equivalents at the year end	284,482	45,461	246,465	239,318	131,250	131,250	305,136	456,365	619,409
Other current investments > 90 days	-	-	1	28,142	300,846	300,846	0	(0)	0
Non current assets - Investments	9	10	12	10	10	10	12	12	12
Cash and investments available:	284,491	45,472	246,477	267,470	432,107	432,107	305,148	456,377	619,421
Application of cash and investments									
Unspent conditional transfers	-	-	-	-	-	130,000	75,367	76,166	83,225
Unspent borrowing	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-	-
Other working capital requirements	542,002	501,647	407,006	88,390	63,600	63,600	223,390	333,479	333,959
Other provisions	-	-	-	-	-	-	-	-	-
Long term investments committed	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:	542,002	501,647	407,006	88,390	63,600	193,600	298,757	409,645	417,184
Surplus(shortfall)	(257,511)	(456,175)	(160,529)	179,080	368,506	238,506	6,391	46,732	202,237

Table A9-Asset Management

Table A9 provides an overview of municipal allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class

FS000 Mangaung - Table A9 Consolidated Asset Management

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	344,643	375,985	206,901	449,438	406,880	406,880	592,962	604,067	575,787
Infrastructure - Road transport	42,798	30,485	7,956	8,373	7,614	7,614	80,025	153,381	127,467
Infrastructure - Electricity	86,976	100,534	22,537	138,835	138,835	138,835	162,592	186,724	160,424
Infrastructure - Water	22,944	19,019	7,510	62,008	52,160	52,160	106,311	116,288	29,533
Infrastructure - Sanitation	111,795	26,537	35,006	64,888	43,385	43,385	128,936	46,600	96,640
Infrastructure - Other	45,653	131,430	128,019	48,988	38,988	38,988	-	-	-
Infrastructure	310,166	308,005	201,028	323,092	280,982	280,982	477,865	502,993	414,064
Community	12,722	24,943	197	29,086	27,641	27,641	11,000	6,150	13,000
Heritage assets	5,882	-	-	20,045	13,500	13,500	2,500	1,300	-
Investment properties	325	2,293	-	-	-	-	9,500	15,500	50,000
Other assets	15,548	40,744	5,676	77,215	84,757	84,757	92,098	78,125	98,724
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	241,823	326,506	251,834	374,709	408,166	408,166	160,705	157,594	256,464
Infrastructure - Road transport	52,674	216,774	123,810	212,669	235,968	235,968	74,620	49,000	80,000
Infrastructure - Electricity	158	5,577	16,714	5,325	13,325	13,325	26,175	27,844	65,144
Infrastructure - Water	77	5,311	14,443	34,170	37,938	37,938	33,000	47,000	83,000
Infrastructure - Sanitation	1,631	4,009	35,272	81,037	77,231	77,231	9,000	16,200	15,000
Infrastructure - Other	-	16,286	39,196	7,930	7,925	7,925	12,410	13,550	11,300
Infrastructure	54,540	247,957	229,436	341,131	372,388	372,388	155,205	153,594	254,444
Community	160,303	57,421	11,816	15,533	18,085	18,085	4,500	4,000	1,700
Heritage assets	147	-	-	-	-	-	-	-	-
Investment properties	2	14,744	5,308	-	-	-	-	-	-
Other assets	26,831	6,384	5,274	18,045	17,693	17,693	1,000	-	320
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Capital Expenditure									
Infrastructure - Road transport	95,473	247,259	131,765	221,042	243,582	243,582	154,645	202,381	207,467
Infrastructure - Electricity	87,134	106,110	39,252	144,160	152,160	152,160	188,767	214,567	225,567
Infrastructure - Water	23,021	24,331	21,953	96,178	90,098	90,098	139,311	163,288	112,533
Infrastructure - Sanitation	113,426	30,546	70,278	145,925	120,616	120,616	137,936	62,800	111,640
Infrastructure - Other	45,653	147,715	167,216	56,918	46,913	46,913	12,410	13,550	11,300
Infrastructure	364,706	555,961	430,463	664,223	653,369	653,369	633,070	656,586	668,507
Community	173,025	82,364	12,013	44,619	45,726	45,726	15,500	10,150	14,700
Heritage assets	6,029	-	-	20,045	13,500	13,500	2,500	1,300	-
Investment properties	327	17,037	5,308	-	-	-	9,500	15,500	50,000
Other assets	42,379	47,129	10,950	95,260	102,451	102,451	93,098	78,125	99,044
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	586,466	702,491	458,735	824,147	815,046	815,046	753,667	761,661	832,251
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	670,306	974,213	859,527	637,563	637,563	637,563	953,863	1,001,783	1,052,086
Infrastructure - Electricity	687,075	444	327	30,018	30,018	30,018	352	369	388
Infrastructure - Water	771,494	553,622	225,296	170,510	170,510	170,510	286,982	301,331	316,398
Infrastructure - Sanitation	-	765,027	711,967	598,679	598,679	598,679	871,393	914,963	960,711
Infrastructure - Other	49,894	42,699	31,715	40,399	40,399	40,399	41,231	43,292	45,457
Infrastructure	2,178,770	2,336,005	1,828,832	1,477,169	1,477,169	1,477,169	2,153,821	2,261,738	2,375,040
Community	23,040	26,593	14,634	16,594	16,594	16,594	17,692	18,576	19,505
Heritage assets	-	1,191	-	-	-	-	2,700	2,835	2,977
Investment properties	-	-	42,449	-	-	-	43,722	45,034	46,385
Other assets	588,946	1,858,306	2,404,892	4,042,580	4,033,480	4,033,480	2,639,437	2,800,310	2,898,802
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	5,602	-	-	-	-	-	-
Intangibles	5,055	2,808	13,024	-	-	-	13,414	13,817	14,231
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	2,795,811	4,224,903	4,309,432	5,536,343	5,527,243	5,527,243	4,870,786	5,142,310	5,356,940
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	189,265	200,440	288,056	200,299	200,299	200,299	200,157	228,215	259,284
Repairs and Maintenance by Asset Class	142,169	132,939	93,253	216,941	221,941	221,941	238,250	255,085	272,326
Infrastructure - Road transport	18,004	14,487	-	44,313	45,313	45,313	57,878	61,930	66,265
Infrastructure - Electricity	45,534	6,715	-	44,691	44,691	44,691	50,347	54,159	57,686
Infrastructure - Water	7,481	2,355	-	13,048	13,048	13,048	20,727	22,178	23,730
Infrastructure - Sanitation	4,395	22	-	12,516	12,516	12,516	8,319	8,901	9,524
Infrastructure - Other	7,932	4,009	93,253	12,187	12,187	12,187	9,667	10,344	11,068
Infrastructure	83,346	27,589	93,253	126,756	127,756	127,756	146,938	157,511	168,273
Community	1,796	11,011	-	2,890	2,890	2,890	5,050	5,404	5,782
Heritage assets	1,347	-	-	691	691	691	-	741	792
Investment properties	-	-	-	-	-	-	692	-	-
Other assets	55,681	94,339	-	86,603	90,603	90,603	85,569	91,430	97,478
TOTAL EXPENDITURE OTHER ITEMS	331,434	333,379	381,309	417,240	422,240	422,240	438,407	483,300	531,610
Renewal of Existing Assets as % of total capex	41.2%	46.5%	54.9%	45.5%	50.1%	50.1%	21.3%	20.7%	30.8%
Renewal of Existing Assets as % of deprecn"	127.8%	162.9%	87.4%	187.1%	203.8%	203.8%	80.3%	69.1%	98.9%
R&M as a % of PPE	5.1%	3.1%	2.2%	3.9%	4.0%	4.0%	4.9%	5.0%	5.1%
Renewal and R&M as a % of PPE	14.0%	11.0%	8.0%	11.0%	11.0%	11.0%	8.0%	8.0%	10.0%

Table A10 – Consolidated Basic Service Delivery Measurement

Table A10 provides an overview of service delivery levels, for each of the main services, namely water, sanitation/sewerage, energy and refuse removal.

FS000 Mangaung - Table A10 Consolidated basic service delivery measurement

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Household service targets									
Water:									
Piped water inside dwelling	166,000	167,000	168,000	168,000	168,000	168,000	170,940	173,931	176,975
Piped water inside yard (but not in dwelling)	5,000	4,000	3,000	4,000	4,000	4,000	3,800	3,680	3,575
Using public tap (at least min.service level)	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	171,000	171,000	171,000	172,000	172,000	172,000	174,740	177,611	180,550
Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-
No water supply	2,200	3,000	3,000	3,000	3,000	3,000	2,750	2,600	2,380
<i>Below Minimum Service Level sub-total</i>	2,200	3,000	3,000	3,000	3,000	3,000	2,750	2,600	2,380
Total number of households	173,200	174,000	174,000	175,000	175,000	175,000	177,490	180,211	182,930
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	124,000	125,000	125,000	125,000	125,000	125,000	127,188	129,413	131,678
Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-
Chemical toilet	-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)	45,000	44,000	45,000	44,000	44,000	44,000	41,900	40,300	38,750
Other toilet provisions (> min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	169,000	169,000	170,000	169,000	169,000	169,000	169,088	169,713	170,428
Bucket toilet	-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-
No toilet provisions	2,000	5,000	2,000	5,000	5,000	5,000	4,650	4,125	3,925
<i>Below Minimum Service Level sub-total</i>	2,000	5,000	2,000	5,000	5,000	5,000	4,650	4,125	3,925
Total number of households	171,000	174,000	172,000	174,000	174,000	174,000	173,738	173,838	174,353
Energy:									
Electricity (at least min.service level)	176,444	176,444	180,000	176,444	176,444	176,444	179,532	182,674	185,870
Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	176,444	176,444	180,000	176,444	176,444	176,444	179,532	182,674	185,870
Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Other energy sources	26,317	26,317	27,000	26,317	26,317	26,317	25,800	23,900	22,100
<i>Below Minimum Service Level sub-total</i>	26,317	26,317	27,000	26,317	26,317	26,317	25,800	23,900	22,100
Total number of households	202,761	202,761	207,000	202,761	202,761	202,761	205,332	206,574	207,970
Refuse:									
Removed at least once a week	163,061	163,061	164,000	189,000	189,000	189,000	170,000	182,000	220,000
<i>Minimum Service Level and Above sub-total</i>	163,061	163,061	164,000	189,000	189,000	189,000	170,000	182,000	220,000
Removed less frequently than once a week	-	40,000	39,000	26,700	26,700	26,700	24,300	22,900	20,780
Using communal refuse dump	-	-	-	-	-	-	-	-	-
Using own refuse dump	-	-	-	-	-	-	-	-	-
Other rubbish disposal	-	-	-	-	-	-	-	-	-
No rubbish disposal	-	40,000	40,000	40,000	40,000	40,000	25,000	12,000	-
<i>Below Minimum Service Level sub-total</i>	-	80,000	79,000	66,700	66,700	66,700	49,300	34,900	20,780
Total number of households	163,061	243,061	243,000	255,700	255,700	255,700	219,300	216,900	240,780
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	171,000	172,000	173,000	50,000	50,000	50,000	40,000	45,000	50,000
Sanitation (free minimum level service)	171,000	172,000	174,000	50,000	50,000	50,000	40,000	45,000	50,000
Electricity/other energy (50kwh per household per month)	171,000	172,000	172,000	87,000	87,000	87,000	40,000	45,000	50,000
Refuse (removed at least once a week)	171,000	172,000	172,000	50,000	50,000	50,000	40,000	45,000	50,000
Cost of Free Basic Services provided (R'000)									
Water (6 kilolitres per household per month)	-	109,623	-	13,048	13,048	13,048	53,804	59,185	65,103
Sanitation (free sanitation service)	-	97,674	-	8,380	8,380	8,380	47,078	51,786	56,964
Electricity/other energy (50kwh per household per month)	-	51,057	-	37,641	37,641	37,641	13,233	25,233	46,539
Refuse (removed once a week)	-	-	-	10,545	10,545	10,545	58,111	63,341	69,042
Total cost of FBS provided (minimum social package)	-	258,354	-	69,615	69,615	69,615	172,226	199,544	237,648
Highest level of free service provided									
Property rates (R value threshold)	70,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Water (kilolitres per household per month)	6	6	6	6	6	6	10	10	10
Sanitation (kilolitres per household per month)	-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)	70,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Electricity (kwh per household per month)	50	50	50	50	50	50	50	50	50
Refuse (average litres per week)	200	200	200	200	200	200	200	200	200
Revenue cost of free services provided (R'000)									
Property rates (R15 000 threshold rebate)	81,799	110,423	-	1,416	1,416	1,416	-	-	-
Property rates (other exemptions, reductions and rebates)	81,206	109,623	-	13,048	13,048	13,048	12,457	13,204	13,997
Water	72,354	97,674	-	8,380	8,380	8,380	53,804	59,185	65,103
Sanitation	42,547	51,057	-	37,641	37,641	37,641	47,078	51,786	56,964
Electricity/other energy	-	-	-	-	-	-	13,233	25,233	46,539
Refuse	-	-	-	-	-	-	58,111	63,341	69,042
Municipal Housing - rental rebates	-	-	-	-	-	-	-	-	-
Housing - top structure subsidies	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total revenue cost of free services provided (total social package)	277,906	368,777	-	60,486	60,486	60,486	184,683	212,748	251,645

SUPPLEMENTARY SCHEDULES TO A2 TO A10

a. Support Table SA1 : supporting details to Budgeted Financial Performance

The table below provides detailed information on specific line items as outlined on Table A4 above, to enable the readers to gain an understanding of the major revenue and expenditure i.e. more information is given on the number that influenced items like /other Revenue by sources and Employee related costs.

FS000 Mangaung - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
REVENUE ITEMS:									
Property rates									
Total Property Rates	278,236	345,558	396,843	445,409	445,409	445,409	506,433	558,554	613,313
less Revenue foregone							12,457	13,204	13,997
Net Property Rates	278,236	345,558	396,843	445,409	445,409	445,409	493,976	545,350	599,317
Service charges - electricity revenue									
Total Service charges - electricity revenue	681,423	966,793	1,130,497	1,409,096	1,409,096	1,409,096	1,703,795	1,968,628	2,280,624
less Revenue foregone							13,233	25,233	46,539
Net Service charges - electricity revenue	681,423	966,793	1,130,497	1,409,096	1,409,096	1,409,096	1,690,563	1,943,395	2,234,085
Service charges - water revenue									
Total Service charges - water revenue	285,994	303,338	406,242	445,979	445,979	445,979	597,090	659,180	731,080
less Revenue foregone							53,804	59,185	65,703
Net Service charges - water revenue	285,994	303,338	406,242	445,979	445,979	445,979	543,286	599,995	665,377
Service charges - sanitation revenue									
Total Service charges - sanitation revenue	110,600	127,253	145,974	161,956	161,956	161,956	179,439	195,569	213,127
less Revenue foregone							47,078	51,786	56,964
Net Service charges - sanitation revenue	110,600	127,253	145,974	161,956	161,956	161,956	132,361	143,783	156,163
Service charges - refuse revenue									
Total refuse removal revenue	-	4,593	5,343	6,377	6,377	6,377	91,968	101,923	112,490
less Revenue foregone							88,111	63,341	69,042
Net Service charges - refuse revenue	-	4,593	5,343	6,377	6,377	6,377	33,847	38,582	43,448
Other Revenue by source									
Fuel Levy				175,972	175,972	175,972	237,704	280,555	274,625
Other Revenue	201,736	142,798	86,782	523,053	519,407	519,407	25,140	27,627	39,375
Operating Grants to Entity			86,782				13,233	25,233	46,539
Capital Grants to Entity							125,000	140,000	151,000
Interest on Shareholder Loan							110,000	110,000	115,500
Salaries seconded personnel							152,985	190,843	229,860
Commission Market							17,496	19,201	12,121
Defined benefit plan actuarial gain							10,600	11,650	12,826
Sale of erven							6,565	6,631	6,697
Grave plots							6,339	6,973	7,671
Land price							8,500	9,350	10,265
Entrance fees							1,976	2,174	2,391
Total Other Revenue	201,736	142,798	86,782	699,025	695,379	695,379	715,498	810,247	909,591
EXPENDITURE ITEMS:									
Employee related costs:									
Basic Salaries and wages	402,097	457,275	705,629	629,557	629,557	629,557	666,253	745,552	825,584
Pension and UIF Contributions	79,613	94,553		135,366	135,366	135,366	97,637	104,200	111,361
Medical Aid Contributions							49,687	53,272	56,970
Overtime	33,556	46,114		37,705	37,705	37,705	43,995	46,625	49,761
Performance Bonus							2,408	2,589	2,770
Motor Vehicle Allowance	42,593	45,725		61,182	61,182	61,182	53,008	56,929	60,792
Cellphone Allowance							2,539	2,729	2,921
Housing Allowances	5,760	3,542		5,263	5,263	5,263	5,833	6,241	6,625
Other benefits and allowances							10,248	10,995	11,763
Post-retirement benefit obligations	16,734	18,556		17,722	17,722	17,722	22,980	24,704	26,433
sub-total	580,073	665,765	765,829	886,816	886,816	886,816	954,589	1,053,836	1,155,020
Less: Employees costs capitalised to PPE									
Total Employee related costs	580,073	665,765	765,829	886,816	886,816	886,816	954,589	1,053,836	1,155,020
Contributions recognised - capital									
Public Contributions	-	-	-	23,181	23,181	23,181	24,767	24,767	24,767
Total Contributions recognised - capital	-	-	-	23,181	23,181	23,181	24,767	24,767	24,767
Depreciation & asset impairment									
Depreciation of Property, Plant & Equipment	189,265	200,440	288,056	200,299	200,299	200,299	200,157	228,215	259,284
Total Depreciation & asset impairment	189,265	200,440	288,056	200,299	200,299	200,299	200,157	228,215	259,284
Bulk purchases									
Electricity Bulk Purchases	446,706	607,718	1,008,917	982,181	982,181	982,181	1,149,420	1,346,593	1,591,801
Water Bulk Purchases	170,800	189,702		278,185	278,185	278,185	329,315	385,688	446,754
Total bulk purchases	616,906	797,421	1,008,917	1,260,366	1,260,366	1,260,366	1,478,735	1,732,282	2,038,556
Transfers and grants									
Cash transfers and grants	15,915	49,434	-	139,801	147,801	147,801	140,289	167,393	200,507
Total transfers and grants	15,915	49,434	-	139,801	147,801	147,801	140,289	167,393	200,507
Contracted services									
Services Contracted to Centec	147,792	174,274		8,820	8,820	8,820	5,590	5,750	5,049
Other Contracted Services	12,953		115,000	162,868	163,987	163,987	43,862	30,233	20,609
Security Services							26,875	28,757	29,674
Variation expenses							22,000	23,100	24,255
Meter reading services							20,000	20,172	25,407
Contractors fees							13,720	14,484	15,275
Financial services support							4,770	5,009	5,286
Integrated call centre							15,723	16,510	17,355
Commission vendors							12,778	13,778	14,504
MMMC Contractors							9,814	10,504	10,620
Lease of vehicles							5,366	5,634	5,910
sub-total	220,775	174,274	115,000	171,687	192,787	192,787	180,438	207,046	186,129
Total contracted services	220,775	174,274	115,000	171,687	192,787	192,787	180,438	207,046	186,129

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Other Expenditure By Type									
Collection costs	3,193	30,057		1,000	1,000	1,000	10,000	11,250	12,503
Contributions to other provisions	179,738	111,966		30,982	30,982	30,982	10,120	10,875	11,509
Consultant fees	6,769	25,994		16,375	16,375	16,375	32,486	32,777	34,011
Audit fees	9,279	12,889		13,932	13,932	13,932	13,633	14,525	15,251
General expenses	118,951	354,448	271,314	141,202	159,144	159,144	67,900	35,739	17,190
Grants to Entity				137,641	144,659	144,659			
Interest on Shareholder Loan				110,000	110,000	110,000	110,000	110,000	110,000
Entity Seconded Personnel				130,518	130,518	130,518	151,961	189,795	228,758
Fuel							26,269	27,836	29,483
Electricity departmental							43,710	46,308	49,200
Branding MMM							7,000	7,000	8,052
Hire of equipment							12,921	13,681	14,566
Seconded personnel							151,961	189,795	228,758
Insurance							12,056	12,668	13,465
Legal expenses							12,422	13,486	15,459
Licences							8,522	8,996	9,593
Membership fees SALGA							10,070	10,654	11,400
Postage							10,780	11,406	12,204
Printing and stationery							16,019	17,206	18,380
Telephone							14,264	15,083	16,113
Vacuum services							6,699	7,101	7,527
Total Other expenditure	317,929	535,345	271,314	581,650	606,610	606,610	728,996	786,688	868,993
Repairs and maintenance									
Other materials	142,169	132,939		216,941	221,941	221,941	238,250	255,085	272,326
Total Repairs and Maintenance Expenditure	142,169	132,939	-	216,941	221,941	221,941	238,250	255,085	272,326

b. Supporting Table SA2 Consolidated Matrix Financial Performance Budget

The table below provides detailed information an overview of the revenue and expenditure in terms of contributions by the respective municipal vote, as well as revenue by source and expenditure by type at a glance.

FS000 Mangaung - Supporting Table SA2 Consolidated Matrix Financial Performance Budget (revenue source/expenditure type & dept.)

