

# Maletswai Municipality



## Budget2013/14 – 2015/16 Medium Term Revenue and Expenditure Framework

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# Glossary

**Adjustments Budget** – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

**Allocations** – Money received from Provincial or National Government or other municipalities.

**Budget** – The financial plan of the Municipality.

**Budget Related Policy** – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy.

**Capital Expenditure** - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

**Cash flow statement** – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

**DORA** – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

**Equitable Share** – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

**Fruitless and wasteful expenditure** – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

**GFS** – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

**GRAP** – Generally Recognised Accounting Practice. The new standard for municipal accounting.

**IDP** – Integrated Development Plan. The main strategic planning document of the Municipality

**KPI's** – Key Performance Indicators. Measures of service output and/or outcome.

**MFMA** – The Municipal Finance Management Act – No. 53 of 2003. The principle piece of legislation relating to municipal financial management.

**MTREF** – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

**Net Assets** – Net assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets of the municipality equates to the "net wealth" of the municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

**Operating Expenditure** – Spending on the day to day expenses of the Municipality such as salaries and wages.

**Rates** – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

**SDBIP** – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

**Strategic Objectives** – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

**Unauthorised expenditure** – Generally spending without, or in excess of, an approved budget.

**Virement** – A transfer of budget.

**Vote** – One of the main segments of a budget. In Maletswai Municipality this means at function level.

# PART 1 – ANNUAL BUDGET

It is with great pleasure that I present the 2013/2014 Medium Term Revenue and Expenditure framework (MTREF) to the Council and especially the community at large, for input.

I am specifically pleased to announce that our budget materially complies with the latest budget regulations as well as the requirements of the National Treasury, for which I must thank the Chief Financial Officer and his staff for the tremendous effort.

The Council's strategic objective of service delivery includes the continuation of the acceptable levels of service as well as the improvement in those areas where it lacks acceptable levels.

The balancing act is to achieve these objectives with available financial resources, and to always consider the effect of tariff adjustments on the community at large, and specifically the poor. In addition, we did not escape the effect of the global economic downturn, as well as the recently announced tariff increases by ESCOM, and this makes the achievement of the service delivery objectives so much more difficult.

The forecasted expenditure can be summarised as follows: (R 000)

TYPE	2013/2014	2014/2015	2015/2016
<b>Operating</b>	130 740 140	143 131 798	151 001 636
<b>Capital (MIG, INEG and FMG (intangible assets acquisition))</b>	18 589 897	13 598 058	12 672 774
<b>TOTAL</b>	<b>R 149 330 037</b>	<b>R 156 729 856</b>	<b>R 163 674 410</b>

We need to recognise the funding role of the National and Provincial Governments, with contributions from these spheres of governments through grants and subsidies being 35% of total expenditure or 36% of total revenue.

An indication of our commitment is that we grant rebates on service charges on indigent consumers. In addition to these rebates and discounts, which provides for free basic services to the poor, a further .05% of billing is being budgeted for as a contribution to debt impairment. This, together with the funding as mentioned above, are also indicative of the level of unemployment and poverty in the region, and we must assist in National – and Provincial programs to improve this situation within the means of our Constitutional mandates.

National -,Provincial-,District - and local priorities for service delivery must be aligned and this is to a large degree achieved through the Integrated Development Plan process, whereby communities give input into service needs and which is being incorporated into the I.D.P. The different spheres of government then allocate resources to these requirements, but I must emphasise again that it is only to the extent that resources are available.

Our infrastructure development objectives are obviously to have services at acceptable levels to all, and for this purpose the budget for 2013/14 provides for roads – and storm water projects totalling R14 526 0000 which will also contribute to the national priority of safety.

While we recognise the need for the extension of services through infrastructure development, we must also recognise the need for the maintenance of these infrastructures and to this end we provide in the capital program for replacement of some of our aging vehicles and equipment. However, to provide for the capital is probably not that problematic, but to find the funds to maintain our infrastructure and other assets properly in the operating budget, without overburdening our consumers and ratepayers, is the big concern. It is common knowledge that the first place where funds are cut when other expenditure items increase to such an extent that a reduction in expenditure is necessary, is on maintenance votes. In this budget our maintenance expenditure equates to 6%of operating expenditure, which is in line with national averages, but the pressure on this type of expenditure is increasing every year.