Description	Vote 1 - City Manager	Vote 2 - Executive Mayor	Vote 3 - Corporate Services	Vote 4 - Finance	Vote 5 - Social Services	Vote 6 - Planning	Vote 7 - Human Settlement and Housing	Vote 8 - Fresh Produce Market	Vote 9 - Engineering Services	Vote 10 - Water Services	Vote 11 - Miscellaneous Services	Vote 12 - Regional Operations	Vote 13 - Strategic Projects and Service Delivery Regulation	Vote 14 - Electricity - Centric (Soc) Ltd	Vote 15 - (NAME OF VOTE 15)	Total
R thousand																
Revenue By Source																
Property rates				493,976												493,976
Property rates - penalties & collection charges																
Service charges - electricity revenue														1,690,563		1,690,563
Service charges - water revenue										543,286						543,286
Service charges - sanitation revenue									132,361							132,361
Service charges - refuse revenue									33,847							33,847
Service charges - other																
Rental of facilities and equipment			2,728		1,170	100	15,413	2,762				2,620				24,793
Interest earned - external investments												31,717				31,717
Interest earned - outstanding debtors				23,010												23,010
Dividends received																
Fines				1	4,638	224			1							5,063
Licences and permits				0	151	610		5								766
Agency services			394	1,495	26				219						488	2,622
Other revenue	2		7,042	3,613	12,362	4,440	16,380	17,794	3,114	887	512,294		5	138,470		716,403
Transfers recognised - operational				439,495	14,000				86,498	66,000	45,141					651,134
Gains on disposal of PPE															40	40
Total Revenue (excluding capital transfers and contributions)	2	-	10,164	961,591	32,546	5,373	31,793	20,561	256,040	610,174	591,772	-	5	1,828,566	-	4,349,581
Expenditure By Type																
Employee related costs	23,516	38,202	88,850	68,601	183,995	40,283	39,090	6,829	169,346	49,302	75,715		18,899	151,961		954,589
Remuneration of councillors		44,938													1,269	46,207
Debt impairment									16,621	54,329	33,251				38,789	142,989
Depreciation & asset impairment	101	736	10,043	1,750	16,862	1,810	16,104	1,228	47,193	12,377	46,807		17	45,128		200,157
Finance charges									1,623	1,623	44,264					14,289
Bulk purchases										329,315				1,149,420		1,478,735
Other materials															48,110	238,250
Contracted services	1,160	396	22,037	55,752	38,503	25,604	3,632		6,272	123	14,388		3,750	59,550		231,167
Transfers and grants											2,004				53	2,057
Other expenditure	18,903	49,729	67,736	4,793	35,738	17,273	19,801	4,996	57,046	50,069	320,152		15,047	159,079		820,364
Loss on disposal of PPE																
Total Expenditure	43,788	134,047	206,689	133,283	288,652	85,190	80,507	13,861	429,750	518,065	536,581	-	37,852	1,667,640	-	4,176,315
Surplus/(Deficit)																
Transfers recognised - capital	(43,786)	(134,047)	(196,725)	828,307	(256,306)	(79,817)	(48,714)	6,699	(173,710)	92,109	55,192		(37,847)	161,912		173,266
Contributions recognised - capital											513,967			24,767		513,967
Contributed assets																
Surplus/(Deficit) after capital transfers & contributions	(43,786)	(134,047)	(196,725)	828,307	(256,306)	(79,817)	(48,714)	6,699	(173,710)	92,109	569,159	-	(37,847)	186,679	-	712,001

c. **Supporting Table SA3 Supporting details to “Budgeted Financial Position”**

The table below prides to the reader of the Table A6 more information as to the composition of the major categories of the items disclosed on the Budgeted Financial Position of the municipality, for ease of comparison.

FS000 Mangaung - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
ASSETS									
Call investment deposits									
Call deposits < 90 days	96,834	26,639	47,571	249,006	413,642	413,642	282,180	437,622	597,458
Other current investments > 90 days			151,324	10,994	10,994	10,994	-	-	-
Total Call investment deposits	96,834	26,639	198,895	260,000	424,636	424,636	282,180	437,622	597,458
Consumer debtors									
Consumer debtors	314,104	326,754	342,569	1,264,566	1,171,316	1,171,316	1,579,874	1,715,293	1,912,349
Less: Provision for debt impairment				(852,433)	(852,433)	(852,433)	(1,225,588)	(1,329,317)	(1,497,228)
Total Consumer debtors	314,104	326,754	342,569	412,133	318,882	318,882	354,286	385,976	415,121
Debt impairment provision									
Balance at the beginning of the year				759,066	759,066	759,066	1,023,006	1,165,995	1,309,317
Contributions to the provision				150,327	150,327	150,327	142,989	143,322	157,911
Bad debts written off				(135,295)	-	-	-	-	-
Balance at end of year	-	-	-	774,099	909,393	909,393	1,165,995	1,309,317	1,467,228
Property, plant and equipment (PPE)									
PPE at cost/valuation (excl. finance leases)	2,790,755	4,222,094	4,248,358	8,077,896	8,068,796	8,068,796	6,392,102	6,890,126	7,362,274
Leases recognised as PPE				-	-	-	-	-	-
Less: Accumulated depreciation				2,541,553	2,541,553	2,541,553	1,578,452	1,806,667	2,065,950
Total Property, plant and equipment (PPE)	2,790,755	4,222,094	4,248,358	5,536,343	5,527,243	5,527,243	4,813,650	5,083,460	5,296,324
LIABILITIES									
Current liabilities - Borrowing									
Short term loans (other than bank overdraft)									
Current portion of long-term liabilities	1,785	1,976	2,184	18,121	18,121	18,121	18,504	16,654	14,988
Total Current liabilities - Borrowing	1,785	1,976	2,184	18,121	18,121	18,121	18,504	16,654	14,988
Trade and other payables									
Trade and other creditors	859,585	853,254	892,941	546,429	411,203	411,203	652,522	787,723	811,369
Unspent conditional transfers				-	-	130,000	75,367	76,166	83,225
VAT				67,108	67,108	67,108			
Total Trade and other payables	859,585	853,254	892,941	613,537	478,311	608,311	727,889	863,889	894,594
Non current liabilities - Borrowing									
Borrowing	13,989	11,241	20,163	118,426	79,735	79,735	185,039	166,535	149,882
Finance leases (including PPP asset element)							68,776	35,783	0
Total Non current liabilities - Borrowing	13,989	11,241	20,163	118,426	79,735	79,735	253,814	202,318	149,882
Provisions - non-current									
Retirement benefits				351,210	351,210	351,210	564,066	606,371	642,753
List other major provision items									
Refuse landfill site rehabilitation				74,343	74,343	74,343			
Other	366,981	425,203	486,402	725	725	725			
Total Provisions - non-current	366,981	425,203	486,402	426,278	426,278	426,278	564,066	606,371	642,753
CHANGES IN NET ASSETS									
Accumulated Surplus/(Deficit)									
Accumulated Surplus/(Deficit) - opening balance	1,568	1,819,283	2,033,996	4,721,051	5,114,164	5,114,164	1,823,548	2,035,567	2,331,509
GRAP adjustments	1,337,906	(284,991)	(292,496)	(745,558)	(718,997)	(848,997)	37,420	(740)	(23,411)
Restated balance	1,339,474	1,534,292	1,741,500	3,975,493	4,395,167	4,265,167	1,860,968	2,034,827	2,308,099
Surplus/(Deficit)	228,622	286,156	300,680	746,920	720,360	720,360	712,001	829,198	899,884
Appropriations to Reserves									
Transfers from Reserves									
Depreciation offsets									
Other adjustments				(257,477)	(414,387)	(414,387)			
Accumulated Surplus/(Deficit)	1,568,096	1,820,447	2,042,180	4,464,936	4,701,139	4,571,139	2,572,969	2,864,025	3,207,983
Reserves									
Housing Development Fund									
Capital replacement									
Self-insurance				87,500	87,500	87,500	92,750	92,750	98,315
Other reserves				-	-	-			
Revaluation	692,249	1,584,003	1,576,470	585,022	585,022	585,022	1,403,688	1,439,827	1,473,844
Total Reserves	692,249	1,584,003	1,576,470	672,522	672,522	672,522	1,496,438	1,532,577	1,572,159
TOTAL COMMUNITY WEALTH/EQUITY	2,260,345	3,404,450	3,618,651	5,137,459	5,373,661	5,243,661	4,069,406	4,396,602	4,780,141

1. Assessment Rates

- (a) It is recommended that assessment Rates be increased across the board by 9%
- (b) That, the following general assessment rates in respect of the Mangaung Metropolitan Municipality be determined as follows:
- (i) Comma seven seven nine six cent (0,7796 cent), multiply by comma two five percent (0.25%) per rand on the rateable value of farm property (exempt from VAT);
 - (ii) Comma seven seven nine six cent (0,7796 cent) per rand on the rateable value of residential property (exempt from VAT);
 - (iii) One comma nine four nine cent (1,949 cent) per rand on the rateable value of government property (exempt from VAT);
 - (iv) Three comma eight six two eight cent (3,862 cent) per rand on the rateable value of business property (exempt from VAT).
 - (v) Interest shall be paid to Council on rates, which have not been paid within thirty days from the date on which such rates became due, at a rate of 1% higher than the prime rate for the period during which such rates remain unpaid after expiry of the said period of thirty days.

Rebates on assessment rates:

- * The first R 40 000 (Forty thousand Rand only) of the rateable value of residential properties are exempted;
- * That in respect of qualifying senior citizens and disabled persons, the first R 200 000 (Two hundred thousand rand only) of the rateable value of their residential properties be exempted from rates;
- * That the rebate on the first R 200 000 of the rateable value for residential properties of qualifying senior citizens and disabled persons will only be applicable on properties with a value that does not exceed R 2 000 000 (Two million rand only); and,
- * That for the 2012/13 financial year the criteria applicable for child headed families regarding the total monthly income from all sources must not exceed an amount equal two state pensions as determined by National Minister of Finance per month.

(2) Sewerage charges:

(a) Non residential

Comma four five eight nine (0.4589 cent) per rand on the rateable value of the property (VAT excluded) with a minimum of nine four rand eighty four cent (R 94.84) (VAT exclusive) per erf per month

(b) Residential

Comma three two three seven (0.3213 cent) per rand on the rateable value of the property (VAT excluded) with a minimum of seventy rand (R 70.00) (VAT excluded) per erf per month.

Rebates on sewerage charges:

- * Residential properties with a value of R 40 000,00 or less are exempted from paying sewerage charges;
- * The residential areas in the following areas are excluded from paying sewerage charges Bloemindustria, Ribblesdale, Bloemspruit, Bainsvlei; Farms and Peri Urban areas in Thaba Nchu.

(c) Special Arrangements

- (i) Levy on churches, church halls and other places of similar nature, qualifying charitable institutions and welfare organizations:
 - R 85.13 per sanitary point per month (VAT excluded);
 - R 28.31 per refuse container per month (VAT excluded);

- (ii) Martie du Plessis School, Dr Böhmer School, Lettie Fouche School, and schools of similar nature:
R 42.58 per sanitary point per month (VAT excluded);
R 14.16 per refuse container per month (VAT excluded);

(3) Refuse Removal Tariffs

It is recommended:

- i. That, the refuse removal tariffs for 2012/13 be applicable from the consumer month of July 2012;
- ii. That the following charges and prices, excluding VAT, in connection with the supply of refuse removal services are submitted for approval.

Tariff (3) (a) : Erf Used for Residential Purpose

Size of the Stand (square metres)	Tariff per month (maximum of one removal per week)
0 - 300	30.00
301 - 600	40.00
601 - 900	70.00
901 –1500	100.00
>1500	120.00

Tariff (3)(b) : Flats and Townhouses per unit

Tariff per month (maximum of one removal per week) – R 70.00 per month

Tariff (3)(c) : Duet Houses/ Private Towns per erf

Tariff per month (maximum of one removal per week) as per tariff (3) (a) above

Tariff (3)(d) : Businesses/ Commercial/ Industrial (Non-Bulk)

Tariff per month (maximum of one removal per week) – R 150.00 per month

Tariff (3)(e) Businesses/ Commercial/ Industrial (Bulk)

A minimum of R 150.00 per business/ commercial/ industrial per month for land fill costs plus costs associated with the type of service required as contained in the Tariffs Booklet.

Rebates on refuse removals

- * Residential properties with a value of R 40 000.00 or less are exempted for paying for refuse removal.

(4) Water Tariffs

It is recommended:

Residential properties (Non Bulk)

- (i) That, the water tariffs for the 2012/13 financial year be increased by the following percentages per kl consumed above the previous year:
 - a. **Residential**
 - i. 18.9% - 1 to 6kl;
 - ii. 8.98% - 7 to 15kl;
 - iii. 14.99% - 16 to 30kl;
 - iv. 20% - 31 to 60kl;
 - v. 25% - 61kl+

b. Business/Commercial/ (Bulk)

- i. 9.02% - 1 to 60kl
- ii. 19.97% - 61 to 100kl
- iii. 25% - 100kl+

- (ii) That, the water tariffs for 2012/13 be applicable from the consumer month of July 2012;
- (iii) That, for the calculation of water accounts the consumer month will be the period between the successive monthly readings irrespective of the period between reading dates and
- (iv) That the following charges and prices, excluding VAT, in connection with the supply and consumption of water are submitted for approval.
- (v) That, in terms of section 145 of the Local Government Ordinance of 1962, (Ordinance No 8 of 1962) the following charges and prices, excluding VAT, in connection with the supply and consumption of water are submitted for approval.

Part A: Erf within Municipal Area

Tariff A1:

(a) Erf Used for Residential Purpose and

(b) Sports Club Incorporated in the Council's Sport Club Scheme

Water Consumed:

- (i) R 4.34 per kilolitre per month for 0 to 6 kilolitres;
- (ii) R 12.00 per kilolitre per month for 7 up to 15 kilolitres;
- (iii) R 12.66 per kilolitre per month for 16 up to 30 kilolitres;
- (iv) R 13.68 per kilolitre per month for 31 up to 60 kilolitres.
- (v) R 14.25 per kilolitre per month for each kilolitre more than 60 kilolitres

(c) Bulk metered Flats / Townhouses / Duet Houses

- (i) Total kilolitres used, number of Flats/Townhouses/Duet Houses
- (ii) Apply sliding scale:
 - 0 - 6 kilolitres
 - 7 - 15 kilolitres
 - 16 - 30 kilolitres
 - 31 - 60 kilolitres
 - 61 kilolitres and more

Multiply amount by number of Flats/Townhouses/Duet houses. Tariffs applicable to erf used for residential purpose are applicable to the above.

- (iii) Fire meter: Water consumed R 12.21 per kiloliter per month

Tariff A2: Unmetered Erf Used for Residential Purposes Only.

Fixed amount: R 23.05 per month

Tariff A3: Unimproved Erf

3.1 Unimproved erf which may be used for residential purposes only:

Minimum charge: R 26.82 per month

3.2 Any other unimproved erf:

Minimum charge: R 2,890.31 per month

Tariff A4: Directorates of Council

Water consumed: R 9.64 per kilolitre per month

Tariff A5: Any Other Point where Water is supplied not mentioned in Tariffs A1, A2, A3 and A4 per Water Meters:

3.1 Minimum charge: R 341.52 per month

plus

3.2 Water consumed

- (i) R 12.56 per kilolitre per month for 0 to 60 kilolitres;
- (ii) R 13.82 per kilolitre per month for 61 up to 100 kilolitres;
- (iii) R 14.40 per kilolitre per month for each kilolitre more than 100 kilolitres

Part B: Erf outside Municipal Area

Tariff B1: Erf used for Residential Purposes Only

Water consumed:

- a) R 4.34 per kilolitre per month for 0 to 6 kilolitres;
- b) R 12.00 per kilolitre per month for 7 up to 15 kilolitres plus a surcharge of 35%;
- c) R 12.66 per kilolitre per month for 16 up to 30 kilolitres plus a surcharge of 35%;
- d) R 13.68 per kilolitre per month for 31 up to 60 kilolitres plus a surcharge of 35%;
- e) R 14.25 per kilolitre per month for each kilolitre more than 60 kilolitres plus a surcharge of 35%;

Tariff B2: Any other point where water is supplied not mentioned in Tariff B1, per water meter (Excluding Special Arrangements)

- 3.3 Minimum charge: R 341.51 per month, plus a surcharge of 35%
plus
- 3.4 Water consumed
 - (i) R 12.56 per kilolitre per month for 0 to 60 kilolitres plus a surcharge of 35%;
 - (ii) R 13.82 per kilolitre per month for 61 to 100 kilolitres plus a surcharge of 35%;
 - (iii) R 14.40 per kilolitre per month for each kilolitre more than 100 kilolitres plus a surcharge of 35%.

(5) Housing Rental Tariffs

It is recommended that the rental tariffs on all housing schemes be increased with 10% from 1 July 2012.

(6) General Tariffs

It is recommended:

- (i) That the general tariffs and charges be increased at an average of 10% as reflected in the Tariffs Booklet with the exception of;
- (ii) Clearance Certificates and illegal water penalties that must be raised above 10% in order to reflect the costs associated with the delivery of that service.

(7) Electricity Tariffs

It is recommended:

- i. That, the electricity tariffs for the 2012/13 financial year be increased with 8.78% (on average) above the previous year;
- ii. That, the new electricity tariffs for 2012/13 be applicable from the consumer month of July 2012
- iii. That, for the calculation of electricity accounts the consumer month will be the period between the successive monthly readings irrespective of the period between reading dates and with a winter and summer component for all tariffs,
- iv. That, the following charges and prices, excluding VAT, in connection with the supply and consumption of electricity are submitted for approval:

PP IBT	2011/12		2012/13		% Increase
	Summer	Winter	Summer	Winter	
Block 1 (1 - 50kWh)	R 0.72	R 0.72	R 0.74	R 0.81	5.41%
Block 2 (51 - 350kWh)	R 0.83	R 0.83	R 0.90	R 0.97	10.78%
Block 3 (351 - 600kWh)	R 0.95	R 0.95	R 1.05	R 1.13	13.45%
Block 4 (> 600 kWh)	R 1.08	R 1.08	R 1.23	R 1.33	16.58%
Overall					11.55%

IBT	2011/12		2012/13		% increase
	Summer	Winter	Summer	Winter	
Block 1 (1 - 50kWh)	R 0.72	R 0.72	R 0.74	R 0.81	5.41%
Block 2 (51 - 350kWh)	R 0.83	R 0.83	R 0.90	R 0.97	10.78%
Block 3 (351 - 600kWh)	R 0.95	R 0.95	R 1.05	R 1.13	13.45%
Block 4 (> 600 kWh)	R 1.08	R 1.08	R 1.23	R 1.33	16.58%
Overall					11.55%

Homeflex	2011/12		2012/13		% increase
	Summer	Winter	Summer	Winter	
Basic Charge	R 52.72	R 52.72	R 250.00	R 250.00	N/A
Capacity charge (R/amp/m)	R 2.08	R 2.08	<i>Removed</i>	<i>Removed</i>	N/A
Peak	R 0.75	R 1.79	R 1.07	R 2.52	N/A
Standard	R 0.60	R 0.73	R 0.80	R 1.28	N/A
Off-Peak	R 0.52	R 0.55	R 0.68	R 1.23	N/A
Environmental Levy Charge			R 0.03	R 0.03	N/A
Overall					N/A

Declining block tariff

Removed

PP flat business	2011/12		2012/13		% increase
	c / kWh	Winter	Summer	Winter	
<i>New tariff</i>					
kWh	R 1.10	R 1.10	R 1.31	R 1.44	N/A
Overall					N/A

Rotary flat business	2011/12		2012/13		% increase
	c / kWh	Winter	Summer	Winter	
<i>New tariff</i>					
kWh	R 1.10	R 1.10	R 1.31	R 1.44	N/A
Overall					N/A

Complex	2011/12		2012/13		% increase
	Summer	Winter	Summer	Winter	
Basic Charge	R 65.24	R 65.24	R 300.00	R 300.00	N/A
Capacity charge (R/Amp/m)	R 2.94	R 2.94	<i>Removed</i>	<i>Removed</i>	N/A
Peak	R 0.80	R 1.87	R 1.45	R 2.72	N/A
Standard	R 0.67	R 0.84	R 0.87	R 1.39	N/A
Off - Peak	R 0.58	R 0.61	R 0.74	R 1.33	N/A
Environmental Levy Charge			R 0.03	R 0.03	N/A
Overall					N/A

Elecflex 1	2011/12		2012/13		% increase
	Summer	Winter	Summer	Winter	
Basic Charge	R 5 470.85	R 5 470.85	R 2 100.00	R 2 100.00	-61.61%
Access	R 20.37	R 20.37	R 29.59	R 29.59	45.30%
Max Demand	R 78.50	R 78.50	R 84.54	R 84.54	7.70%
Peak	R 0.74	R 2.06	R 0.94	R 2.21	22.57%
Standard	R 0.59	R 0.71	R 0.56	R 0.90	3.07%
Off-Peak	R 0.45	R 0.46	R 0.48	R 0.86	25.86%
Environmental Levy Charge			R 0.03	R 0.03	N/A

Overall						7.15%
Elecflex 2						
	2011/12		2012/13			
	Summer	Winter	Summer	Winter		% increase
Basic Charge	R 3 680.18	R 3 680.18	R 1 400.00	R 1 400.00		-61.96%
Access	R 21.29	R 21.29	R 31.96	R 31.96		50.10%
Max Demand	R 81.73	R 81.73	R 91.31	R 91.31		11.72%
Peak	R 0.75	R 2.14	R 1.01	R 2.38		29.50%
Standard	R 0.62	R 0.75	R 0.61	R 0.97		6.68%
Off-Peak	R 0.47	R 0.48	R 0.52	R 0.93		31.35%
Environmental Levy Charge			R 0.03	R 0.03	N/A	
Overall						11.23%
Elecflex 3						
	2011/12					
	Summer	Winter	Summer	Winter		% increase
Basic Charge	R 2 156.44	R 2 156.44	R 1 050.00	R 1 050.00		-51.31%
Access	R 22.64	R 22.64	R 35.15	R 35.15		55.26%
Max Demand	R 84.74	R 84.74	R 100.44	R 100.44		18.52%
Peak	R 0.79	R 2.22	R 1.11	R 2.62		35.30%
Standard	R 0.64	R 0.81	R 0.67	R 1.07		11.71%
Off-Peak	R 0.48	R 0.53	R 0.57	R 1.02		37.31%
Environmental Levy Charge			R 0.03	R 0.03	N/A	
Overall						17.80%
Bulk Residential 2						
	2011/12					
	Summer	Winter	Summer	Winter		% increase
<i>New tariff</i>						
Basic Charge	R 3 680.18	R 3 680.18	R 1 400.00	R 1 400.00		-62%
Access	R 21.29	R 21.29	R 12.78	R 12.78		-40%
Max Demand	R 81.73	R 81.73	R 36.52	R 36.52		-55%
Peak	R 0.75	R 2.14	R 1.27	R 2.38		55%
Standard	R 0.62	R 0.75	R 0.76	R 1.22		33%
Off-Peak	R 0.47	R 0.48	R 0.65	R 1.16		64%
Environmental Levy Charge			R 0.03	R 0.03		
Overall						-1%
Bulk Residential 3						
	2011/12					
	Summer	Winter	Summer	Winter		% increase
<i>New tariff</i>						
Basic Charge	R 2 156.44	R 2 156.44	R 1 050.00	R 1 050.00		-51%
Access	R 22.64	R 22.64	R 14.06	R 14.06		-38%
Max Demand	R 84.74	R 84.74	R 40.18	R 40.18		-53%
Peak	R 0.79	R 2.22	R 1.39	R 2.62		62%
Standard	R 0.64	R 0.81	R 0.84	R 1.34		40%
Off-Peak	R 0.48	R 0.53	R 0.71	R 1.28		72%
Environmental Levy Charge			R 0.03	R 0.03		
Overall						5%
Sport Stadiums on ToU						
	2011/12					
	Summer	Winter	Summer	Winter		% increase
<i>New tariff</i>						
Basic Charge			R 2 000.00	R 2 000.00	N/A	
Access			R 0.00	R 0.00	N/A	
Max Demand			R 0.00	R 0.00	N/A	
Peak			R 1.74	R 3.28	N/A	
Standard			R 1.05	R 1.67	N/A	
Off-Peak			R 0.89	R 1.60	N/A	
Environmental Levy Charge			R 0.03	R 0.03	N/A	

Centlec Departmental on ToU	2011/12 Sport		Summer	Winter	% increase
	Summer	Winter			
<i>New tariff</i>					
Basic Charge			R 0.00	R 0.00	N/A
Access			R 0.00	R 0.00	N/A
Max Demand			R 0.00	R 0.00	N/A
Peak			R 1.11	R 2.10	N/A
Standard			R 0.67	R 1.07	N/A
Off-Peak			R 0.57	R 1.02	N/A
Environmental Levy Charge			R 0.03	R 0.03	N/A

Departmental	2011/12 Sport		Summer	Winter	% increase
	Summer	Winter			
kWh (Centlec)	R 0.95		R 1.01	R 1.01	7%

- v. It is recommended that all the tariffs as stated above, become due monthly on the following dates, 7 July 2012, 7 August 2012, 7 September 2012, 7 October 2012, 7 November 2012, 7 December 2012, 7 January 2013, 7 February 2013, 7 March 2013, 7 April 2013, 7 May 2013 and 7 June 2013.

PART 2 – SUPPORTING DOCUMENTATION

1. OVERVIEW OF ANNUAL BUDGET PROCESS

The MFMA requires the mayor of a municipality to provide general political guidance over the budget process and the priorities that must guide the preparation of a budget. The new National Treasury Budget Regulations gives further effect to this by prescribing that the mayor of a municipality must establish a Budget Steering Committee to assist in discharging the mayor's responsibility set out in section 53 of the Municipal Financial Management Act. Compilation of the Municipality's annual budget commenced with the presentation of the budget parameters to the Budget Committee, composed of executive political representatives. The Committee's terms of reference include the following:

- To provide guidance on budget principals;
- To consider draft budget operational and capital parameters;
- To review directorates' budget inputs via budget hearings after tabling of the draft budget; and
- To review and advice on the outcome of MTREF

Following consideration of the budget parameters Executive Management Team submitted both operational and capital budgets which were deliberated on, as part of formulating the draft 2012/13 MTREF budget for tabling in March 2012.

The 2012/13 draft MTREF budget was tabled at a Council meeting held in 20 April 2012. Subsequent to the tabling of the draft 2012/13 MTREF budget and proposed tariffs, advertisements were made for stakeholders and public to comment by May 11, 2012.

The progress and evaluation of the status of service delivery, summary of community and stakeholder views on the IDP, MTREF budget and the linkage of the budget to the IDP and support from other stakeholders will be presented to the IDP and Budget Conference on 7 May 2012.

The IDP and Budget time schedule as well as public participation for the 2012/13 budget cycle as approved by Council on 11 August 2011 in terms of Section 21 (1) (b) of the Municipal Finance Management Act is outlined below.

DELIVERABLE AND PROCESS MANAGEMENT	DATES	Actual Activity Output Timeline
Tabling of the IDP and Budget Process Plan to Council	11 Aug 2011	11 Aug 2011
Advertisement of IDP and Budget Process Plan	16 Aug 2011	16 Aug 2011
Committees and consultation forums for the budget process	11 Oct 2011	21 Sep 2011 to 15 Dec 2011
Preparation of budget framework to provide parameters and request budget inputs for the 2012/13 MTREF	30 Sept 2011	7 Oct 2011
Briefing session with Budget Committee	18 Aug 2011	15 Nov 2011
One day self assessment dialogue with EMT, MAYCO and Councillors	25 Oct 2011	30 Nov 2011
Current status of the implementation progress	26 Oct 2011	30 Nov 2011
EMT submit inputs on operational budget	4 Nov 2011	2 Dec 2011
EMT to submit budget inputs on capital projects	21 Oct 2011	9 Dec 2011
Consideration, review and inclusion of any relevant and new information	1 Nov 2011	14 Dec 2011
Centlec submit draft budget and business plans	25 Jan 2012	25 Jan 2012
IDP Steering Committee to review emerging issues/changes and to prioritize IDP and budget items	26 Jan 2012	26 Jan 2012
Refining municipal Strategies, Objectives, KPA's, KPI's and targets so as to influence the budget	6 Feb 2012	6 Feb 2012
Initiate Public Participation process in line with MTREF	9 Feb 2012	9 Feb 2012
MLM provides Centlec with comments on draft business plan and budget	13 Feb 2012	13 Feb 2012
MAYCO Lekgotla to confirm IDP, SDBIP and Budget priorities	17 Feb 2012	17 Feb 2012

DELIVERABLE AND PROCESS MANAGEMENT	DATES	Actual Activity Output Timeline
MAYCO approves municipal objectives, strategies, KPIs and targets	22 Feb 2012	22 Feb 2012
Review tariffs and budget policies	23 Feb 2012	23 Feb 2012
Set and agree on IDP priority programme/projects	28 Feb 2012	28 Feb 2012
Review and align National and Provincial allocation for inclusion in the draft IDP and MTREF budget	27 Feb 2012	27 Feb 2012
Draft MTREF budget developed	2 Mar 2012	2 Mar 2012
Directorates develop draft 2012/13 SDBIP and present to Portfolio Committees	7 Mar 2012	7 Mar 2012
One and multi-year scorecard revised and presented to MAYCO	14 Mar 2012	14 Mar 2012
Institutional plan refined to deliver on the municipal strategy	16 Mar 2012	16 Mar 2012
Directorates identifying programmes and projects with external stakeholders	21 Mar 2012	21 Mar 2012
Integration of sector plans and institutional programmes	21 Mar 2012	21 Mar 2012
Horizontal and vertical alignment with District, Province and other stakeholders	21 Mar 2012	21 Mar 2012
Financial plan and capital investment plan are developed	21 Mar 2012	21 Mar 2012
Presentation of service plans and integration into the IDP document to MAYCO	21 Mar 2012	21 Mar 2012
Tabling of the Draft IDP including proposed revisions and MTREF Budget and related resolutions – MLM and Centlec	29 Mar 2012	29 Mar 2012
Submission of draft IDP and MTREF to MECs Treasury and Cooperative Governance, Traditional and Human Settlements, and National	3 Apr 2011	3 Apr 2011
Public participation process including hearings on Draft IDP and Budget	5 Apr to 13 Apr 2012	5 Apr to 13 Apr 2012
IDP Budget Lekgotla	19 Apr 2012	19 Apr 2012
Special Council considers submissions, representations and recommendations from hearings. Executive Mayor to be provided with an opportunity to respond to submissions during consultation and table amendments for Council consideration.	26 Apr 2012	26 Apr 2012
Executive Mayor with support of MAYCO to recommend approval by Council after considering inputs from Council and all sectors	10 May 2012	10 May 2012
Compilation and submission of draft 2012/13 SDBIP and annual performance agreements by City Manager to the Executive Mayor	10 May 2012	10 May 2012
Executive Mayor approves the 2012/13 SDBIP and annual performance agreements of the City Manager and senior managers within 28 days after the approval of IDP and budget. Executive Mayor ensures that the annual performance agreements are linked to the measurable performance objectives approved with the budget and SDBIP.	25 May 2012	25 May 2012
Council meeting to approve MTREF budget by resolution, setting taxes and tariffs, approving changes to IDP and budget related policies, approving measurable performance objectives for revenue by source and expenditure by vote before start of budget year	31 May 2012	31 May 2012
The Executive Mayor submits the approved SDBIP and performance agreements to Council, MEC for Cooperative Governance, Traditional Affairs and Human Settlements and makes public within 14 days after approval.	31 May 2012	31 May 2012

DELIVERABLE AND PROCESS MANAGEMENT	DATES	Actual Activity Output Timeline
Publication of approved IDP, budget, SDBIP and performance agreements on the website and in local newspapers	5 Jun 2012	5 Jun 2012

PUBLIC PARTICIPATION

Public participation processes unfolded smoothly, wards and communities were consulted and involved for effective participation and to meet specific deadlines as reflected in the reviewed process plan. The following table provides a “snap-shot” analysis of the public participation processes as unfolded.

Public participation engagements

Engagements	2011					2012				
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Community Participation										
Community consultations - All 4 regions - 49 wards		07 th & 09 th	22 nd	30 th						
Community consultations - All 4 Regions - 49 wards					06 th					
Thaba Nchu Region - 9 wards							20 th			
North and South Regions - 39 Wards							21 st			
Bloemfontein North - 8 Wards								08 th		
All 4 Regions - 49 Wards								14 th		
Thaba Nchu- 6 Wards									24 th	
Botshabelo - 12 Wards									24 th	
Bloemfontein South - 23 Wards									25 th	
Bloemfontein North - 8 Wards									25 th	
Botshabelo - 1 Ward										10 th
Thaba Nchu - 5 Wards										10 th
Thaba Nchu - 1 Ward										11 th

In strengthening the community participation process, ward-councillors, ward-committees and interested parties were afforded an opportunity to make written submission to IDP office by the 11 May 2012 about issues which were not raised and are pertinent in their respective communities. The Municipality has made every effort to involve the community and various stakeholders in the formulation of the 2012/16 IDP and the development of the 2012/13 MTREF Budget.

2. OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN

The Mangaung Metropolitan Municipality' IDP outlined the key area for development in the short to medium term. These are the commitments that the Metropolitan Council will take forward. By and large the Mayoral Committee played a significant role in shaping these priorities and it was necessary to linked them to the national, provincial, district and sector departments' priorities and plans.

Council has set following Mayoral Priorities:

- Poverty reduction, job creation, rural and economic development
- Financial sustainability
- Spatial development and the built environment
- Eradication of bucket system, VIP toilets in Mangaung, Botshabelo and Thaba Nchu, roads, ageing infrastructure, focus on the basics
- Human settlements
- Public transport
- Environmental management and climate change
- Social and community services
- Good governance

The 2012/13 draft MTREF budget continues to address the following IDP interventions that are informed by the guidelines of Output 8. These emphasise the development in an integrated manner.

The table below serves to illustrate the alignment of the budget to the IDP Strategic objectives:

– **IDP strategic objective (Revenue)**

The table below outlines the linkage between the IDP strategic objectives and operating revenue budget for the MTREF period. That is, it outlines how the projected revenue budget is going to be used in meeting the main goals of poverty reduction, job creation, rural and economic development, financial sustainability, spatial development and the built environment, eradication of bucket system, VIP toilets, roads, ageing infrastructure, human settlements, public transport, environmental management and climate change, social and community services, and good governance, anchoring the IDP

FS000 Mangaung - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)											
Strategic Objective	Goal	Goal Code	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
Strategic Leadership and Planning	Good Governance		21,131	70,315	24,556	6,389	6,389	6,389	7	7	8
IT governance and planning	Good Governance		1,250	1,434	10	10,404	10,404	10,404	118	125	131
Human Resource Management	Good Governance		4,254	1,984	3,461	7,930	3,058	3,058	9,761	10,738	11,811
Fleet Management and Support	Upgrading and Maintenance of Infrastructure		1	3	1	207	207	207	219	232	244
Stategic Management Programmes	Good Governance		698,564	678,792	357,290	1,138,708	1,155,391	1,155,391	1,105,739	1,289,202	1,436,859
Fire and Disaster Management	Social and Community Service		777	497	-	560	560	560	616	678	745
Environment Health	Social and Community Service		-	-	1,119	-	-	-	14,493	14,515	14,552
Parks and Cemeteries Management	Social and Community Service		4,123	5,297	5,424	2,325	2,273	2,273	9,060	9,966	10,963
Law Enforcement and Safety	Social and Community Service		7,233	2,848	3,365	9,464	7,374	7,374	7,855	8,638	9,502
Social and Community Development	Social and Community Service		1,695	1,815	84,590	3,627	3,627	3,627	806	887	975
Economic Development	Economic Development and Poverty Reduction		13,184	12,641	11,307	27,584	27,584	27,584	22,790	23,532	24,329
Market Services Management	Economic Development and Poverty Reduction		15,287	16,072	16,804	18,680	18,680	18,680	20,561	22,617	24,879
Fiscal Prudence	Financial Sustainability		406,380	497,522	601,298	2,221,378	2,244,208	2,244,208	961,591	1,025,731	1,098,935
Roads and Stormwater Improvement	Upgrading and Maintenance of Infrastructure		605	1,488	263,357	1,026	1,026	1,026	1,095	1,204	1,325
Solid Waste Management	Upgrading and Maintenance of Infrastructure		4,074	4,626	5,506	6,491	6,491	6,491	120,485	131,899	142,381
Water and Sanitation Provision	Upgrading and Maintenance of Infrastructure		193,616	241,237	299,125	338,329	338,329	338,329	134,242	145,850	158,434
Sustainable Shelter Provision	Human Settlement		17,710	5,414	4,740	12,948	12,948	12,948	14,376	15,814	17,395
Purified Water Provision	Upgrading and Maintenance of Infrastructure		363,586	404,953	541,421	602,055	602,055	602,055	610,174	678,251	746,911
Electricity Provision and Maintenance	Upgrading and Maintenance of Infrastructure		783,733	1,037,152	929,711	30,344	30,344	30,344	1,854,328	2,134,160	2,457,382
Total Revenue (excluding capital transfers and contributions)			2,537,202	2,984,087	3,153,085	4,438,450	4,470,948	4,470,948	4,888,315	5,514,045	6,157,762

– IDP strategic objective (Operating Expenditure)

The table below outlines the linkage between the IDP strategic objectives and operating expenditure budget for the MTREF period. That is, it outlines how the allocated expenditure budget is going to be used in meeting the main goals of poverty reduction, job creation, rural and economic development, financial sustainability, spatial development and the built environment, eradication of bucket system, VIP toilets, roads, ageing infrastructure, human settlements, public transport, environmental management and climate change, social and community services, and good governance, anchoring the IDP.

FS000 Mangaung - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)											
Strategic Objective	Goal	Goal Code	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Strategic Leadership and Planning	Good Governance		136,253	207,630	181,885	226,745	243,173	243,173	246,628	263,381	281,713
IT governance and planning	Good Governance		72,973	92,666	36,529	154,048	164,867	164,867	74,923	79,313	84,480
Human Resource Management	Good Governance		13,524	15,294	25,917	25,755	25,755	25,755	106,327	113,090	120,952
Fleet Management and Support	Upgrading and Maintenance of Infrastructure		13,669	15,174	59,405	17,994	17,994	17,994	18,654	14,069	15,498
Stategic Management Programmes	Good Governance		370,413	332,711	370,176	4,028	11,465	11,465	536,581	623,370	722,084
Fire and Disaster Management	Social and Community Service		34,515	39,646	39,943	52,055	52,055	52,055	50,750	54,016	56,657
Environment Health	Social and Community Service		-	-	3,723	-	-	-	24,528	26,266	28,089
Parks and Cemeteries Management	Social and Community Service		52,696	56,514	55,339	36,918	37,418	37,418	77,127	82,700	88,451
Law Enforcement and Safety	Social and Community Service		53,782	67,718	72,954	97,817	99,817	99,817	104,591	110,491	117,598
Social and Community Development	Social and Community Service		35,508	36,787	121,712	35,182	33,468	33,468	30,100	32,186	34,585
Economic Development	Economic Development and Poverty Reduction		42,963	50,720	48,011	72,522	75,382	75,382	129,532	137,003	125,032
Market Services Management	Economic Development and Poverty Reduction		11,894	13,150	14,025	12,764	12,764	12,764	13,861	14,795	15,817
Fiscal Prudence	Financial Sustainability		57,556	91,682	88,267	978,828	969,537	969,537	133,283	141,681	150,847
Roads and Stormwater Improvement	Upgrading and Maintenance of Infrastructure		122,488	128,225	131,813	127,273	119,062	119,062	183,673	199,635	213,367
Solid Waste Management	Upgrading and Maintenance of Infrastructure		78,222	80,206	72,816	77,889	100,849	100,849	107,633	116,376	124,400
Water and Sanitation Provision	Upgrading and Maintenance of Infrastructure		88,409	91,406	93,806	177,777	189,411	189,411	116,246	127,954	137,015
Sustainable Shelter Provision	Human Settlement		27,882	26,884	25,733	30,315	33,950	33,950	36,165	38,713	41,428
Purified Water Provision	Upgrading and Maintenance of Infrastructure		315,926	307,971	363,986	349,913	349,913	349,913	518,065	592,294	669,821
Electricity Provision and Maintenance	Upgrading and Maintenance of Infrastructure		779,907	1,043,547	1,046,365	1,213,707	1,213,707	1,213,707	1,667,649	1,917,514	2,230,043
Total Expenditure			2,308,580	2,697,932	2,852,404	3,691,530	3,750,588	3,750,588	4,176,315	4,684,847	5,257,878

– IDP strategic objective (Capital Expenditure)

The table below outlines the linkage between the IDP strategic objectives and capital expenditure budget for the MTREF period. That is, it outlines how the allocated capital expenditure budget is going to be used in meeting the main goals of poverty reduction, job creation, rural and economic development, financial sustainability, spatial development and the built environment, eradication of bucket system, VIP toilets, roads, ageing infrastructure, human settlements, public transport, environmental management and climate change, social and community services, and good governance, anchoring the IDP

Strategic Objective	Goal	Goal Code	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand											
Strategic Leadership and Planning	Good Governance		243,140	324,478	5	19,300	9,087	9,087	-	-	-
IT governance and planning	Good Governance		1,227	9,787	525	45,567	47,120	47,120	4,000	5,000	5,000
Human Resource Management	Good Governance		313	1,137	-	1,383	7,133	7,133	-	-	-
Fleet Management and Support	Upgrading and Maintenance of Infrastructure		330	-	-	29,973	29,973	29,973	25,448	32,975	35,712
Strategic Management Programmes	Good Governance		-	-	-	-	-	-	-	-	-
Fire and Disaster Management	Social and Community Service		2,697	10,923	-	3,791	3,791	3,791	500	3,300	1,032
Environment Health	Social and Community Service		-	-	-	-	-	-	-	-	-
Parks and Cemeteries Management	Social and Community Service		563	2,793	200	4,775	13,361	13,361	18,350	25,000	57,300
Law Enforcement and Safety	Social and Community Service		10,961	24,908	2,743	16,500	13,000	13,000	3,000	6,000	5,000
Social and Community Development	Social and Community Service		-	21	200,734	-	-	-	15,000	6,750	8,200
Economic Development	Economic Development and Poverty Reduction		11,404	8,248	1,555	79,202	76,057	76,057	68,687	57,835	92,835
Market Services Management	Economic Development and Poverty Reduction		-	-	-	1,150	3,670	3,670	-	-	-
Fiscal Prudence	Financial Sustainability		831	1,087	4,597	9,000	8,400	8,400	6,600	500	500
Roads and Stormwater Improvement	Upgrading and Maintenance of Infrastructure		59,855	127,978	104,752	218,969	232,896	232,896	129,159	168,696	164,732
Solid Waste Management	Upgrading and Maintenance of Infrastructure		6,237	8,234	5,563	7,948	7,944	7,944	12,410	13,550	11,300
Water and Sanitation Provision	Upgrading and Maintenance of Infrastructure		113,325	30,426	70,278	145,925	119,904	119,904	152,936	102,800	131,640
Sustainable Shelter Provision	Human Settlement		5,062	26,065	5,266	484	611	611	16,500	500	-
Purified Water Provision	Upgrading and Maintenance of Infrastructure		23,021	24,331	22,351	96,178	90,098	90,098	116,311	123,288	92,533
Electricity Provision and Maintenance	Upgrading and Maintenance of Infrastructure		107,501	102,075	40,167	144,002	152,002	152,002	184,767	215,467	226,467
Total Capital Expenditure			586,466	702,491	458,735	824,147	815,046	815,046	753,667	761,661	832,251

3. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

The table outlined below on the measurable performance objectives sets to outline how the municipality intends to manage and monitor service delivery progress against the identified strategic objective and priorities by the respective directorates.

FS000 Mangaung - Supporting Table SA7 Measureable performance objectives										
Description	Unit of measurement	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Vote 4 - FINANCE										
Revenue Management										
Debt Collection										
Outsource debtors older than 60 days	% decrease in debtors book							30.0%	20.0%	20.0%
Vote 5 - Social Services										
Emergency Services										
Fire and Rescue Operations										
Delivery of Operational Fire and Rescue Services in the entire MMM area complying to SANS 10090	Number (Percentage) of Fire and Rescue emergencies attended in	-	8 out of 10 emergencies (80%)	8 out of 10 emergencies (80%)	8 out of 10 emergencies (80%)	7,5 out of 10 emergencies (75%)	7,5 out of 10 emergencies (75%)	7,5 out of 10 emergencies (75%)	7,5 out of 10 emergencies (75%)	7,5 out of 10 emergencies (75%)
Delivery of a pro-active Fire Safety Service to MMM through regular inspections and scrutiny of building plans	Number of inspections at high risk premises	75 of 75 high risk inspections conducted	75 of 75 high risk inspections conducted	75 of 75 high risk inspections conducted	90 of 90 high risk inspections conducted	90 of 90 high risk inspections conducted	90 of 90 high risk inspections conducted	90 of 90 high risk inspections conducted	90 of 90 high risk inspections conducted	90 of 90 high risk inspections conducted
Attendance of Joint Operations Centre (JOC) at public events at: • All stadia in MMM; • All venues (capacity more than 2000 persons)	Percentage of JOC attendance at public events	-	Attending the JOC in 9 out of 10 (90%) events	Attending the JOC in 9 out of 10 (90%) events	Attending the JOC in 9 out of 10 (90%) events	Attending the JOC in 9 out of 10 (90%) events	Attending the JOC in 9 out of 10 (90%) events	Attending the JOC in 9 out of 10 (90%) events	Attending the JOC in 9 out of 10 (90%) events	Attending the JOC in 9 out of 10 (90%) events
Conduct Post incident assessments	Number of post incident assessments done within 24 hours after being reported to Disaster Management	-	7 out of 10 assessments done within 24 hours after being reported	7 out of 10 assessments done within 24 hours after being reported	7 out of 10 assessments done within 24 hours after being reported	7 out of 10 assessments done within 24 hours after being reported	7 out of 10 assessments done within 24 hours after being reported	7 out of 10 assessments done within 24 hours after being reported	7 out of 10 assessments done within 24 hours after being reported	7 out of 10 assessments done within 24 hours after being reported
Parks										
Green and beautify key sites such as city entrances and streets to improve attractiveness and promote civic pride	City entrances beautified	2	4	0	0	0	0	2	2	2
City Greening Plan : Planting of trees	Number of trees planted	150	200	300	400	400	400	500	600	700
Pruning of trees	Number of trees pruned	6000	8000	10000	12000	12000	12000	14400	16800	21600
Development of parks	Number of parks developed	0	1	0	0	0	0	2	2	2
Traffic and Law Enforcement										
Traffic Operations										
Crime hotspots eliminated/targeted	Number of crime hotspots eliminated	8 crime hotspots%	8 crime hotspots%	8 crime hotspots%	16 crime hotspots	16 crime hotspots	16 crime hotspots	16 crime hotspots	16 crime hotspots	16 crime hotspots
Traffic cases successfully enforced to finality and payment received	Number of traffic cases paid	-	4342	5000	5000	5000	5000	2.5% Increase on fines paid 5125	2.5% Increase on fines paid 5253	2.5% Increase on fines paid 5384
Number of fines, notices, summonses and warnings issued	Summonses issued	-	1232	800	800	800	800	2.5% Increase on fines paid 820	2.5% Increase on fines paid 840	2.5% Increase on fines paid 861
Social Development										
Environmental Health Services										
Ensure drinking and recreational water is of SANS 241 quality	Number of drinking water samples taken per annum and % complying with SANS 241	1012 samples taken	1426 samples, 95% compliant	1800 samples, 97% compliant	1800 samples, 97% compliant	1800 samples, 97% compliant	1820 samples, 97% compliant	1820 samples, 97% compliant	1900 samples, 97% compliant	1900 samples, 97% compliant
Ensure food safety	Number of food premise inspections conducted	-	4560 food premise inspections	4560 food premise inspections	4000 food premise inspections	4000 food premise inspections	4000 food premise inspections	4000 food premise inspections	4000 food premise inspections	4000 food premise inspections
Education & Awareness on HIV/AIDS	Conduct HIV/AIDS Training courses	12 courses conducted	12 courses conducted, 100% compliant	13 courses conducted, 100% compliant	12 courses, 100% compliant	8 courses 75% compliant	12 courses, 100% compliant	12 courses, 100% compliant	12 courses, 100% compliant	12 courses, 100% compliant
Encourage the community to know their status	Number of people tested through voluntary Counselling and testing (VCCCT)	-	1100	1789	1200	1200	1200	1200	1400	1400
Vote 6 - Planning										
Planning										
Building Management										
Design and execution of municipal/construction projects: Hoffman Square								70%	30%	0
Building Control										
Electronic submission of building plans	Number of building plans scanned							1,800	3,000	4,800
Economic Development										
SMME development										
SMME Training	Number of SMME's trained						240	400	430	440
Training of SMME officials	Number of courses attended						10	12	14	15
Barcode of hawker permits	Number of permits barcode						0	500	1,000	1,500
SMME's referred	Number of referrals						0	100	200	300
Marketing and Investment Promotion										
SMME forum meetings	Number of forum meetings						15	20	25	30
Marketing of Mangaung	Number of brochures						1,500	3,000	4,500	5,000
Production of compact discs	Number of CDs produced						1,500	3,000	4,500	5,000
Tourism										
Printing of tourism maps	Number of maps printed						5,000	10,000		
Training of tour guides	Number of tour guides						10	10	10	10
Develop tourism routes	Number of tourism routes						0	2	1	1
Development of tourism organisations	Number of tourism organisations developed						0	2	0	0

Vote 6 - HUMAN SETTLEMENT AND HOUSING											
Rental and Social Housing											
Reuction of Housing Backlogs											
<i>Low Cost Housing Delivery</i>	Number of housing opportunities provided								3,000	3,500	4,000
<i>Provision of Social and Rental Housing</i>	Number of households with access to social/rental housing								250	300	350
ACCELERATING ACCREDITATION TO IMPLEMENT NATIONAL HOUSING PROGRAMMES	Approved level 2 Accreditation Business Plan	0	0	Finalisation of level 2 & 3 Accreditation Business Plan	0	0	0	Level 2 Metro accreditation	Metro assessment for level 3 accreditation	Level 3 Metro accreditation	
UPGRADE OF INFORMAL SETTLEMENTS	No of Informal Settlements upgraded	0	0	0	0	0	0	5 Informal Settlements upgraded	7 Informal Settlements upgraded	8 Informal Settlements upgraded	
HOUSEHOLDS RELOCATED FROM FLOODPLAINS TO OTHER SERVITUDES	No of households relocated from floodplains	0	0	0	0	0	0	50 households	60 households	70 households	
<i>Accelerate Development of 7 Land Parcels Avail land for socio-economic development and promote s</i>	No of households	0	0	0	0	0	3	2	2	0	
<i>Monitor the performance Freshco as per agreement and project plan</i>	Number of land parcels availed							2	3	2	
<i>Acquire land for sustainable human settlements (Informal settlements)</i>	Number of quarterly reports submitted						3	4	4	4	
<i>Acquire land for sustainable human settlements (N8)</i>	Number of land parcels acquired			15	4	11	15	2	4	5	
<i>Facilitate the creation of new city node at Botshabelo</i>	Number of land parcels acquired							2	5	7	
	Number of land parcels acquired							1	2	4	
Vote 8 - FRESH PRODUCE MARKET											
Business Operations											
<i>Stakeholder meetings</i>	Number of stakeholder meetings						4	6	8	8	
Vote 13 - Strategic Projects & Service Delivery Regulation											
City Services Monitoring and Evaluation											
Regional Centres											
<i>Service delivery regulatory, monitoring and evaluation</i>	% Improved on service delivery	-	-	-	-	-	-	20.0%	50.0%	75.0%	
<i>Customer Relations Management</i>	% Improvement of customer queries resolved on time	-	-	-	-	-	-	20.0%	50.0%	75.0%	
Strategic Projects											
Project Contracts Management											
<i>Development, management and custodian of all Grant funding and Engineering Professional Service Providers database, and Overall coordination of the Development Services</i>	% on grant funded contracts implemented and managed in a financial year	-	-	-	-	-	-	90.0%	95.0%	100.0%	
Projects Implementation Unit											
<i>Overseeing the implementation of multi-disciplined projects with large capital outlay and providing a supporting role in the implementation of capital projects and improving the Capital Budget</i>	% of capital projects implemented in a financial year	-	-	-	-	-	-	90.0%	95.0%	100.0%	
Sub-function 3 - (name)											
Vote 9 - ENGINEERING SERVICES											
Water											
Water Services											
<i>Hoseholds provided with water connections</i>	number	11,168	10,935	3,159	839	839	839	500	450	410	
<i>New internal water pipelines</i>	meter	9,135	9,235	0	5,034	5,034	5,034	3,000	2,700	2,460	
<i>New bulk water pipelines</i>	meter	30,024	28,913	286	7,840	7,840	7,840	2,500	1,500	1,500	
Sanitation											
<i>Households provided with sewer connections</i>	number	1,217	1,385	3,365	1,403	1,403	1,403	500	450	410	
<i>New internal sewer pipelines</i>	meter	1,089	1,645	0	8,410	8,410	8,410	3,000	2,700	2,460	
<i>New bulksewer pipelines</i>	meter	3,259	3,568	1,841	5,884	5,884	5,884	900	700	100	

A. Key Financial Ratios / Indicators

The benchmark reflected in the table below as based on actual results in the 2010/11 financial year and the outlook for the MTREF period.

FS000 Mangaung - Supporting Table SA8 Performance indicators and benchmarks										
Description of financial indicator	Basis of calculation	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Borrowing Management										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	1.6%	1.3%	2.5%	1.5%	1.4%	1.4%	1.9%	1.8%	1.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.2%	1.7%	3.1%	1.7%	1.6%	1.6%	2.1%	2.0%	1.7%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	-0.8%	27.1%	24.5%	48.2%	34.8%	34.8%	49.3%	0.0%	0.0%
Safety of Capital										
Gearing	Long Term Borrowing/ Funds & Reserves	2.0%	0.7%	1.3%	17.6%	11.9%	11.9%	17.0%	13.2%	9.5%
Liquidity										
Current Ratio	Current assets/current liabilities	0.8	0.6	0.8	1.2	1.6	1.3	1.0	1.1	1.2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.8	0.6	0.8	1.2	1.6	1.3	1.0	1.1	1.2
Liquidity Ratio	Monetary Assets/Current Liabilities	0.3	0.0	0.3	0.4	0.8	0.6	0.4	0.5	0.6
Revenue Management										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		74.3%	72.6%	102.6%	89.0%	82.7%	0.0%	88.4%	88.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			74.5%	83.4%	102.2%	89.0%	82.5%	0.0%	88.4%	88.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	20.8%	17.2%	17.4%	13.9%	11.4%	11.4%	11.5%	11.0%	10.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old									
Creditors Management										
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))	95.0%	87.5%		95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Creditors to Cash and Investments		302.2%	1876.9%	362.3%	228.3%	313.3%	313.3%	213.8%	172.6%	131.0%
Other Indicators										
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	9.1%	116.0%		15.0%	15.0%	15.0%	18.0%	16.0%	15.0%
Water Distribution Losses (2)	% Volume (units purchased and own source less units sold)/Total units purchased and own source	36.0%	27.9%		28.0%	28.0%	28.0%	32.0%	25.0%	21.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	28.1%	26.3%	27.3%	23.1%	23.0%	23.0%	21.9%	21.6%	21.3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	29.1%	27.2%	0.0%	24.2%	24.1%	24.1%	23.0%	22.7%	22.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6.9%	5.2%	3.3%	5.6%	5.7%	5.7%	5.5%	5.2%	5.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	10.9%	9.2%	12.7%	6.3%	6.2%	6.2%	6.1%	6.1%	6.0%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	11.4	63.3	32.6	47.1	47.1	47.1	52.3	58.2	65.6
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	30.2%	24.0%	22.8%	21.0%	17.2%	17.2%	17.1%	16.2%	15.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.1	0.3	1.3	1.1	0.6	0.6	1.2	1.6	1.9

4. OVERVIEW OF BUDGET-RELATED POLICIES

4.1 Budget Policies

The following are policies that govern the municipality's budget, compilation and/or implementation thereof:

- Supply Chain Management Policy
- Banking and Investment Policy
- Credit Control and Debt Collection Policy
- Land Disposal Policy
- Indigent Policy
- Tariffs Policy
- Asset Management Policy
- Leave policy
- Budget Policy
- Prepayment Water Meter Policy

The abovementioned policies are available on the Mangaung Metropolitan Municipality's website (www.mangaung.co.za)

4.2 New and Amendments to Policies (Annexure B)

4.2.1 The following new draft policies is being tabled in Council with this final budget proposals:

- Funding and Reserves Policy
- Borrowing Policy
- Capital Infrastructure Investment Policy
- Policy on Long Term Financial Planning
- Virement Policy
- Policy on the writing off of Irrecoverable debt

The objective of the proposed policies can be briefly described as follows:

1. Funding and Reserves Policy

The Funding and Reserves Policy is aimed at ensuring that the Municipality has sufficient and cost-effective cash funding in order to achieve its objectives through the implementation of its operating and capital budgets.

The policy sets out the assumptions and methodology for estimating the following:-

- a. Projected billings, collections and all direct revenues;
- b. The provision for revenue that will not be collected;
- c. The funds the Municipality can expect to receive from investments;
- d. The proceeds the Municipality can expect to receive from the transfer or disposal of assets;
- e. The Municipality's borrowing requirements; and
- f. The funds to be set aside in reserves.

2. Borrowing Policy

The purpose of this policy is to ensure that borrowing forms part of the financial management procedures of the Mangaung Metropolitan Municipality and to ensure that prudent borrowing procedures are applied consistently.

3. Capital Infrastructure Investment Policy

The policy aims to describe the process through which the Municipality can initiate projects of a capital nature. It ultimately aims to serve as a principal instrument to steer the budget for Infrastructure and Capital projects in the Municipality around a particular agreeable and sustainable developmental path.

Purpose

The policy sets out the process and methodology for capital investment of any nature, regardless of the funding source. The following investments of a capital infrastructure nature falls within the ambit of this policy:-

- a. New building construction or acquisitions;
- b. Extensions to existing buildings;
- c. Upgrades to accommodation and housing, other than those projects relating to low cost housing;
- d. Land acquisitions;
- e. All major capital works, as covered within the Asset Maintenance / Life-Cycle Management Policy;
- f. All infrastructure developments; and
- g. Information and communication infrastructure renewals and/or upgrades;

4. Policy on Long Term Financial Planning

The Policy on Long Term Financial Planning is aimed at ensuring that the Municipality has sufficient and cost-effective funding in order to achieve its long term objectives through the implementation of the medium term operating and capital budgets. The purpose of the Policy on Long Term Financial Planning is therefore to:-

- a. Ensure that all long term financial planning is based on a structured and consistent methodology in order to ensure the long term financial sustainability of Mangaung Metropolitan Municipality.
- b. Identify capital investment requirements and associated funding sources to ensure the future sustainability of the Municipality;
- c. Identify revenue enhancement and cost saving strategies in order to improve service delivery at affordable rates; and
- d. Identify new revenue sources as funding for future years.

5. Virement Policy

This policy aims to provide guidelines to senior management in the use of virements as a mechanism in their day-to-day management of their budgets and to allow flexibility in the use of budgeted funds to enable management to act on occasions such as disasters, unforeseen expenditure or savings, etc. as they arise so as to accelerate service delivery in a financially responsible manner.

In addition, it specifically aims to empower senior managers with an efficient financial – and budgetary system to ensure optimum service delivery within the current legislative framework of the MFMA and the Municipality's system of delegations.

6. Policy On The Writing Off Of Irrecoverable Debt

The Council has the overall responsibility for adopting and approving the Policy on Writing Off of irrecoverable debt.

4.2.2 The following existing policies of council have been amended and are hereby submitted with the draft budget:

- Credit Control and Debt Collection Policy
- Indigent Policy
- Property Rates Policy
- Tariff Policy
- Policy on Cash Management and Investment of Funds
- Supply Chain Management Policy

Outlined below are the key amendments to the policies.

i. Credit control and debt collection policy

The proposed changes are intended to cover the following areas which were not addressed in the current policy. The changes are as result of operational requirements, new legislation that came into been or lessons learned from court cases experienced by other municipalities:-

- (i) The definition of Arrangements that needed to be concluded between the debtor and the municipality does not provide for the provisions of the National Credit Act;
- (ii) The need to provide a disconnection notices prior to the disconnection of services;
- (iii) The delegation of write-off of certain amounts by Chief Financial Officer in the instances where the costs of collection exceed the benefits.

ii. Policy review-Indigent Policy

The proposed changes are as a result of operational requirements:-

- (i) Currently the municipality is offering 6kl for free to approved indigents households and there is a need to increase the allocation to 10kl;
- (ii) The current policy dictates that the indigent status of the debtor is only valid for 12 months and there is a need to increase the duration to at least 3 years;
- (iii) The need to clarify the role of ward councilors in the indigent application process
- (iv) The need to incorporate the pauper burials in the indigent policy.

iii. Policy review- Property Rates policy

- (i) Proposed changes are mend to align the policy with the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004) and to phase out, the rebates that were offered as per the MPRA since the phase in period has now expired;

iv. Policy review- Tariff Policy

- (i) The changes are intended to align the policy with the Local Government: Municipal Systems Act, 2000 (No. 32 of 2000) especially on the levying of sanitation (refuse and sewer):-
 - Section 74(2)(a) – users should be treated equably
 - Section 74(2)(b) – the amount individual users pay for services should generally be in proportion to the use of that service
 - Section 74(2)(d) - tariffs must reflect the cost reasonably associated with that service – property tax should not subsidize water/sewer/refuse as not everyone has access to it.
 - section 74(2)(i) – the extend of subsidization should be disclosed
- (ii) Each service should be self sustainable and reflects total cost, including admin cost
- (iii) To split refuse and sewer tariff in order to be align the charges as is the case with other municipalities.
- (iv) Sewerage is linked to property value and refuse removal is linked to erf size.

v. Policy on Cash Management and Investment of Funds

The major has been adjusted to be compliant with the current legislation, i.e. the current policy dated 2003 which still gives the Chief Financial Officer the delegation of powers to make investments in terms of section 60(2) of the Municipal Systems Act. This section of the legislation was already amended in 2008 and changed to the Municipal Manager and the Chief Financial Officer.

vi. Supply Chain Management Policy

The major amendment to the policy has been to adjust it to be compliant with the 2011 Preferential Procurement Regulations, as well as MFMA Circular 57 dealing with the replacement of core financial management systems.

5. OVERVIEW OF BUDGET ASSUMPTIONS

5.1 Key Parameters

The following provisional indicative growth rates and parameters were issued to directorates for compiling their operating budgets and tariffs.

Expenditure Parameters	PARAMETER		
	2012/13	2013/14	2014/15
Salaries - Annual increase	8.0%	7.5%	7.0%
Councillors Remuneration	8.0%	7.5%	7.0%
General Expenditure	6.0%	6.0%	6.0%
Grants to Entity	R 138,232,576	R 165,232,576	R 198,239*,312
Bulk Purchases			
Water	10.0%	10.0%	10.0%
Electricity	22.0%	20.0%	18.0%
Contracted Services	6.0%	6.0%	6.0%
Repairs and Maintenance	8.0%	8.0%	8.0%
Depreciation	7.0%	7.0%	7.0%
Bad Debts Provision	5.0%	5.0%	5.0%
Bad Debt Provision Value	R 142,989,312	R 143,321,955	R 157,910,865
Other Provisions	5.0%	5.0%	5.0%
Capital Expenditure	R 753,667,166	R 761,661,137	R 832,251,021
Surplus Funds	R 109,047,579	R 117,174,713	R 96,211,597
External Loans	R 105,885,163	-	-
Grant and Donations	R 513,967,000	R 619,719,000	R 7711,272,000
Public Contribution	R 24,797,424	R 24,767,424	R 24,767,424

Revenue	PARAMETER		
	2012/13	2013/14	2014/15
Fuel Levy	R 237,704,000	R 260,555,000	R 274,625,000
Capital Grants and Subsidies	R 513,967,000	R 559,884 million	R 588,797 million
Tariff Increases			
Water (Average)	13.00%	10.00%	10.00%
Electricity (Average)	8.73%	10.00%	10.00%
Assessment Rates	9.00%	10.00%	10.00%
Sewerage Fees	9.00%	10.00%	10.00%
Fines	10.00%	10.00%	10.00%
Rent of Facilities and Equipment	10.00%	10.00%	10.00%
Licences and Permit	10.00%	10.00%	10.00%
Other Revenue not mentioned above	10.00%	10.00%	10.00%
Equitable Share	R 608,634,000	R 6652,171,000	R 701,138,000
Interest Earned	R 31,717 million	R 35,174 million	R 36,76 million
Interest Earned Outstanding Debtors	R 23.01 million	R 21.98 million	R 21.365 million

5.2 Other Assumptions

Other assumptions that informed the budget are calculated in the following Supporting Tables SA11 to SA14

Supporting table SA11 Property Rates Summary

The table below provides a summary of the municipal evaluation roll that was used as a basis for assessment rates revenue estimates. In projecting the estimated revenue the following factors were taken into account:

- The last formal valuation roll was compiled in 2009, following the introduction of the Property Rates Act, No 6 of 2004.
- Supplementary valuations that have been performed since 2009 to date;
- Projected growth in the city municipality's tax base of 1,75% per annum.

FS000 Mangaung - Supporting Table SA11 Property rates summary

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Valuation:									
Date of valuation:	2002/07/01	2009/07/01	2009/07/01	2009/07/01					
Financial year valuation used	2003	2009	2009	2009			2009		
Municipal by-laws s6 in place? (Y/N)	NO	NO	YES	Yes			YES		
Municipal/assistant valuer appointed? (Y/N)	YES	YES	YES	No			YES		
Municipal partnership s38 used? (Y/N)	N/A	N/A	N/A	No	No	No	N/A	N/A	N/A
No. of assistant valuers (FTE)	N/A	N/A	N/A	NA	NA	NA	N/A	N/A	N/A
No. of data collectors (FTE)	N/A	N/A	N/A	NA	NA	NA	N/A	N/A	N/A
No. of internal valuers (FTE)	N/A	N/A	N/A	-	-	-	0	-	-
No. of external valuers (FTE)	N/A	N/A	N/A	1 Valuation firm	1 Valuation firm	1 Valuation firm	1 Valuation Firm	1 Valuation Firm	1 Valuation Firm
No. of additional valuers (FTE)	External	External	External	NA	NA	NA	External	External	External
Valuation appeal board established? (Y/N)			YES	Yes			YES		
Implementation time of new valuation roll (mths)	12	36	36	36			36		
No. of properties	190,380	387,957	389,722	392,645	392,645	392,645	405,518	408,560	411,624
No. of sectional title values	-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)	-	-	-	-	-	-	-	-	-
No. of supplementary valuations	Not available yet	-	-	12	12	12	12	12	12
No. of valuation roll amendments	-	-	-	-	-	-	-	-	-
No. of objections by rate payers	-	750	-	-	-	-	-	-	-
No. of appeals by rate payers	-	420	-	-	-	-	-	-	-
No. of successful objections	-	437	-	-	-	-	-	-	-
No. of successful objections > 10%	-	185	-	-	-	-	-	-	-
Supplementary valuation	NA	-	-	-	-	-	-	-	-
Public service infrastructure value (Rm)	NA	-	-	-	-	-	-	-	-
Municipality owned property value (Rm)	53	-	-	2,184	-	-	-	-	-
Valuation reductions:									
Valuation reductions-public infrastructure (Rm)	NA	-	-	NA	NA	NA	-	-	-
Valuation reductions-nature reserves/park (Rm)	NA	-	-	NA	NA	NA	-	-	-
Valuation reductions-mineral rights (Rm)	NA	-	-	NA	NA	NA	-	-	-
Valuation reductions-R15,000 threshold (Rm)	NA	-	-	6,817	6,817	6,817	-	-	-
Valuation reductions-public worship (Rm)	176	-	-	304	304	304	-	-	-
Valuation reductions-other (Rm)	-	-	-	-	-	-	-	-	-
Total valuation reductions:	176	-	-	7,121	7,121	7,121	-	-	-
Total value used for rating (Rm)	24,741	-	-	37,308	37,308	37,308	-	-	-
Total land value (Rm)	8,174	-	-	-	-	-	-	-	-
Total value of improvements (Rm)	16,567	-	-	-	-	-	-	-	-
Total market value (Rm)	24,741	-	-	37,308	37,308	37,308	-	-	-
Rating:									
Residential rate used to determine rate for other categories? (Y/N)	No	-	-	Yes	-	-	-	-	-
Differential rates used? (Y/N)	No	-	-	Yes	-	-	-	-	-
Limit on annual rate increase (s20)? (Y/N)	No	-	-	No	-	-	-	-	-
Special rating area used? (Y/N)	No	-	-	No	-	-	-	-	-
Phasing-in properties s21 (number)	No	-	-	3202	-	-	-	-	-
Rates policy accompanying budget? (Y/N)	No	-	-	Yes	-	-	-	-	-
Fixed amount minimum value (R'000)	None	-	-	-	-	-	-	-	-
Non-residential prescribed ratio s19? (%)	0.0%	-	-	0.0%	-	-	-	-	-
Rate revenue:									
Rate revenue budget (R'000)	285,027	338,504	396,843	445,409	445,409	445,409	506,433	558,554	613,313
Rate revenue expected to collect (R'000)	259,090	313,116	334,067	420,911	420,911	420,911	460,854	508,284	558,115
Expected cash collection rate (%)	90.9%	-	84.2%	94.5%	94.5%	94.5%	91.0%	91.0%	91.0%
Special rating areas (R'000)	-	-	-	-	-	-	-	-	-
Rebates, exemptions - indigent (R'000)	-	-	-	-	-	-	12,457	13,204	13,997
Rebates, exemptions - pensioners (R'000)	-	-	-	-	-	-	-	-	-
Rebates, exemptions - bona fide farm. (R'000)	-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)	-	-	-	-	-	-	-	-	-
Phase-in reductions/discounts (R'000)	-	-	-	-	-	-	-	-	-
Total rebates,exemptns,eductns,discs (R'000)	-	-	-	-	-	-	12,457	13,204	13,997

Supporting Table SA12 Property Rates by Category

Tables SA12a and 12b provides details of the number of the properties per rateable category as existing in the valuation roll.

FS000 Mangaung - Supporting Table SA12a Property rates by category (current year)

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monumts	Public benefit organs	Mining Props.
Current Year 2011/12																
Valuation:																
No. of properties	156,983	--	4,448	3,202	723	17,561	261	--	--	14,428	--	--	--	--	--	--
No. of sectional title property values	20,714	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
No. of unreasonably difficult properties s7(2)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
No. of supplementary valuations	2,153	--	153	6	10	47	--	--	--	--	--	--	--	--	--	--
Supplementary valuation (Rm)	--	--	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	--	--	--	--
No. of valuation roll amendments	2,153	--	153	NA	NA	NA	NA	--	--	--	--	--	--	--	--	--
No. of objections by rate-payers	11	--	2	--	--	--	--	--	--	--	--	--	--	--	--	--
No. of appeals by rate-payers	NA	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
No. of appeals by rate-payers finalised	NA	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
No. of successful objections	11	--	2	2	--	--	--	--	--	--	--	--	--	--	--	--
No. of successful objections > 10%	11	--	2	2	--	--	--	--	--	--	--	--	--	--	--	--
Estimated no. of properties not valued	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Years since last valuation (select)	3	--	3	3	3	3	3	3	3	3	3	3	--	--	--	--
Frequency of valuation (select)	3	--	5	5	5	5	5	5	5	5	5	5	--	--	--	--
Method of valuation used (select)	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	--	--	--	--
Base of valuation (select)	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	--	--	--	--
Phasing-in properties s21 (number)	--	--	--	3202	--	--	--	--	--	--	--	--	--	--	--	--
Combination of rating types used? (Y/N)	No	--	No	No	No	No	No	No	No	No	No	No	--	--	--	--
Flat rate used? (Y/N)	No	--	No	No	No	No	No	No	No	No	No	No	--	--	--	--
Is balance rated by uniform rate/variable rate?	Variable	--	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	--	--	--	--
Valuation reductions:																
Valuation reductions-public infrastructure (Rm)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Valuation reductions-nature reserves/park (Rm)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Valuation reductions-mineral rights (Rm)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Valuation reductions-R15,000 threshold (Rm)	6,087	0	0	1,240	0	0	0	0	0	0	0	0	--	--	--	--
Valuation reductions-public worship (Rm)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Valuation reductions-other (Rm)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total valuation reductions:																
Total value used for rating (Rm)	24,478	--	5,880	1,240	3,224	2,193	69	--	--	224	--	--	--	--	--	--
Total land value (Rm)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total value of improvements (Rm)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total market value (Rm)	24,478	--	5,880	1,240	3,224	2,193	69	--	--	224	--	--	--	--	--	--
Rating:																
Average rate	0.779600	--	3.862000	3.862000	1.949000	--	--	--	--	--	--	--	--	--	--	--
Rate revenue budget (R'000)	133,519	--	255,081	422	56,388	--	--	--	--	--	--	--	--	--	--	--
Rate revenue expected to collect (R'000)	126,175	--	241,051	379	53,287	--	--	--	--	--	--	--	--	--	--	--
Expected cash collection rate (%)	91.0%	0.0%	91.0%	91.0%	91.0%	--	--	--	--	--	--	--	--	--	--	--
Special rating areas (R'000)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Rebates, exemptions - indigent (R'000)	10,172	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Rebates, exemptions - pensioners (R'000)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Rebates, exemptions - bona fide farm. (R'000)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Rebates, exemptions - other (R'000)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Phase-in reductions/discounts (R'000)	--	--	--	843	--	--	--	--	--	--	--	--	--	--	--	--
Total rebates,exemptns,eductns,discs (R'000)	--	--	--	843	--	--	--	--	--	--	--	--	--	--	--	--

FS000 Mangaung - Supporting Table SA12b Property rates by category (budget year)

Description	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monumts	Public benefit organs	Mining Props.
Budget Year 2012/13																
Valuation:																
No. of properties	282,141	70,287	15,376	2,581	2,348	1,287	--	--	--	--	--	13,397	--	--	--	--
No. of sectional title property values	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
No. of unreasonably difficult properties s7(2)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
No. of supplementary valuations	2,153	--	153	6	10	47	--	--	--	--	--	--	--	--	--	--
Supplementary valuation (Rm)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
No. of valuation roll amendments	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
No. of objections by rate-payers	4	--	2	2	--	--	--	--	--	--	--	7	--	--	--	--
No. of appeals by rate-payers	4	--	2	2	--	--	--	--	--	--	--	7	--	--	--	--
No. of appeals by rate-payers finalised	4	--	2	2	--	--	--	--	--	--	--	7	--	--	--	--
No. of successful objections	2	--	2	1	--	--	--	--	--	--	--	--	--	--	--	--
No. of successful objections > 10%	4	--	2	2	--	--	--	--	--	--	--	7	--	--	--	--
Estimated no. of properties not valued	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Years since last valuation (select)	4	4	4	--	--	--	--	--	--	--	--	--	--	--	--	--
Frequency of valuation (select)	<4	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Method of valuation used (select)	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	--	--	--	--
Base of valuation (select)	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	--	--	--	--
Phasing-in properties s21 (number)	282141	70827	15376	2581	2348	1287	0	0	0	0	0	13397	0	0	0	0
Combination of rating types used? (Y/N)	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Flat rate used? (Y/N)	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Is balance rated by uniform rate/variable rate?	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable
Valuation reductions:																
Valuation reductions-public infrastructure (Rm)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Valuation reductions-nature reserves/park (Rm)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Valuation reductions-mineral rights (Rm)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Valuation reductions-R15,000 threshold (Rm)	6,087	--	--	1,240	--	--	--	--	--	--	--	--	--	--	--	--
Valuation reductions-public worship (Rm)	271	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Valuation reductions-other (Rm)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total valuation reductions:																
Total value used for rating (Rm)	28,292	--	5,645	1,240	3,191	2,184	69	--	--	232	--	--	--	--	--	--
Total land value (Rm)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total value of improvements (Rm)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total market value (Rm)	28,292	--	5,645	1,240	3,191	2,184	16	--	--	232	--	--	--	--	--	--
Rating:																
Average rate	160,283	--	218,002	47,880	62,192	--	--	--	--	18,076	--	--	--	--	--	--
Rate revenue budget (R'000)	145,858	--	198,382	43,571	62,192	--	--	--	--	16,449	--	--	--	--	--	--
Rate revenue expected to collect (R'000)	145,858	--	198,382	43,571	62,192	--	--	--	--	16,449	--	--	--	--	--	--
Expected cash collection rate (%)	91.0%	--	91.0%	91.0%	100.0%	--	--	--	--	91.0%	--	--	--	--	--	--
Special rating areas (R'000)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Rebates, exemptions - indigent (R'000)	12,457	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Rebates, exemptions - pensioners (R'000)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Rebates, exemptions - bona fide farm. (R'000)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Rebates, exemptions - other (R'000)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Phase-in reductions/discounts (R'000)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total rebates,exemptns,eductns,discs (R'000)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Supporting Table SA13 Service Tariffs by Category.

The supporting table below provides the reader with details of service charges tariffs to be levied over the MTREF period, exemptions, reductions and rebates.

FS000 Mangaung - Supporting Table SA13 Service Tariffs by category

Description	Provide description of tariff structure where appropriate	2008/9	2009/10	2010/11	Current Year 2011/12	2012/13 Medium Term Revenue & Expenditure Framework		
						Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Property rates (rate in the Rand)								
Residential properties	Cent per Rand on rateable value		0.5651 cent	0.6386 cent	0.7152 cent	0.7796 cent	0.8497 cent	0.9262 cent
Residential properties - vacant land	Cent per Rand on rateable value		0.5651 cent	0.6386 cent	0.7152 cent	0.7796 cent	0.8497 cent	0.9262 cent
Formal/informal settlements	Cent per Rand on rateable value		0.5651 cent	0.6386 cent	0.7152 cent	0.7796 cent	0.8497 cent	0.9262 cent
Small holdings	Cent per Rand on rateable value		0.5651 cent	0.6386 cent	0.7152 cent	0.7796 cent	0.8497 cent	0.9262 cent
Farm properties - used	Cent per Rand on rateable value		0.0340 cent	0.0798 cent	0.1341 cent	0.1949 cent	0.2124 cent	0.2315 cent
Farm properties - not used	Cent per Rand on rateable value		0.0340 cent	0.0798 cent	0.1341 cent	0.1949 cent	0.2124 cent	0.2315 cent
Industrial properties	Cent per Rand on rateable value		2.8255 cent	3.1081 cent	3.5432 cent	3.8620 cent	4.2096 cent	4.5885 cent
Business and commercial properties	Cent per Rand on rateable value		2.8255 cent	3.1081 cent	3.5432 cent	3.8620 cent	4.2096 cent	4.5885 cent
Communal land - residential	Cent per Rand on rateable value		0.5651 cent	0.6386 cent	0.7152 cent	0.7796 cent	0.8497 cent	0.9262 cent
Communal land - small holdings	Cent per Rand on rateable value		0.5651 cent	0.6386 cent	0.7152 cent	0.7796 cent	0.8497 cent	0.9262 cent
Communal land - farm property	Cent per Rand on rateable value		2.8255 cent	3.1081 cent	3.5432 cent	3.8620 cent	4.2096 cent	4.5885 cent
Communal land - business and commercial	Cent per Rand on rateable value		2.8255 cent	3.1081 cent	3.5432 cent	3.8620 cent	4.2096 cent	4.5885 cent
Communal land - other	Cent per Rand on rateable value		-	-	-	-	-	-
State-owned properties	Cent per Rand on rateable value		1.4128 cent	1.5965 cent	1.7881 cent	1.9490 cent	2.1244 cent	0.2315 cent
Municipal properties	Cent per Rand on rateable value					n/a	n/a	n/a
Public service infrastructure	Cent per Rand on rateable value					n/a	n/a	n/a
Privately owned towns serviced by the owner	Cent per Rand on rateable value		0.5651 cent	0.6386 cent	0.7152 cent	0.7796 cent	0.8497 cent	0.9262 cent
State trust land								
Restitution and redistribution properties	Cent per Rand on rateable value							
Exemptions, reductions and rebates (Rands)								
Residential properties								
R15 000 threshold rebate								
General residential rebate	Rebate for first R40 000			40,000	40,000	40,000	40,000	40,000
Indigent rebate or exemption	Full rebate				-	-	-	-
Pensioners/social grants rebate or exemption	Rebate				200,000	200,000	200,000	200,000
Temporary relief rebate or exemption								
Bona fide farmers rebate or exemption	Phase in market value							
List other rebates or exemptions								
[insert lines if necessary]								
Water tariffs								
Domestic								
Basic charge/ fixed fee (Rands/month)								
Service point - vacant land (Rands/month)		16.61	18.43	21.21	23.33	26.82	29.50	32.45
Water usage - Block 1 (c/kl)	0-6kl	-	2.89	3.32	3.65	4.34	4.77	5.25
Water usage - Block 1 (c/kl)	7-15kl	-	-	-	-	12.00	13.20	14.52
Water usage - Block 2 (c/kl)	7-30kl	7.54	8.70	10.01	11.01	-	-	-
Water usage - Block 2 (c/kl)	16-30kl	-	-	-	-	12.66	13.93	15.32
Water usage - Block 3 (c/kl)	31-60kl	-	-	-	-	13.68	15.05	16.55
Water usage - Block 3 (c/kl)	31-100kl	8.14	9.04	10.40	11.40	-	-	-
Water usage - Block 5 (c/kl)	above 60kl	-	-	-	-	14.25	15.68	17.24
Water usage - Block 4 (c/kl)	above 100kl	8.63	9.58	11.02	12.12	-	-	-
Waste water tariffs								
Domestic								
Basic charge/ fixed fee (Rands/month)	Cent per Rand on rateable value less R40 000 - Minimum R70	0.8283 cent on improvements	0.3388 cent	0.3828 cent	0.4211 cent	0.3213	0.3502	0.3817
		9.119 cent on land value	-	-	-	n/a	n/a	n/a
Service point - vacant land (Rands/month)		R60.00	-	-	-	n/a	n/a	n/a
Waste water - flat rate tariff (c/kl)								
Volumetric charge - Block 1 (c/kl)		-	-	-	-	-	-	-
Volumetric charge - Block 2 (c/kl)		-	-	-	-	-	-	-
Volumetric charge - Block 3 (c/kl)		-	-	-	-	-	-	-
Volumetric charge - Block 4 (c/kl)		-	-	-	-	-	-	-
[insert extra blocks if necessary]								

Electricity tariffs								
Domestic								
Basic charge/fixd fee (Rands/month)	N/A	51.193	67.52	-	-	-	-	-
Service point - vacant land (Rands/month)	N/A	-	-	-	-	-	-	-
FBE	50 units		0.622	-	-	-	-	-
Life-line tariff - meter	N/A							
Life-line tariff - prepaid	N/A							
Flat rate tariff - meter (c/kwh)	N/A	0.43						
Flat rate tariff - prepaid(c/kwh)	N/A	0.43						
Meter - IBT Block 1 (c/kwh)	0-50	N/A	0.622	0.67	0.72	0.7400	0.8695	0.9999
Meter - IBT Block 2 (c/kwh)	51-350	N/A	0.788	0.80	0.83	0.9000	1.0575	1.2161
Meter - IBT Block 3 (c/kwh)	351-600	N/A	N/A	0.865	0.945	1.0500	1.2338	1.4188
Meter - IBT Block 4 (c/kwh)	>600	N/A	N/A	0.910	1.076	1.2300	1.4453	1.6620
Rotational IBT								
Rotational - IBT Block 1 (c/kwh)	0-50			0.67	0.72	0.7400	0.8695	0.9999
Rotational - IBT Block 2 (c/kwh)	51-350			0.80	0.83	0.9000	1.0575	1.2161
Rotational - IBT Block 3 (c/kwh)	351-600			0.865	0.945	1.0500	1.2338	1.4188
Rotational - IBT Block 4 (c/kwh)	>600			0.910	1.076	1.2300	1.4453	1.6620
Homeflex (ToU)	Connection: 80A to 150A per phase	New tariff	New tariff	New tariff				
Basic charge/fixd fee (Rands/month)					53	250.0000	293.7500	337.8125
Peak					0.750	1.0700	1.2573	1.4458
Off Peak					0.600	0.8000	0.9400	1.0810
Standard					0.520	0.6800	0.7990	0.9189
Environmental levy					-	0.0300	0.0353	0.0405
Capacity Charge					2.080	Removed	Removed	Removed
Bulk Residential 2 (ToU)	500kVA connection sizes and higher	New tariff	New tariff	New tariff	New tariff			
Basic charge/fixd fee (Rands/month)						1400.0000	1645.0000	1891.7500
Access Charge						12.7800	15.0165	17.2690
Maximum Demand						36.5200	42.9110	49.3477
Peak						1.2700	1.4923	1.7161
Off Peak						0.7600	0.8930	1.0270
Standard						0.6500	0.7638	0.8783
Environmental levy						0.0300	0.0353	0.0405
Bulk Residential 3 (ToU)	150 to 150kVA connection size	New tariff	New tariff	New tariff	New tariff			
Basic charge/fixd fee (Rands/month)						1050.0000	1233.7500	1418.8125
Access Charge						14.0600	16.5205	18.9986
Maximum Demand						40.1800	47.2115	54.2932
Peak						1.3900	1.6333	1.8782
Off Peak						2.8400	3.3370	3.8376
Standard						0.7100	0.8343	0.9594
Environmental levy						0.0300	0.0353	0.0405
Waste management tariffs								
Domestic								
Street cleaning charge						-	-	-
Basic charge/fixd fee						-	-	-
80l bin - once a week	Rand per size of stand					70	76	83
250l bin - once a week								

Supporting Table SA14 Household bills

The table below gives the user an indication of the size of the household bill then an average household should expect to pay for services

FS000 Mangaung - Supporting Table SA14 Household bills										
Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13 % incr.	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Rand/cent										
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	282.48	319.20	360.70	403.98	403.98	403.98	9.0%	428.78	467.37	509.43
Electricity: Basic levy	51.19	68.60	-	-	-	-	-	-	-	-
Electricity: Consumption	430.00	576.00	714.50	956.25	956.25	956.25	8.78%	1,061.50	1,167.65	1,284.42
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	180.96	226.14	260.06	286.14	286.14	286.14	-	323.94	353.09	384.87
Sanitation	74.22	83.87	94.77	104.25	104.25	104.25	-	176.72	192.62	209.96
Refuse removal	-	-	-	-	-	-	-	100.00	109.00	118.81
Other	-	-	-	-	-	-	-	-	-	-
sub-total	1,018.85	1,273.81	1,430.03	1,750.62	1,750.62	1,750.62	19.4%	2,090.94	2,289.74	2,507.49
VAT on Services	92.70	121.90	136.44	173.93	173.93	173.93	-	232.70	255.13	279.73
Total large household bill:	1,111.55	1,395.71	1,566.47	1,924.56	1,924.56	1,924.56	20.7%	2,323.64	2,544.87	2,787.22
% increase/-decrease		25.6%	12.2%	22.9%	-	-	20.7%	20.7%	9.5%	9.5%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	87.62	99.01	111.88	274.16	274.16	274.16	9.0%	298.81	325.70	355.02
Electricity: Basic levy	51.19	68.60	-	-	-	-	-	-	-	-
Electricity: Consumption	214.14	286.85	321.14	430.38	430.38	430.38	8.78%	464.50	510.95	562.05
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	143.26	182.64	210.04	231.09	231.09	231.09	-	260.64	284.10	309.67
Sanitation	65.58	74.11	83.74	92.11	92.11	92.11	-	127.07	138.51	150.97
Refuse removal	-	-	-	-	-	-	-	70.00	76.30	83.17
Other	-	-	-	-	-	-	-	-	-	-
sub-total	561.79	711.21	726.80	1,027.74	1,027.74	1,027.74	18.8%	1,221.02	1,335.56	1,460.87
VAT on Services	57.20	75.33	74.37	92.61	74.37	74.37	-	129.11	141.38	154.82
Total small household bill:	619.00	786.54	801.17	1,120.35	1,102.11	1,102.11	20.5%	1,350.13	1,476.94	1,615.69
% increase/-decrease		27.1%	1.9%	39.8%	(1.6%)	-	20.5%	22.5%	9.4%	9.4%
Monthly Account for Household - 'Indigent Household receiving free basic services'										
Rates and services charges:										
Property rates	-	-	-	-	-	-	-	168.89	184.09	200.66
Electricity: Basic levy	-	-	-	-	-	-	-	-	-	-
Electricity: Consumption	-	-	-	-	-	-	-	270.00	297.00	326.70
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	-	-	-	-	-	-	-	171.30	186.72	203.52
Sanitation	-	-	-	-	-	-	-	69.62	75.89	82.72
Refuse removal	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
sub-total	-	-	-	-	-	-	-	679.81	743.69	813.60
VAT on Services	-	-	-	-	-	-	-	71.53	78.34	85.81
Total small household bill:	-	-	-	-	-	-	-	751.34	822.04	899.41
% increase/-decrease								-	9.4%	9.4%

6. OVERVIEW OF BUDGET FUNDING

FS000 Mangaung Supporting Table SA10 Funding measurement

Description	MFMA section	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	284,482	45,461	246,465	239,318	131,250	131,250	305,136	456,365	619,409
Cash + investments at the yr end less applications - R'000	18(1)b	(257,511)	(456,175)	(160,529)	179,080	368,506	238,506	6,391	46,732	202,237
Cash year end/monthly employee/supplier payments	18(1)b	2.1	0.3	1.3	1.1	0.6	0.6	1.2	1.6	1.9
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	228,622	286,156	300,680	746,920	720,360	720,360	712,001	829,198	899,884
Service charge rev % change - macro CPIIX target exclusive	18(1)a,(2)	N.A.	22.9%	13.3%	12.4%	(6.0%)	(6.0%)	11.2%	7.0%	7.1%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	74.5%	83.4%	102.2%	89.0%	82.5%	82.5%	88.4%	88.0%	87.6%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	12.3%	5.3%	10.3%	6.0%	6.0%	6.0%	4.9%	4.3%	4.2%
Capital payments % of capital expenditure	18(1)c;19	100.5%	99.5%	100.0%	100.0%	100.0%	100.0%	90.0%	90.0%	90.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	(0.7%)	25.5%	21.5%	43.8%	31.3%	31.3%	44.2%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a							100.0%	100.5%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	2.1%	14.2%	8.0%	(17.8%)	0.0%	16.3%	6.7%	5.8%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(22.5%)	(78.8%)	325.4%	0.0%	0.0%	(78.8%)	(5.0%)	(5.0%)
R&M % of Property Plant & Equipment	20(1)(vi)	5.1%	3.1%	2.2%	3.9%	4.0%	4.0%	4.9%	5.0%	5.1%
Asset renewal % of capital budget	20(1)(vi)	41.2%	46.5%	54.9%	45.5%	50.1%	50.1%	21.3%	20.7%	30.8%
% incr Service charges - refuse revenue	18(1)a		0.0%	16.3%	19.3%	0.0%	0.0%	430.8%	14.0%	12.6%
% incr in Service charges - other	18(1)a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a	1,374,641	1,765,915	2,119,758	2,492,539	2,492,490	2,492,490	2,918,826	3,297,432	3,726,992
Service charges		1,356,213	1,747,737	2,084,899	2,468,817	2,468,817	2,468,817	2,894,033	3,271,106	3,698,990
Property rates		278,236	345,558	396,843	445,409	445,409	445,409	493,976	545,350	599,317
Service charges - electricity revenue		681,423	966,793	1,130,497	1,409,096	1,409,096	1,409,096	1,690,563	1,943,395	2,234,085
Service charges - water revenue		285,954	303,538	406,242	445,979	445,979	445,979	543,286	599,996	665,977
Service charges - sanitation revenue		110,600	127,253	145,974	161,956	161,956	161,956	132,361	143,783	156,163
Service charges - refuse removal		-	4,593	5,343	6,377	6,377	6,377	38,847	38,582	43,448
Service charges - other		-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		18,429	18,178	34,858	23,722	23,673	23,673	24,793	26,327	28,002
Capital expenditure excluding capital grant funding		196,408	282,131	108,645	252,403	229,705	229,705	239,700	141,942	120,979
Cash receipts from ratepayers	18(1)a	1,273,582	1,710,673	2,302,704	2,893,771	2,695,331	2,695,331	3,240,690	3,641,531	4,091,715
Ratepayer & Other revenue	18(1)a	1,708,416	2,051,780	2,253,478	3,250,294	3,266,171	3,266,171	3,666,691	4,139,674	4,668,282
Change in consumer debtors (current and non-current)		102,674	5,442	51,020	46,823	(46,427)	(46,427)	(31,738)	33,384	30,844
Operating and Capital Grant Revenue	18(1)a	795,975	908,331	888,846	1,132,602	1,157,623	1,157,623	1,165,101	1,314,390	1,427,910
Capital expenditure - total	20(1)(vi)	586,466	702,491	458,735	824,147	815,046	815,046	753,667	761,661	832,251
Capital expenditure - renewal	20(1)(vi)	241,823	326,506	251,834	374,709	408,166	408,166	160,705	157,594	256,464
Supporting benchmarks										
Growth guideline maximum		6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline		4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY								630,134	673,671	702,638
DoRA capital grants total MFY								510,967	616,719	711,272
Provincial operating grants								21,000	14,000	14,000
Provincial capital grants								3,000	3,000	
District Municipality grants								-	-	-
Total gazetted/advised national, provincial and district grants								1,165,101	1,307,390	1,427,910
Average annual collection rate (arrears inclusive)										
DoRA operating										
Equitable Share								608,634	652,171	701,138
Financial Management Grant								1,500	1,500	1,500
PTIS								20,000	20,000	-
DME								-	-	-
								630,134	673,671	702,638
DoRA capital										
USDG								485,967	596,719	693,272
National electrification Programme								25,000	20,000	18,000
								510,967	616,719	711,272

Based on the final budget, the outcome of the funding measurement is as follows:

- Cash and Cash Equivalents**

This ratio serves to give an indication of the expected cash flow position at the end of the year, following the implementation of the budget. It is showing a slight improvement from a favourable position of R 246.5 million based on the 2010/11 audit outcome, to a balance of R 285,409 million for 2012/13 budget year. The positive trend continues for the two outer years of the MTREF period, with the projected balance of R 431,438 million and R 588,762 million respectively. The cash balance is however, inclusive of the unspent conditional grants.

- Cash plus investments at the year-end less applications**

The purpose of this measure is to give the reader an overview of how the municipality has used its available cash and investments on its budgeted cash flow statement. A deficit outcome indicates a continuous draw down from cash and investment balances to meet day to day operational needs, which may indicate low debts collection levels and/or excessive monthly operating expenses. The ratio is declining over the MTREF period from a deficit position of R 159.99 million based on the 2010/11 audit outcome, to a shortfall of R 11,918 million for 2012/13 budget year. The shortfall situation gets turned around in the two outer year of the MTREF period to a favourable position of R 26,117 million and R 179,103 million respectively.

- Monthly payments cash coverage ratio**
 The purpose of this measure is to give an indication of the municipality's ability to meet its monthly payments commitments as and when they fall due. The actual performance over the years has been very low, averaging 1.3 times for the 2010/11 audit outcome. The ratio improves slightly to coverage of 1.5 times in 2012/13 and to 1.5 times in 2014/15. Much as the outcome continues to indicate a rising trend, the performance is still below the acceptable coverage level 3 times average monthly cash outflow.
- Financing of Capital projects** is based on projected cash collections to be made and not from cash backed by accumulated funds from previous years' surpluses.
- Cash receipts % of Ratepayer & Other revenue**
 This ratio measures the rate at which funds are being collected by the municipality from its customers (consumers of municipal services). The ratio drops from a calculated high of 102.3% in 2010/11, to a rate of 84.6% as per the template. The trend ratio improves to 84.0% and 83.4% in the two outer years of the MTREF period. On a rolling twelve months basis the debtor's collection rate is 90%.
- Service charges revenue % of Ratepayer – macro CPIX target exclusive:**
 This ratio measures the sensitivity of the increase in "revenue" linked the change in the tariffs, as well as any assumption about new property development and services consumption. The factor is calculated by deducting the maximum macro-economic inflation target increase of between 3-6 per cent. The ratio declines from a ratio of 13.3% in 2010/11 to 11.2% in 2012/13 budget year, mainly due to a change in the basis of tariffs setting (sanitation & refuse removal). The ratio for the outer two years then stabilizes to the ratio of 7.0% and 7.1% respectively, which is slightly higher than the CPIX target of 6% (maximum).
- Borrowing receipts % of capital expenditure (excluding transfers)**
 The ratio measures the extent to which the municipality is utilizing borrowings (external loans) to finance its capital expenditure budget (excluding government transfers and subsidies). The utilization of the borrowings was 21.5% during the 2010/11 financial year and the expected outcome for the 2011/12 budget year is 31.3%. The municipality projects to utilize the remainder of its line of credit during the 2012/13 budget year. The costs thereof represent 44.2% of the budgeted capital expenditure, excluding transfers.
- Repairs & maintenance % of Property, Plant & Equipment** increases from a spent ratio of 2.2 % (2010/11) to an average of 4.9% in 2012/13 , throughout the MTREF period.

Based on the above, the budget as per the reporting template is funded. However the following risk factors continues to pose a challenge for the municipality:

- The desired cost coverage of 3 months continues to be an elusive target for the municipality to achieve;
- The inability of the municipality to develop and implement an inclusive revenue enhancement strategy;
- Successful implementation of the new services tariffs structure;
- Strict enforcement of the debt collection strategies;
- Ability of the municipality to spend its conditional grant funded projects within the stipulated time frames and
- Inability to build up cash reserves to cover funds needing to be cash backed, as well as capital replacement reserve funds.

(b) Particulars of Monetary Investments:

The municipality's monetary investment particulars by type and maturity are as follows:

FS000 Mangaung - Supporting Table SA15 Investment particulars by type

Investment type	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Parent municipality									
Securities - National Government									
Listed Corporate Bonds									
Deposits - Bank	96,842	26,649	198,907	260,010	424,647	424,647	282,192	437,634	597,470
Deposits - Public Investment Commissioners									
Deposits - Corporation for Public Deposits									
Bankers Acceptance Certificates									
Negotiable Certificates of Deposit - Banks									
Guaranteed Endowment Policies (sinking)									
Repurchase Agreements - Banks									
Municipal Bonds									
Municipality sub-total	96,842	26,649	198,907	260,010	424,647	424,647	282,192	437,634	597,470
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:	96,842	26,649	198,907	260,010	424,647	424,647	282,192	437,634	597,470

FS000 Mangaung - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate %	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Monetary value	Interest to be realised	
	Yrs/Months										
Parent municipality											
Various Banks	On request	Call Accounts	Yes	Variable	Variable	None	-		282,192	13,824	
Municipality sub-total										282,192	13,824
Entities											
Entities sub-total										-	-
TOTAL INVESTMENTS AND INTEREST									282,192	13,824	

(c) Existing and Proposed new Borrowings:

The municipality has an existing loan of R 200 million with the Development Bank of Southern Africa. Projections to date indicate that the loan facilities will be fully utilised by the end of the 2012/13 budget year, all things being equal. The municipality is to enter into a 36 months lease to own type of an agreement with a financing institution. The assets financed are mostly heavy duty fleet to fast track infrastructural services delivery operations.

FS000 Mangaung - Supporting Table SA17 Borrowing

Borrowing - Categorised by type R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Parent municipality									
Long-Term Loans (annuity/reducing balance)	13,989	11,241	20,163	118,426	79,735	79,735	185,039	166,535	149,882
Long-Term Loans (non-annuity)									
Local registered stock									
Instalment Credit									
Financial Leases							68,779	36,783	102
PPP liabilities									
Finance Granted By Cap Equipment Supplier									
Marketable Bonds									
Non-Marketable Bonds									
Bankers Acceptances									
Financial derivatives									
Other Securities									
Municipality sub-total	13,989	11,241	20,163	118,426	79,735	79,735	253,817	203,318	149,984
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	-	-	-	-	-	-	-	-	-
Total Borrowing	13,989	11,241	20,163	118,426	79,735	79,735	253,817	203,318	149,984

7. BUDGETED GRANTS AND TRANSFERS:

The following grants allocated to the municipality in terms of the 2012 Division of Revenue Act have been included in the medium term budget:

FS000 Mangaung - Supporting Table SA18 Transfers and grant receipts

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
RECEIPTS:									
Operating Transfers and Grants									
National Government:	361,497	417,147	515,212	547,867	554,160	554,160	630,134	673,671	702,638
Local Government Equitable Share	305,797	394,637	494,273	546,417	546,417	546,417	608,634	652,171	701,138
Finance Management	500	750	1,189	1,450	1,463	1,463	1,500	1,500	1,500
Municipal Systems Improvement	400	500	750	-	-	-	-	-	-
2010 FIFA World Cup Operating	54,800	19,000	19,000	-	-	-	-	-	-
Water Services Operating Subsidy	-	2,261	-	-	-	-	-	-	-
Urban Renewal Grant	-	-	-	-	281	281	-	-	-
Public Transport and Infrastructure Systems Grant	-	-	-	-	-	-	20,000	20,000	-
Urban Development Grant	-	-	-	-	6,000	6,000	-	-	-
Provincial Government:	5,861	1,130	-	10,000	14,795	14,795	21,000	21,000	14,000
Housing	2,500	-	-	-	3,635	3,635	-	-	-
Health subsidy	3,361	-	-	3,000	3,000	3,000	14,000	14,000	14,000
Sport and Recreation	-	-	-	-	910	910	-	-	-
Land Use Management	-	329	-	-	-	-	-	-	-
Police, Public Safety and Roads	-	801	-	7,000	7,000	7,000	7,000	7,000	-
Human Settlement	-	-	-	-	250	250	-	-	-
District Municipality:	7,000	2,725	6,089	2,990	5,980	5,980	-	-	-
<i>Motheo</i>	7,000	2,725	6,089	2,990	5,980	5,980	-	-	-
Other grant providers:	1,223	-	-	-	337	337	-	-	-
<i>Wes Bank</i>	-	-	-	-	88	88	-	-	-
<i>Kellogs Foundation</i>	715	-	-	-	249	249	-	-	-
<i>Cvity of Ghent</i>	332	-	-	-	-	-	-	-	-
<i>Climate Protection</i>	47	-	-	-	-	-	-	-	-
<i>Cleanest City Aawards</i>	123	-	-	-	-	-	-	-	-
<i>US Embassy</i>	6	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	375,582	421,003	521,301	560,857	575,272	575,272	651,134	694,671	716,638
Capital Transfers and Grants									
National Government:	473,384	178,627	336,518	545,231	542,200	542,200	510,967	616,719	711,272
Municipal Infrastructure Grant (MIG)	102,934	76,874	169,729	50,697	62,689	62,689	-	-	-
Public Transport and Systems	242,617	97,168	151,000	48,970	57,291	57,291	-	-	-
2010 FIFA World Cup Stadiums Development	66,781	-	-	-	-	-	-	-	-
Public Works	-	-	-	8,570	-	-	-	-	-
Urban Development Settlement Grant	-	-	-	411,995	389,220	389,220	485,967	596,719	693,272
Minerals and Energy	61,052	4,585	15,789	25,000	33,000	33,000	25,000	20,000	18,000
Provincial Government:	64,857	63,045	37,924	25,131	34,748	34,748	3,000	3,000	-
Planning	-	-	-	-	640	640	-	-	-
Sport	64,479	-	-	-	5,000	5,000	-	-	-
Human Settlement	-	8,000	-	-	-	-	-	-	-
Planning	-	2,000	-	-	-	-	-	-	-
Provincial Treasury	378	-	-	-	-	-	-	-	-
Police, Public Safety and Roads	-	53,045	37,924	25,131	29,108	29,108	3,000	3,000	-
District Municipality:	-	3,775	-	1,383	9,169	9,169	-	-	-
<i>Motheo</i>	-	3,775	-	1,383	9,169	9,169	-	-	-
Other grant providers:	-	-	-	-	606	606	-	-	-
<i>City of Ghent</i>	-	-	-	-	606	606	-	-	-
Total Capital Transfers and Grants	538,240	245,447	374,442	571,745	586,724	586,724	513,967	619,719	711,272
TOTAL RECEIPTS OF TRANSFERS & GRANTS	913,822	666,450	895,743	1,132,602	1,161,996	1,161,996	1,165,101	1,314,390	1,427,910

The expenditure on the grants received is to be as follows:

FS000 Mangaung - Supporting Table SA19 Expenditure on transfers and grant programme									
Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	319,394	435,894	23,823	547,867	548,160	548,160	630,134	673,671	702,638
Local Government Equitable Share	305,797	372,695		546,417	546,417	546,417	608,634	652,171	701,138
Finance Management	2,235	1,059	1,238	1,450	1,463	1,463	1,500	1,500	1,500
Municipal Systems Improvement	589	580	1,435						
2010 FIFA World Cup Operating	4,703	50,097	19,000						
Watwr Services Operating Grant	101	4,877	2,026						
Restructuring Grant	5,968	1,795							
Urban Renewal Grant					281	281			
CoGTA		1,738							
MIG		3,054							
Public Transport and Infrastructure Systems Grant							20,000	20,000	
Restructuring Grant			124						
Provincial Government:	3,566	1,289	288	10,000	14,795	14,795	21,000	21,000	14,000
Housing	3,361	102	(0)		3,635	3,635			
Health subsidy				3,000	3,000	3,000	14,000	14,000	14,000
Sport and Recreation					910	910			
Land Use Management	205		288						
Police, Public Safety and Roads				7,000	7,000	7,000	7,000	7,000	
Human Settlement		1,187			250	250			
District Municipality:	324	1,718	-	2,990	5,980	5,980	-	-	-
<i>Motheo</i>	324	1,718		2,990	5,980	5,980			
Other grant providers:	1,223	28	-	-	337	337	-	-	-
City of Ghent	332								
Climate Protection	47								
Cleanest City Award	715								
US Embassy	6								
Kellogs Foundation	123	28			249	249			
Wes Bank					88	88			
Total operating expenditure of Transfers and Grants:	324,507	438,930	24,111	560,857	569,272	569,272	651,134	694,671	716,638
Capital expenditure of Transfers and Grants									
National Government:	400,633	302,134	333,009	545,231	542,200	542,200	510,967	616,719	711,272
Municipal Infrastructure Grant (MIG)	101,030	53,422	145,501	50,697	62,689	62,689			
Public Transport and Systems	71,414	205,281	172,005	48,970	57,291	57,291			
2010 FIFA World Cup Stadiums Development	107,192	34,411							
Minerals and Energy	120,997	6,080	15,503	25,000	33,000	33,000	25,000	20,000	18,000
Urban Settlements Development Grant				411,995	389,219	389,219	485,967	596,719	693,272
DWAF		2,500							
CoGTA		440							
Public Works				8,570					
Provincial Government:	55,031	86,593	18,256	25,131	34,748	34,748	3,000	3,000	-
Planning					640	640			
Police, Public Safety and Roads		52,335	6,277	25,131	29,108	29,108	3,000	3,000	
Human Settlement	10,771	6,070	2,369						
Planning and Surveying	66	837	830						
Provincial Treasury									
Local Government and Housing		23,688							
Sport and Recreation	44,194	3,663	8,780		5,000	5,000			
District Municipality:	313	1,137	9,195	1,383	9,169	9,169	-	-	-
<i>Motheo</i>	313	1,137	9,195	1,383	9,169	9,169			
Other grant providers:	-	-	-	-	606	606	-	-	-
City of Ghent					606	606			
Total capital expenditure of Transfers and Grants	455,977	389,863	360,461	571,745	586,723	586,723	513,967	619,719	711,272
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	780,484	828,793	384,572	1,132,602	1,155,996	1,155,996	1,165,101	1,314,390	1,427,910

FS000 Mangaung - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	12,616	349,275		-	547,849	547,880	-	-	-
Current year receipts	306,717			547,867			630,134	673,671	702,638
Conditions met - transferred to revenue	(29,941)	349,275	-	547,867	547,849	547,880	630,134	673,671	702,638
Conditions still to be met - transferred to liabilities	349,275								
Provincial Government:									
Balance unspent at beginning of the year	1,855	59,706			11,160	11,160	-	-	-
Current year receipts	4,149			10,000	3,635	3,635	21,000	21,000	14,000
Conditions met - transferred to revenue	(53,701)	59,706	-	10,000	14,795	14,795	21,000	21,000	14,000
Conditions still to be met - transferred to liabilities	59,706								
District Municipality:									
Balance unspent at beginning of the year		10,141			5,980	5,980	-	-	-
Current year receipts				2,990			-	-	-
Conditions met - transferred to revenue	(10,141)	(3,645)	-	2,990	5,980	5,980	-	-	-
Conditions still to be met - transferred to liabilities	10,141	13,786							
Other grant providers:									
Balance unspent at beginning of the year					337	337	-	-	-
Current year receipts							-	-	-
Conditions met - transferred to revenue	-	-	-	-	337	337	-	-	-
Conditions still to be met - transferred to liabilities									
Total operating transfers and grants revenue	(93,784)	405,335	-	560,857	568,961	568,992	651,134	694,671	716,638
Total operating transfers and grants - CTBM	419,121	13,786	-	-	-	-	-	-	-
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	150,113	38,868		99,666	534,200	534,200	130,000	75,367	79,166
Current year receipts	321,401			445,565	8,000	8,000	510,967	616,719	711,272
Conditions met - transferred to revenue	432,646	(94,359)	-	545,231	542,200	542,200	565,600	615,920	707,213
Conditions still to be met - transferred to liabilities	38,868	133,226					75,367	76,166	83,225
Provincial Government:									
Balance unspent at beginning of the year				22,131	34,748	34,748	-	-	-
Current year receipts	64,479			3,000			3,000	3,000	-
Conditions met - transferred to revenue	64,479	-	-	25,131	34,748	34,748	3,000	3,000	-
Conditions still to be met - transferred to liabilities									
District Municipality:									
Balance unspent at beginning of the year					9,169	9,169	-	-	-
Current year receipts				1,383			-	-	-
Conditions met - transferred to revenue	-	-	-	1,383	9,169	9,169	-	-	-
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year					606	606	-	-	-
Current year receipts							-	-	-
Conditions met - transferred to revenue	-	-	-	-	606	606	-	-	-
Conditions still to be met - transferred to liabilities									
Total capital transfers and grants revenue	497,125	(94,359)	-	571,745	586,724	586,724	568,600	618,920	707,213
Total capital transfers and grants - CTBM	38,868	133,226	-	-	-	-	75,367	76,166	83,225
TOTAL TRANSFERS AND GRANTS REVENUE	403,341	310,976	-	1,132,602	1,155,685	1,155,715	1,219,734	1,313,591	1,423,851
TOTAL TRANSFERS AND GRANTS - CTBM	457,989	147,013	-	-	-	-	75,367	76,166	83,225

8. ALLOCATIONS OF GRANTS MADE BY THE MUNICIPALITY

The table below outlines the allocation of grants to the municipal entity and the cash transfer to groups and individuals.

FS000 Mangaung - Supporting Table SA21 Transfers and grants made by the municipality

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Cash Transfers to other municipalities <i>Insert description</i>									
Total Cash Transfers To Municipalities:	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms <i>Electricity Entity</i>	15,609	49,098		137,641	145,641	145,641	138,233	165,233	198,239
Total Cash Transfers To Entities/Ems'	15,609	49,098	-	137,641	145,641	145,641	138,233	165,233	198,239
Cash Transfers to other Organs of State <i>Insert description</i>									
Total Cash Transfers To Other Organs Of State:	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations <i>Insert description</i>									
Total Cash Transfers To Organisations	-	-	-	-	-	-	-	-	-
Cash Transfers to Groups of Individuals									
Bursaries Employees				1,362	1,362	1,362	1,212	1,273	1,337
Central Agricultural Society	7	8		9	9	9	10	10	11
Cost of Living Allowance Pensioners				185	185	185	196	206	216
Miscellaneous Grants				204	204	204	216	227	239
Relief of the poor				26	26	26	28	29	31
SPCA	298	328		372	372	372	394	414	435
Total Cash Transfers To Groups Of Individuals:	306	336	-	2,159	2,159	2,159	2,057	2,160	2,268
TOTAL CASH TRANSFERS AND GRANTS	15,915	49,434	-	139,801	147,801	147,801	140,289	167,393	200,507
Non-Cash Transfers to other municipalities <i>Insert description</i>									
Total Non-Cash Transfers To Municipalities:	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms <i>Insert description</i>									
Total Non-Cash Transfers To Entities/Ems'	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State <i>Insert description</i>									
Total Non-Cash Transfers To Other Organs Of State:	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations <i>Insert description</i>									
Total Non-Cash Grants To Organisations	-	-	-	-	-	-	-	-	-
Groups of Individuals									
				-	-	-	-	-	-
				-	-	-	-	-	-
				-	-	-	-	-	-
				-	-	-	-	-	-
Total Non-Cash Grants To Groups Of Individuals:	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	15,915	49,434	-	139,801	147,801	147,801	140,289	167,393	200,507

9. COUNCILLORS AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

The table below, provides an indication the total cost to employer of the councillors and staff members over the MTREF period.

FS000 Mangaung - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	11,586	14,347		27,251	27,251	27,251	29,760	31,993	34,232
Pension and UIF Contributions	2,240	1,679		3,942	3,942	3,942	3,056	3,286	3,516
Medical Aid Contributions	202	228		337	337	337	326	351	376
Motor Vehicle Allowance	4,978	5,460		10,619	10,619	10,619	10,277	11,048	11,821
Cellphone Allowance				161	161	161	1,363	1,466	1,568
Housing Allowances	601	191		166	166	166	154	165	177
Other benefits and allowances				-	-	-	-	-	-
Sub Total - Councillors	19,607	21,904	-	42,476	42,476	42,476	44,938	48,308	51,690
% increase		11.7%	(100.0%)				5.8%	7.5%	7.0%
Senior Managers of the Municipality									
Basic Salaries and Wages	6,350	6,650		10,898	10,898	10,898	12,290	13,212	14,137
Pension and UIF Contributions	299	425		759	759	759	408	439	469
Medical Aid Contributions	85	68		112	112	112	237	254	272
Performance Bonus	1,540	328		2,652	2,652	2,652	2,944	3,165	3,387
Motor Vehicle Allowance	-	998		1,476	1,476	1,476	1,704	1,832	1,960
Cellphone Allowance				-	-	-	82	88	95
Housing Allowances				-	-	-	-	-	-
Other benefits and allowances	970	-		14	14	14	-	-	-
Payments in lieu of leave				-	-	-	-	-	-
Long service awards				-	-	-	-	-	-
Post-retirement benefit obligations				-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	9,244	8,470	-	15,911	15,911	15,911	17,666	18,990	20,320
% increase		(8.4%)	(100.0%)				11.0%	7.5%	7.0%
Other Municipal Staff									
Basic Salaries and Wages	338,330	384,664		528,765	512,517	512,517	547,566	590,411	633,100
Pension and UIF Contributions	52,318	55,955		71,485	71,485	71,485	80,981	86,713	92,927
Medical Aid Contributions	17,338	21,443		36,715	36,715	36,715	41,050	44,077	47,218
Overtime	16,003	33,802		27,967	44,215	44,215	34,410	36,876	39,580
Performance Bonus				-	-	-	-	-	-
Motor Vehicle Allowance	-	31,536		40,190	40,190	40,190	42,720	45,888	49,139
Cellphone Allowance				-	-	-	2,457	2,641	2,826
Housing Allowances		2,925		3,295	3,295	3,295	3,574	3,837	4,111
Other benefits and allowances	57,270	28,141		31,970	31,970	31,970	9,223	9,905	10,609
Post-retirement benefit obligations				-	-	-	22,980	24,704	26,433
Sub Total - Other Municipal Staff	481,259	558,466	-	740,387	740,387	740,387	784,962	845,051	905,942
% increase		16.0%	(100.0%)				6.0%	7.7%	7.2%
Total Parent Municipality	510,110	588,840	-	798,774	798,774	798,774	847,566	912,350	977,952
		15.4%	(100.0%)				6.1%	7.6%	7.2%
Board Members of Entities									
Basic Salaries and Wages				1,213	1,213	1,213	-	-	-
Motor Vehicle Allowance	160								
Board Fees	872	379					1,269	1,345	1,412
Sub Total - Board Members of Entities	1,032	379	-	1,213	1,213	1,213	1,269	1,345	1,412
% increase		(63.3%)	(100.0%)				4.6%	6.0%	5.0%
Senior Managers of Entities									
Basic Salaries and Wages	4,344	6,063		4,847	4,847	4,847	7,758	8,340	8,923
Pension and UIF Contributions	289	98		-	-	-	259	279	298
Medical Aid Contributions	81	49		-	-	-	-	-	-
Overtime				-	-	-	-	-	-
Performance Bonus	1,013	303		434	434	434	1,088	1,170	1,252
Motor Vehicle Allowance	-	852		404	404	404	-	-	-
Cellphone Allowance				-	-	-	-	-	-
Housing Allowances	1,108	-		-	-	-	-	-	-
Other benefits and allowances				3	3	3	336	361	386
Sub Total - Senior Managers of Entities	6,835	7,366	-	5,689	5,689	5,689	9,441	10,149	10,860
% increase		7.8%	(100.0%)				66.0%	7.5%	7.0%
Other Staff of Entities									
Basic Salaries and Wages	56,089	59,898		81,961	81,961	81,961	97,015	131,844	167,556
Pension and UIF Contributions	8,358	8,481		14,064	14,064	14,064	15,989	16,770	17,666
Medical Aid Contributions	3,378	3,954		7,777	7,777	7,777	8,400	8,941	9,481
Overtime	4,716	12,313		9,737	9,737	9,737	9,585	9,749	10,201
Performance Bonus	3,882	-		-	-	-	-	-	-
Motor Vehicle Allowance	-	5,466		7,581	7,581	7,581	8,584	9,209	9,694
Cellphone Allowance				-	-	-	-	-	-
Housing Allowances		617		1,968	1,968	1,968	2,258	2,403	2,514
Other benefits and allowances	6,312	735		1,740	1,740	1,740	689	729	788
Sub Total - Other Staff of Entities	82,735	91,464	-	124,829	124,829	124,829	142,520	179,645	217,898
% increase		10.5%	(100.0%)				14.2%	26.0%	21.3%
Total Municipal Entities	90,602	99,209	-	131,731	131,731	131,731	153,230	191,140	230,171
TOTAL SALARY, ALLOWANCES & BENEFITS	600,712	688,048	-	930,505	930,505	930,505	1,000,796	1,103,489	1,208,122
% increase		14.5%	(100.0%)				7.6%	10.3%	9.5%
TOTAL MANAGERS AND STAFF	580,073	665,765	-	886,816	886,816	886,816	954,589	1,053,836	1,155,020

FS000 Mangaung - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)						
Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits
Rand per annum			1.			
<u>Councillors</u>						
Speaker		554,275	101,803	239,041		
Chief Whip		534,847	80,227	225,371		
Executive Mayor		696,901	123,197	314,138		
Deputy Executive Mayor		596,111	18,662	280,346		
Executive Committee		4,752,907	805,436	2,005,665		
Total for all other councillors		22,625,455	2,279,533	8,704,001		
Total Councillors	-	29,760,496	3,408,858	11,768,562		
<u>Senior Managers of the Municipality</u>						
Municipal Manager (MM)		1,973,968	26,259	267,773	453,600	
Head Human Settlements		1,610,341	45,659	180,000	367,200	
Head Planning		1,576,280	1,547	258,173	367,200	
Head Regional Operations		1,370,277	48,998	180,000	319,855	
Head Engineering Services		1,346,093	15,907	420,000	356,400	
Head Corporate Services		1,370,203	249,624	162,173	356,400	
Head Social Services		1,429,646	232,354	120,000	356,400	
Chief Financial Officer		1,613,576	24,251	198,173	367,200	
Total Senior Managers of the Municipality	-	12,290,384	644,599	1,786,292	2,944,255	
<u>A Heading for Each Entity</u>						
List each member of board by designation						
Chairperson		216,000		26,021		
Deputy Chair		180,000		26,021		
Director		145,513		26,021		
Director		145,513		26,021		
Director		145,513		26,021		
Director		145,513		26,021		
Director		145,513		26,021		
Director		145,513		26,021		
Director		145,513		26,021		
<u>Senior Managers of Entity</u>						
Chief Executive Officer		1,618,449	1,551	-	324,000	
Chief Operations Officer		904,243	126,633	167,796	41,187	
Chief Financial Officer		904,243	126,633	167,796	41,187	
Executive Director Engineering		971,372	1,551	-	165,397	
Executive Director Corporate Services		1,252,031	-	-	213,109	
Executive Director Retail		901,397	1,551	-	98,119	
Company Secretary		1,205,557	1,551	-	205,208	
Total for municipal entities	-	9,026,370	259,470	543,760	1,088,207	
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION						
	-	51,077,250	4,312,927	14,098,614	4,032,462	

FS000 Mangaung - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	2010/11			Current Year 2011/12			Budget Year 2012/13		
	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)	88	88		98	98	-	98	98	98
Board Members of municipal entities	5	5		8	8	-	8	8	8
Municipal employees									
Municipal Manager and Senior Managers	7	7	7	35	35	8	35	35	35
Other Managers	109	109		86	86	-	83	83	83
Professionals	169	169	-	186	149	-	138	138	138
Finance	95	95		113	88	-			
Spatial/town planning	10	10		11	11	-			
Information Technology	-	-		3	2	-			
Roads	-	-		5	4	-			
Electricity	44	44		30	21	-			
Water	7	7		7	7	-			
Sanitation	13	13		17	16	-			
Refuse	-	-		-	-	-			
Other	-	-		-	-	-	138	138	138
Technicians	182	182	-	219	195	-	187	187	187
Finance	16	16		19	13	-			
Spatial/town planning	8	8		9	9	-			
Information Technology	10	10		12	12	-			
Roads	-	-		7	2	-			
Electricity	131	131		146	135	-			
Water	13	13		8	11	-			
Sanitation	-	-		6	9	-			
Refuse	4	4		12	4	-			
Other	-	-		-	-	-	187	187	187
Clerks (Clerical and administrative)	733	733		906	864	-	797	797	797
Service and sales workers	410	410		520	448	-	404	404	404
Skilled agricultural and fishery workers	39	39		48	36	-	31	31	31
Craft and related trades	202	202		306	212	-	198	198	198
Plant and Machine Operators	296	296		420	322	-	303	303	303
Elementary Occupations	1,448	1,448		1,586	1,366	-	982	982	982
TOTAL PERSONNEL NUMBERS	3,688	3,688	7	4,418	3,819	8	3,264	3,264	3,264
% increase				19.8%	3.6%	14.3%	(26.1%)	(14.5%)	40,700.0%
Total municipal employees headcount									
Finance personnel headcount					197		260	260	260
Human Resources personnel headcount					64		92	92	92

The table above gives in insight into the size of the city staff establishment, outlining the required number of positions to be filled for effective service delivery.

10. MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

The Supporting Tables SA25, SA26, SA27, SA28, SA29 and SA30 to follow hereafter provides management and users of the budget with a monthly breakdown of the budget as contained in Tables A2 to A7. These tables are to be used as a measure of performance on the budget on a monthly basis. They are to be used on the monthly Section 71 report to track management's actual implementation of the budget.

The following tables outline the monthly targets for revenue and expenditure, capital and cash flow are as follows:

a. Consolidated budgeted monthly revenue and expenditure.

FS000 Mangaung - Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure

Description	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Revenue By Source															
Property rates	41,165	41,165	41,165	41,165	41,165	41,165	41,165	41,165	41,165	41,165	41,165	41,165	493,976	545,350	599,317
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	140,880	140,880	140,880	140,880	140,880	140,880	140,880	140,880	140,880	140,880	140,880	140,880	1,690,563	1,943,395	2,234,085
Service charges - water revenue	45,274	45,274	45,274	45,274	45,274	45,274	45,274	45,274	45,274	45,274	45,274	45,274	543,286	599,996	665,977
Service charges - sanitation revenue	11,030	11,030	11,030	11,030	11,030	11,030	11,030	11,030	11,030	11,030	11,030	11,030	132,361	143,783	156,163
Service charges - refuse revenue	2,821	2,821	2,821	2,821	2,821	2,821	2,821	2,821	2,821	2,821	2,821	2,821	33,847	38,582	43,448
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	2,066	2,066	2,066	2,066	2,066	2,066	2,066	2,066	2,066	2,066	2,066	2,066	24,793	26,327	28,002
Interest earned - external investments	2,643	2,643	2,643	2,643	2,643	2,643	2,643	2,643	2,643	2,643	2,643	2,643	31,717	35,174	36,761
Interest earned - outstanding debtors	1,918	1,918	1,918	1,918	1,918	1,918	1,918	1,918	1,918	1,918	1,918	1,918	23,010	21,980	21,365
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	422	422	422	422	422	422	422	422	422	422	422	422	5,063	5,569	6,126
Licences and permits	64	64	64	64	64	64	64	64	64	64	64	64	766	842	926
Agency services	294	294	294	294	294	294	294	294	294	294	294	294	3,527	3,603	3,282
Transfers recognised - operational	54,261	54,261	54,261	54,261	54,261	54,261	54,261	54,261	54,261	54,261	54,261	54,261	651,134	694,671	716,638
Other revenue	59,625	59,625	59,625	59,625	59,625	59,625	59,625	59,625	59,625	59,625	59,625	59,625	715,498	810,247	909,591
Gains on disposal of PPE	3	-	-	-	-	-	-	-	-	-	-	36	40	40	42
Total Revenue (excluding capital transfers and contri	362,465	362,465	362,465	362,465	362,465	362,465	362,465	362,465	362,465	362,465	362,465	362,465	4,349,581	4,869,558	5,421,723
Expenditure By Type															
Employee related costs	79,549	79,549	79,549	79,549	79,549	79,549	79,549	79,549	79,549	79,549	79,549	79,549	954,589	1,053,836	1,155,020
Remuneration of councillors	3,851	3,851	3,851	3,851	3,851	3,851	3,851	3,851	3,851	3,851	3,851	3,851	46,207	49,653	53,102
Debt impairment	11,916	11,916	11,916	11,916	11,916	11,916	11,916	11,916	11,916	11,916	11,916	11,916	142,989	143,322	157,911
Depreciation & asset impairment	16,680	16,680	16,680	16,680	16,680	16,680	16,680	16,680	16,680	16,680	16,680	16,680	200,157	228,215	259,284
Finance charges	5,472	5,472	5,472	5,472	5,472	5,472	5,472	5,472	5,472	5,472	5,472	5,472	65,664	67,327	66,050
Bulk purchases	123,228	123,228	123,228	123,228	123,228	123,228	123,228	123,228	123,228	123,228	123,228	123,228	1,478,735	1,732,282	2,038,556
Other materials	19,854	19,854	19,854	19,854	19,854	19,854	19,854	19,854	19,854	19,854	19,854	19,854	238,250	255,085	272,326
Contracted services	15,036	15,036	15,036	15,036	15,036	15,036	15,036	15,036	15,036	15,036	15,036	15,036	180,438	201,046	186,129
Transfers and grants	11,691	11,691	11,691	11,691	11,691	11,691	11,691	11,691	11,691	11,691	11,691	11,691	140,289	167,393	200,507
Other expenditure	60,750	60,750	60,750	60,750	60,750	60,750	60,750	60,750	60,750	60,750	60,750	60,750	728,996	786,688	868,993
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	348,026	348,026	348,026	348,026	348,026	348,026	348,026	348,026	348,026	348,026	348,026	348,026	4,176,315	4,684,847	5,257,878
Surplus/(Deficit)	14,439	14,439	14,439	14,439	14,439	14,439	14,439	14,439	14,439	14,439	14,439	14,439	173,266	184,711	163,844
Transfers recognised - capital	42,831	42,831	42,831	42,831	42,831	42,831	42,831	42,831	42,831	42,831	42,831	42,831	513,967	619,719	711,272
Contributions recognised - capital	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064	24,767	24,767	24,767
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	59,333	59,333	59,333	59,333	59,333	59,333	59,333	59,333	59,333	59,333	59,333	59,333	712,001	829,198	899,884
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	59,333	59,333	59,333	59,333	59,333	59,333	59,333	59,333	59,333	59,333	59,333	59,333	712,001	829,198	899,884

b. Consolidated budgeted monthly revenue and expenditure (municipal vote).

d. Consolidated budgeted monthly capital expenditure.

FS000 Mangaung - Supporting Table SA28 Consolidated budgeted monthly capital expenditure (municipal vote)

Description	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand															
Multi-year expenditure to be appropriated															
Vote 1 - City Manager	333	333	333	333	333	333	333	333	333	333	333	333	4,000	5,000	5,000
Vote 2 - Executive Mayor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	292	292	292	292	292	292	292	292	292	292	292	292	3,500	4,000	5,200
Vote 4 - Finance	467	467	467	467	467	467	467	467	467	467	467	467	5,600	500	500
Vote 5 - Social Services	708	708	708	708	708	708	708	708	708	708	708	708	8,500	31,400	62,300
Vote 6 - Planning	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Human Settlement and Housing	542	542	542	542	542	542	542	542	542	542	542	542	6,500	15,000	20,000
Vote 8 - Fresh Produce Market	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Engineering Services	15,067	15,067	15,067	15,067	15,067	15,067	15,067	15,067	15,067	15,067	15,067	15,067	180,810	198,416	250,367
Vote 10 - Water Services	9,396	9,396	9,396	9,396	9,396	9,396	9,396	9,396	9,396	9,396	9,396	9,396	112,751	106,000	83,000
Vote 11 - Miscellaneous Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Regional Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Strategic Projects and Service Delivery Regu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Electricity - Centlec (Soc) Ltd	14,986	14,986	14,986	14,986	14,986	14,986	14,986	14,986	14,986	14,986	14,986	14,986	179,831	215,467	223,167
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	41,791	41,791	41,791	41,791	41,791	41,791	41,791	41,791	41,791	41,791	41,791	41,791	501,492	575,784	649,535
Single-year expenditure to be appropriated															
Vote 1 - City Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Executive Mayor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services	958	958	958	958	958	958	958	958	958	958	958	958	11,500	2,750	3,000
Vote 4 - Finance	83	83	83	83	83	83	83	83	83	83	83	83	1,000	-	-
Vote 5 - Social Services	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	13,350	2,900	1,032
Vote 6 - Planning	4,599	4,599	4,599	4,599	4,599	4,599	4,599	4,599	4,599	4,599	4,599	4,599	55,187	42,835	42,835
Vote 7 - Human Settlement and Housing	1,958	1,958	1,958	1,958	1,958	1,958	1,958	1,958	1,958	1,958	1,958	1,958	23,500	500	30,000
Vote 8 - Fresh Produce Market	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Engineering Services	9,679	9,679	9,679	9,679	9,679	9,679	9,679	9,679	9,679	9,679	9,679	9,679	116,142	79,604	73,016
Vote 10 - Water Services	2,213	2,213	2,213	2,213	2,213	2,213	2,213	2,213	2,213	2,213	2,213	2,213	26,560	57,288	29,533
Vote 11 - Miscellaneous Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Regional Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Strategic Projects and Service Delivery Regu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Electricity - Centlec (Soc) Ltd	411	411	411	411	411	411	411	411	411	411	411	411	4,936	-	3,300
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	21,015	21,015	21,015	21,015	21,015	21,015	21,015	21,015	21,015	21,015	21,015	21,015	252,175	185,877	182,716
Total Capital Expenditure	62,806	62,806	62,806	62,806	62,806	62,806	62,806	62,806	62,806	62,806	62,806	62,806	753,667	761,661	832,251

FS000 Mangaung - Supporting Table SA29 Consolidated budgeted monthly capital expenditure (standard classification)

Description	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand															
Capital Expenditure - Standard															
Governance and administration	4,129	4,129	4,129	4,129	4,129	4,129	4,129	4,129	4,129	4,129	4,129	4,129	49,548	53,475	91,212
Executive and council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office	550	550	550	550	550	550	550	550	550	550	550	550	6,600	500	500
Corporate services	3,579	3,579	3,579	3,579	3,579	3,579	3,579	3,579	3,579	3,579	3,579	3,579	42,948	52,975	90,712
Community and public safety	4,446	4,446	4,446	4,446	4,446	4,446	4,446	4,446	4,446	4,446	4,446	4,446	53,350	41,550	71,532
Community and social services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	2,779	33,350	31,750	65,500
Public safety	292	292	292	292	292	292	292	292	292	292	292	292	3,500	9,300	6,032
Housing	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	16,500	500	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	15,362	15,362	15,362	15,362	15,362	15,362	15,362	15,362	15,362	15,362	15,362	15,362	184,345	211,531	207,567
Planning and development	4,599	4,599	4,599	4,599	4,599	4,599	4,599	4,599	4,599	4,599	4,599	4,599	55,187	42,835	42,835
Road transport	10,763	10,763	10,763	10,763	10,763	10,763	10,763	10,763	10,763	10,763	10,763	10,763	129,159	168,696	164,732
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	38,869	38,869	38,869	38,869	38,869	38,869	38,869	38,869	38,869	38,869	38,869	38,869	466,424	455,106	461,941
Electricity	15,397	15,397	15,397	15,397	15,397	15,397	15,397	15,397	15,397	15,397	15,397	15,397	184,767	215,467	226,467
Water	11,609	11,609	11,609	11,609	11,609	11,609	11,609	11,609	11,609	11,609	11,609	11,609	139,311	163,288	112,533
Waste water management	10,828	10,828	10,828	10,828	10,828	10,828	10,828	10,828	10,828	10,828	10,828	10,828	129,936	62,800	111,640
Waste management	1,034	1,034	1,034	1,034	1,034	1,034	1,034	1,034	1,034	1,034	1,034	1,034	12,410	13,550	11,300
Other															
Total Capital Expenditure - Standard	62,806	62,806	62,806	62,806	62,806	62,806	62,806	62,806	62,806	62,806	62,806	62,806	753,667	761,661	832,251

e. Consolidated budgeted monthly cash flow.

FS000 Mangaung - Supporting Table SA30 Consolidated budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2012/13												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand															
Cash Receipts By Source															
Property rates	37,460	37,048	37,048	37,048	37,048	37,048	37,048	37,048	37,048	37,048	37,048	41,576	449,518	496,268	545,378
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	133,242	135,242	131,842	128,742	123,242	122,242	122,742	119,242	124,242	126,742	128,000	142,890	1,538,412	1,768,490	2,033,017
Service charges - water revenue	27,085	30,685	35,088	42,405	46,773	49,708	52,839	53,533	45,684	37,800	32,092	35,855	489,548	540,670	600,180
Service charges - sanitation revenue	9,684	9,927	9,927	9,927	9,927	9,927	9,927	9,927	9,927	9,927	9,927	7,266	116,212	126,182	136,981
Service charges - refuse revenue	2,131	2,539	2,539	2,539	2,539	2,539	2,539	2,539	2,539	2,539	2,539	(1,945)	25,571	29,409	33,324
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	2,066	2,066	2,066	2,066	2,066	2,066	2,066	2,066	2,066	2,066	2,066	2,066	24,793	26,327	28,002
Interest earned - external investments	2,643	2,643	2,643	2,643	2,643	2,643	2,643	2,643	2,643	2,643	2,643	2,643	31,717	35,174	38,761
Interest earned - outstanding debtors	1,745	1,726	1,726	1,726	1,726	1,726	1,726	1,726	1,726	1,726	1,726	1,937	20,939	20,002	19,442
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	422	422	422	422	422	422	422	422	422	422	422	422	5,063	5,569	6,126
Licenses and permits	64	64	64	64	64	64	64	64	64	64	64	64	766	842	926
Agency services	294	294	294	294	294	294	294	294	294	294	294	294	3,527	3,603	3,282
Transfer receipts - operational	255,098	20,000	-	-	202,878	7,000	-	-	152,159	-	-	14,000	651,134	694,671	716,638
Other revenue	35,357	34,719	34,719	34,719	34,719	34,719	34,719	34,719	34,719	34,719	34,719	179,971	562,513	619,404	679,730
Cash Receipts by Source	507,290	277,375	258,377	262,594	464,340	270,397	267,028	264,222	413,532	255,989	251,539	427,029	3,919,713	4,366,610	4,839,789
Other Cash Flows by Source															
Transfer receipts - capital	161,989	-	-	8,000	161,989	11,000	-	161,989	9,000	-	-	-	513,967	619,719	711,272
Contributions recognised - capital & Contributed assets	2,064	2,075	2,075	2,075	2,075	2,075	2,075	2,075	2,075	2,075	2,075	1,954	24,767	24,767	24,767
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	36	36	42
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	26,464	-	-	26,464	-	26,464	-	26,464	-	26,494	105,885	-	-
Increase (decrease) in consumer deposits	105	105	105	105	105	105	105	105	105	105	105	105	1,255	1,453	1,636
Decrease (increase) in non-current debtors	(394)	(394)	(394)	(394)	(394)	(394)	(394)	(394)	(394)	(394)	(394)	(394)	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	671,053	279,160	286,627	272,380	628,115	309,647	268,814	427,997	450,781	257,775	253,324	459,951	4,565,624	5,012,585	5,577,505
Cash Payments by Type															
Employee related costs	79,549	79,549	79,549	79,549	79,549	79,549	79,549	79,549	79,549	79,549	79,549	79,549	954,589	1,053,836	1,155,020
Remuneration of councillors	3,850	3,850	3,850	3,850	3,850	3,850	3,850	3,850	3,850	3,850	3,850	3,850	46,205	49,653	53,102
Finance charges	-	-	16,416	-	-	16,416	-	16,416	-	16,416	-	16,416	12,552	61,799	62,831
Bulk purchases - Electricity	123,293	112,259	99,786	93,785	89,652	81,370	79,592	78,999	82,144	93,913	97,643	116,964	1,149,420	1,346,593	1,591,801
Bulk purchases - Water & Sewer	18,445	20,897	23,895	28,879	31,853	33,852	35,984	36,457	31,111	25,742	21,855	20,344	329,315	385,688	446,754
Other materials	19,854	19,854	19,854	19,854	19,854	19,854	19,854	19,854	19,854	19,854	19,854	19,854	238,250	255,085	272,326
Contracted services	19,264	19,264	19,264	19,264	19,264	19,264	19,264	19,264	19,264	19,264	19,264	19,264	231,167	263,779	257,904
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	11,691	11,691	11,691	11,691	11,691	11,691	11,691	11,691	11,691	11,691	11,691	11,691	140,289	167,393	200,507
Other expenditure	45,742	45,742	45,742	45,742	45,742	45,742	45,742	45,742	45,742	45,742	45,742	45,742	548,903	574,041	609,689
Cash Payments by Type	321,689	313,106	320,047	302,614	301,455	311,588	295,526	295,407	309,621	299,606	299,448	329,830	3,699,938	4,160,361	4,649,936
Other Cash Flows/Payments by Type															
Capital assets	56,525	56,525	56,525	56,525	56,525	56,525	56,525	56,525	56,525	56,525	56,525	56,525	678,300	685,495	749,026
Repayment of borrowing	-	-	-	-	-	6,750	-	-	-	-	-	6,750	13,500	15,500	15,500
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	378,214	369,631	376,572	359,139	357,980	374,863	352,051	351,932	366,146	356,131	355,973	393,105	4,391,738	4,861,356	5,414,462
NET INCREASE/(DECREASE) IN CASH HELD	292,840	(90,471)	(89,946)	(86,759)	270,134	(65,216)	(83,237)	76,065	84,635	(98,356)	(102,649)	66,845	173,886	151,229	163,044
Cash/cash equivalents at the month/year begin:	131,250	424,090	333,619	243,674	156,915	427,049	367,833	276,596	354,661	439,296	340,940	236,291	131,250	305,136	456,365
Cash/cash equivalents at the month/year end:	424,090	333,619	243,674	156,915	427,049	367,833	276,596	354,661	439,296	340,940	236,291	305,136	305,136	456,365	619,409

11. CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

Included in the budget are costs for the two main contracts for services, which will impose financial obligations on the municipality beyond the MTREF period.

None

FS000 Mangaung - Supporting Table SA32 List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand
ABSA BANK	Yrs	5	Banking Services	30 June 2013	6,226

(b) Past and Current Costs of Contract

FS000 Mangaung - Supporting Table SA33 Contracts having future budgetary implications

Description	Preceding Years	Current Year 2011/12	2012/13 Medium Term Revenue & Expenditure Framework			Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Total Contract Value
	Total	Original Budget	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:													
Revenue Obligation By Contract													
<i>Contract 1</i>													-
<i>Contract 2</i>													-
<i>Contract 3 etc</i>													-
Total Operating Revenue Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract													
<i>Bloemwater</i>		274,222	348,500	401,055	437,761	472,782	510,604	551,453	595,569	643,214	694,671	750,245	5,680,076
<i>Contract 3 etc</i>													-
Total Operating Expenditure Implication	-	274,222	348,500	401,055	437,761	472,782	510,604	551,453	595,569	643,214	694,671	750,245	5,680,076
Capital Expenditure Obligation By Contract													
<i>Contract 1</i>													-
<i>Contract 2</i>													-
<i>Contract 3 etc</i>													-
Total Capital Expenditure Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication	-	274,222	348,500	401,055	437,761	472,782	510,604	551,453	595,569	643,214	694,671	750,245	5,680,076
Entities:													
Revenue Obligation By Contract													
<i>Contract 1</i>													-
<i>Contract 2</i>													-
<i>Contract 3 etc</i>													-
Total Operating Revenue Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract													
<i>Contract 1</i>													-
<i>Contract 2</i>													-
<i>Contract 3 etc</i>													-
Total Operating Expenditure Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract													
<i>Contract 1</i>													-
<i>Contract 2</i>													-
<i>Contract 3 etc</i>													-
Total Capital Expenditure Implication	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication	-	-	-	-	-	-	-	-	-	-	-	-	-

12. CAPITAL EXPENDITURE DETAILS

(a) Details of Capital Expenditure by class and sub-class areas are provided below:

FS000 Mangaung - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	310,166	308,005	201,028	323,092	280,982	280,982	477,865	502,993	414,064
Infrastructure - Road transport	42,798	30,485	7,956	8,373	7,614	7,614	80,025	153,381	127,467
<i>Roads, Pavements & Bridges</i>	42,798	30,485	7,956	8,373	7,614	7,614	80,025	153,381	127,467
Infrastructure - Electricity	86,976	100,534	22,537	138,835	138,835	138,835	162,592	186,724	160,424
<i>Transmission & Reticulation</i>	80,386	96,498	22,537	136,335	136,335	136,335	162,592	186,724	160,424
<i>Street Lighting</i>	6,590	4,035	-	2,500	2,500	2,500	-	-	-
Infrastructure - Water	22,944	19,019	7,510	62,008	52,160	52,160	106,311	116,288	29,533
<i>Reticulation</i>	22,944	19,019	7,510	62,008	52,160	52,160	106,311	116,288	29,533
Infrastructure - Sanitation	111,795	26,537	35,006	64,888	43,385	43,385	128,936	46,600	96,640
<i>Reticulation</i>	-	-	-	-	-	-	-	-	-
<i>Sewerage purification</i>	111,795	26,537	35,006	64,888	43,385	43,385	128,936	46,600	96,640
Infrastructure - Other	45,653	131,430	128,019	48,988	38,988	38,988	-	-	-
<i>Waste Management</i>	-	328	1,500	18	18	18	-	-	-
<i>Transportation</i>	43,467	131,101	126,519	48,970	38,970	38,970	-	-	-
<i>Other</i>	2,186	-	-	-	-	-	-	-	-
Community	12,722	24,943	197	29,086	27,641	27,641	11,000	6,150	13,000
Parks & gardens	21	-	-	-	-	-	3,000	5,000	7,500
Sportsfields & stadia	-	-	-	15,000	15,000	15,000	-	-	5,000
Swimming pools	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	10,000	10,000	10,000	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	8,000	1,150	500
Fire, safety & emergency	-	-	-	-	-	-	-	-	-
Security and policing	11,724	24,943	197	3,500	2,055	2,055	-	-	-
Other	977	-	-	586	586	586	-	-	-
Heritage assets	5,882	-	-	20,045	13,500	13,500	2,500	1,300	-
Buildings	5,882	-	-	20,045	13,500	13,500	2,500	1,300	-
Other	-	-	-	-	-	-	-	-	-
Investment properties	325	2,293	-	-	-	-	9,500	15,500	50,000
Housing development	325	2,293	-	-	-	-	9,500	15,500	50,000
Other	-	-	-	-	-	-	-	-	-
Other assets	15,548	40,744	5,676	77,215	84,757	84,757	92,098	78,125	98,724
General vehicles	193	8,952	-	12,220	29,458	29,458	36,148	42,025	35,712
Specialised vehicles	8,342	12,176	-	5,550	-	-	-	-	-
Plant & equipment	4,095	8,947	1,148	18,673	21,763	21,763	3,500	3,400	712
Computers - hardware/equipment	-	-	-	2,000	2,492	2,492	2,000	2,500	2,000
Furniture and other office equipment	344	10,670	4,302	21,035	23,035	23,035	17,600	3,300	4,300
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	128	537	1,022	1,022	-	-	-
Civic Land and Buildings	1,525	-	99	17,200	6,987	6,987	1,000	1,000	1,000
Other Buildings	565	-	-	-	-	-	8,450	22,900	50,000
Other	484	-	-	-	-	-	23,400	3,000	5,000
Agricultural assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Computers - software & programming	-	-	-	-	-	-	-	-	-
Other (list sub-class)	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	344,643	375,985	206,901	449,438	406,880	406,880	592,962	604,067	575,787
Specialised vehicles	8,342	12,176	-	5,550	-	-	-	-	-
Refuse	5,645	7,360	-	5,550	-	-	-	-	-
Fire	2,697	4,816	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-

FS000 Mangaung - Supporting Table SA34b Consolidated capital expenditure on existing assets by asset class

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousand									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	54,540	247,957	229,436	341,131	372,388	372,388	155,205	153,594	254,444
Infrastructure - Road transport	52,674	216,774	123,810	212,669	235,968	235,968	74,620	49,000	80,000
<i>Roads, Pavements & Bridges</i>	52,674	216,774	123,810	212,669	235,968	235,968	74,620	49,000	80,000
Infrastructure - Electricity	158	5,577	16,714	5,325	13,325	13,325	26,175	27,844	65,144
<i>Transmission & Reticulation</i>	158	5,577	16,714	5,225	13,225	13,225	26,175	27,744	65,044
<i>Street Lighting</i>				100		100	-	100	100
Infrastructure - Water	77	5,311	14,443	34,170	37,938	37,938	33,000	47,000	83,000
<i>Water purification</i>		5,311		-	3,768	3,768			
<i>Reticulation</i>	77		14,443	34,170	34,170	34,170	33,000	47,000	83,000
Infrastructure - Sanitation	1,631	4,009	35,272	81,037	77,231	77,231	9,000	16,200	15,000
<i>Sewerage purification</i>	1,631	4,009	35,272	81,037	77,231	77,231	9,000	16,200	15,000
Infrastructure - Other	-	16,286	39,196	7,930	7,925	7,925	12,410	13,550	11,300
<i>Waste Management</i>		545	4,063	7,930	7,925	7,925	12,410	13,550	11,300
<i>Transportation</i>		-	35,134	-					
<i>Other</i>		15,740							
Community	160,303	57,421	11,816	15,533	18,085	18,085	4,500	4,000	1,700
Parks & gardens	7	-	-	-	-	-			
Sportsfields & stadia	160,290	56,732	8,780	14,000	15,000	15,000			
Swimming pools									
Community halls							3,500	4,000	650
Libraries									
Recreational facilities	6	508	2,955	1,493	3,045	3,045	1,000	-	500
Fire, safety & emergency					40	40			
Clinics				40					
Other		181	81						550
Heritage assets	147	-	-	-	-	-	-	-	-
Buildings	147								
Other									
Investment properties	2	14,744	5,308	-	-	-	-	-	-
Housing development	2		5,308						
Other		14,744							
Other assets	26,831	6,384	5,274	18,045	17,693	17,693	1,000	-	320
General vehicles	32		1,831	11,517	334	334			
Specialised vehicles	53	6,107		713					
Plant & equipment	26,745						1,000		320
Computers - hardware/equipment					544	544			
Furniture and other office equipment		7	699	2,416	2,416	2,416			
Abattoirs			2,743						
Markets									
Civic Land and Buildings				800	2,800	2,800			
Other Buildings		270		2,600	11,600	11,600			
Agricultural assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing	241,823	326,506	251,834	374,709	408,166	408,166	160,705	157,594	256,464
Specialised vehicles	53	6,107	-	713	-	-	-	-	-
Refuse	53								
Fire		6,107		713					
Conservancy									
Ambulances									
Renewal of Existing Assets as % of total capex	41.2%	46.5%	54.9%	45.5%	50.1%	50.1%	21.3%	20.7%	30.8%
Renewal of Existing Assets as % of deprecn"	127.8%	162.9%	87.4%	187.1%	203.8%	203.8%	80.3%	69.1%	98.9%

FS000 Mangaung - Supporting Table SA34c Consolidated repairs and maintenance by asset class

Description	2008/9	2009/10	2010/11	Current Year 2011/12			2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	83,346	27,589	93,253	126,756	127,756	127,756	146,938	157,511	168,273
Infrastructure - Road transport	18,004	14,487	-	44,313	45,313	45,313	57,878	61,930	66,265
<i>Roads, Pavements & Bridges</i>	18,004	14,487	-	43,823	44,823	44,823	57,878	61,930	66,265
<i>Storm water</i>	-	-	-	490	490	490	-	-	-
Infrastructure - Electricity	45,534	6,715	-	44,691	44,691	44,691	50,347	54,159	57,686
<i>Generation</i>	-	-	-	-	-	-	-	-	-
<i>Transmission & Reticulation</i>	26,171	6,489	-	25,445	25,445	25,445	26,734	28,988	30,823
<i>Street Lighting</i>	19,362	226	-	19,247	19,247	19,247	23,613	25,171	26,863
Infrastructure - Water	7,481	2,355	-	13,048	13,048	13,048	20,727	22,178	23,730
<i>Reticulation</i>	7,481	2,355	-	13,048	13,048	13,048	20,727	22,178	23,730
Infrastructure - Sanitation	4,395	22	-	12,516	12,516	12,516	8,319	8,901	9,524
<i>Sewerage purification</i>	4,395	22	-	12,516	12,516	12,516	8,319	8,901	9,524
Infrastructure - Other	7,932	4,009	93,253	12,187	12,187	12,187	9,667	10,344	11,068
<i>Waste Management</i>	7,210	2,315	-	9,593	9,593	9,593	8,840	9,459	10,121
<i>Transportation</i>	-	-	-	769	769	769	827	885	946
<i>Other</i>	722	1,694	93,253	1,826	1,826	1,826	-	-	-
Community	1,796	11,011	-	2,890	2,890	2,890	5,050	5,404	5,782
Parks & gardens	1,250	4,062	-	994	994	994	1,195	1,278	1,368
Sportsfields & stadia	-	121	-	110	110	110	173	185	198
Swimming pools	-	114	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-
Libraries	-	12	-	1	1	1	459	491	525
Recreational facilities	-	476	-	910	910	910	2,064	2,208	2,363
Fire, safety & emergency	-	1,873	-	20	20	20	22	23	25
Security and policing	546	1,516	-	692	692	692	730	782	836
Buses	-	-	-	-	-	-	-	-	-
Clinics	-	235	-	-	-	-	-	-	-
Cemeteries	-	808	-	163	163	163	409	437	468
Social rental housing	-	1,587	-	-	-	-	-	-	-
Other	-	206	-	-	-	-	-	-	-
Heritage assets	1,347	-	-	691	691	691	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other	1,347	-	-	691	691	691	-	-	-
Investment properties	-	-	-	-	-	-	692	741	792
Housing development	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	692	741	792
Other assets	55,681	94,339	-	86,603	90,603	90,603	85,569	91,430	97,478
General vehicles	38,319	44,030	-	47,457	47,457	47,457	47,567	50,815	54,085
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	9,587	64	-	1,690	1,690	1,690	1,786	1,911	2,044
Computers - hardware/equipment	185	615	-	2,615	2,615	2,615	1,601	1,713	1,833
Furniture and other office equipment	-	26,481	-	14,440	16,440	16,440	12,988	13,890	14,848
Markets	-	70	-	544	544	544	639	684	732
Civic Land and Buildings	6,374	22,844	-	19,712	21,712	21,712	19,577	20,906	22,320
Other Buildings	1,215	-	-	-	-	-	1,254	1,342	1,436
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	-	236	-	145	145	145	157	168	179
Agricultural assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	142,169	132,939	93,253	216,941	221,941	221,941	238,250	255,085	272,326
Specialised vehicles	-	-	-	-	-	-	-	-	-
R&M as a % of PPE	5.1%	3.1%	2.2%	3.9%	4.0%	4.0%	4.9%	5.0%	5.1%
R&M as % Operating Expenditure	6.2%	4.9%	3.3%	5.9%	5.9%	5.9%	5.7%	5.4%	5.2%

Most projects under the Infrastructure class and sub-class are for the development and construction until projects are finalized, save for projects that are implemented in phases.

FS000 Mangaung - Supporting Table SA35 Consolidated future financial implications of the capital budget

Vote Description	2012/13 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Present value
Capital expenditure							
Vote 1 - City Manager	4,000	5,000	5,000	5,400	5,805	6,211	
Vote 2 - Executive Mayor	-	-	-	-	-	-	
Vote 3 - Corporate Services	15,000	6,750	8,200	8,856	9,520	10,187	
Vote 4 - Finance	6,600	500	500	540	581	621	
Vote 5 - Social Services	21,850	34,300	63,332	68,399	73,528	78,675	
Vote 6 - Planning	55,187	42,835	42,835	46,262	49,731	53,213	
Vote 7 - Human Settlement and Housing	30,000	15,500	50,000	54,000	58,050	62,114	
Vote 8 - Fresh Produce Market	-	-	-	-	-	-	
Vote 9 - Engineering Services	296,952	278,020	323,383	349,254	375,448	401,729	
Vote 10 - Water Services	139,311	163,288	112,533	121,536	130,651	139,797	
Vote 11 - Miscellaneous Services	-	-	-	-	-	-	
Vote 12 - Regional Operations	-	-	-	-	-	-	
Vote 13 - Strategic Projects and Service Delivery	-	-	-	-	-	-	
Vote 14 - Electricity - Centlec (Soc) Ltd	184,767	215,467	226,467	244,585	262,929	281,334	
	-	-	-	-	-	-	
Total Capital Expenditure	753,667	761,661	832,251	898,831	966,243	1,033,880	-
Future operational costs by vote							
Vote 1 - City Manager	100	125	125	135	145	155	
Vote 2 - Executive Mayor	-	-	-	-	-	-	
Vote 3 - Corporate Services	375	169	205	221	238	255	
Vote 4 - Finance	165	13	13	14	15	16	
Vote 5 - Social Services	546	858	1,583	1,710	1,838	1,967	
Vote 6 - Planning	1,380	1,071	1,071	1,157	1,243	1,330	
Vote 7 - Human Settlement and Housing	750	388	1,250	1,350	1,451	1,553	
Vote 8 - Fresh Produce Market	-	-	-	-	-	-	
Vote 9 - Engineering Services	7,424	6,951	8,085	8,731	9,386	10,043	
Vote 10 - Water Services	3,483	4,082	2,813	3,038	3,266	3,495	
Vote 11 - Miscellaneous Services	-	-	-	-	-	-	
Vote 12 - Regional Operations	-	-	-	-	-	-	
Vote 13 - Strategic Projects and Service Delivery	-	-	-	-	-	-	
Vote 14 - Electricity - Centlec (Soc) Ltd	4,619	5,387	5,662	6,115	6,573	7,033	
	-	-	-	-	-	-	
	-	-	-	-	-	-	
Total future operational costs	18,842	19,042	20,806	22,471	24,156	25,847	-
Future revenue by source							
Property rates							
Property rates - penalties & collection charges							
Service charges - electricity revenue							
Service charges - water revenue							
Service charges - sanitation revenue							
Service charges - refuse revenue							
Service charges - other							
Rental of facilities and equipment							
Total future revenue	-	-	-	-	-	-	-
Net Financial Implications	772,509	780,703	853,057	921,302	990,400	1,059,727	-

13. LEGISLATION COMPLIANCE STATUS

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

1. In Year Reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.
2. Internship Programme
The municipality is participating in the Municipal Financial Management Internship programme and has employed 10 interns undergoing training in various divisions of the Financial Services Department.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee has been established and is fully functional.
5. Risk Management
The Risk Management Committee has not been established and a Chief Risk Officer has been appointed with effect from 01 June 2012.
6. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2012/13 MTREF in June 2012 directly aligned and informed by the 2012/13 MTREF.
7. Annual Report
Annual Report is compiled in terms of the MFMA and National Treasury requirements.
8. Policies
Four new policies aimed at ensuring long-term financial stability have been developed and are to be adopted with this budget. These are:
 - Funding and Reserve Policy
 - Borrowing Policy
 - Capital Infrastructure Investment Policy
 - Policy on Long-Term Financially Planning.
9. Property Rates Act
The new Municipal Property Rates Act, No 6 of 2004, was fully implemented on the 1st July 2009.

14. OTHER SUPPORTING DOCUMENTS

Table SA36 - Consolidated Detailed capital budget - Annexure

15. ANNUAL BUDGETS OF MUNICIPAL ENTITIES ATTACHED TO THE ANNUAL BUDGET

See attached as Annexure C



Municipal Manager's Quality Certification

Quality Certificate

I, **Municipal Manager of the Mangaung Metropolitan Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations promulgated 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 Mangaung Metropolitan Municipality

Signature: _____

Date: _____

FS000 Mangaung - Contact Information

A. GENERAL INFORMATION

Municipality	FS000 Mangaung
Grade	6
Province	FS FREE STATE
Web Address	www.mangaung.co.za

¹ Grade in terms of the Remuneration of Public Office Bearers Act.

e-mail Address

B. CONTACT INFORMATION

Postal address:

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City / Town	Bloemfontein
Postal Code	9300

Street address

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City / Town	Bloemfontein
Postal Code	9301

General Contacts

Telephone number	051 405 8911
Fax number	

C. POLITICAL LEADERSHIP

Speaker:

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Secretary/PA to the Speaker:

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Mayor/Executive Mayor:

Name	Mr T M Manyoni
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Secretary/PA to the Mayor/Executive Mayor:

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Deputy Mayor/Executive Mayor:

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Secretary/PA to the Deputy Mayor/Executive Mayor:

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D. MANAGEMENT LEADERSHIP

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Secretary/PA to the Municipal Manager:

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Chief Financial Officer

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Secretary/PA to the Chief Financial Officer

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Official responsible for submitting financial information

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Official responsible for submitting financial information

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