I must also mention the effect of the ESKOM bulk tariff increases and the limitations set by NERSA on the electricity increases to be applied by the municipality. The ESKOM bulk tariff increase for the current year is set at 8%, while the increase allowed for the municipality is 7%

I believe we have done all in our power to address service delivery requirements within our financial means and would like to thank our community for their inputs into the IDP process, my fellow Councillors for their continued hard work and support as well as the Municipal Manager and his staff for all their efforts.

## 1.2 Council Resolutions

On 23 May 2013 the Council of Maletswai Local Municipality met in the Council Chambers to consider the annual budget of the municipality for the financial period 2013/14. The council approved and adopted the following resolutions:

1. The Council of Maletswai Local Municipality, acting in terms of section 24 of Municipal Finance Management Act (Act No 56 of 2003), approves and adopts:
  - 1.1. The 2013/14 Medium Term Revenue and Expenditure Framework Budget for the municipality as set out in the following tables:
    - 1.1.1. Budgeted Financial Performance (Revenue and Expenditure by standard classification) as contained in Table 12;
    - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 13;
    - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 14; and
    - 1.1.4. Budgeted Capital Expenditure for both multi-year and single year by vote, standard classification and associated funding as contained in the Table 15
  - 1.2. The financial position, Cash Flows, Accumulated Surplus, asset management and basic service delivery targets are approved as set out in the following tables:
    - 1.2.1. Budgeted Financial Position as contained in Table 16;
    - 1.2.2. Budgeted Cash Flows as contained in Table 17;
    - 1.2.3. Asset management as contained in Table 19;
    - 1.2.4. Basic service delivery measurement as contained in Table 23
2. The Maletswai Local Municipality Council, acting in terms of section 75A of the Local Government: Municipality Systems Act, (Act 32 of 2000), approves and adopts with effect from 1 July 2013:
  - 2.1. The tariffs for property rates as set out in Annexure 1;
  - 2.2. tariffs for electricity – as set out in Annexure 1;
  - 2.3. the tariffs for refuse removal – as set out in Annexure 1;
3. The Maletswai Local Municipality Council, acting in terms of Section 75A of the Local Government: Municipality Systems Act, (Act 32 of 2000), approves and adopts with effect from 1 July 2013 tariffs for other services, as set out in Annexure 1
4. Council notes the amended Integrated Development Plan adopted on 26 March 2013.
5. Council notes the performance indicators tabled with the budget for subsequent approval by the Executive Mayor.
6. The amended policies for credit control, debt collection and indigents as reflected in Section 8 are approved for the budget year 2013/2014.
7. The other revised budget related policies reflected are approved for the budget year 2013/2014

## **EXECUTIVE SUMMARY**

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

Increased spending and dwindling revenue necessitated the municipality to review its spending trends in 2012/13, thus leading to adjustments in the approved budget. The adjustments budget assisted the municipality in determining the revenue collections over the period so that when the 2013/14 budget is prepared it is based on the realistic projections. The 2013/14 budget was therefore revised downwards and revenue was projected at about R149. 330 037 million.

The municipality has engaged with all internal stakeholders and informed them of the need to come up with creative ways of increasing the revenue base for the municipality. These strategies include, among others, the revival of the Aliwal Spa to attract business and tourists, development of the mall as well as introduction of parking meters in Aliwal North. It is hope that these efforts and others will assist the municipality to increase its revenue base.

National Treasury's MFMA Circular No. 58, 59 and 67 were used to guide the compilation of the 2013/14 MTREF.

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

The main challenges experienced during the compilation of the 2013/14 MTREF can be summarised as follows:

- Economic challenges in the country that affect the municipality which lead to increases in unemployment;
- Aging infrastructure: electricity and storm water networks;
- Unfavourable cash flow projections;
- Increasing employee related costs, coupled with the need to fill in critical positions within the municipality;
- Increased electricity bulk purchases as well as different tariffs levied by Eskom and the municipality;
- The take-over of the water and sanitation services by the Joe Gqabi District Municipality resulting in erosion of the municipality's revenue base.

The following table is a consolidated overview of the proposed 2013/14 Medium Term Revenue and Expenditure Framework:



Table 1: Consolidated overview of 2013/14 MTREF

	2012/13	2013/14	2014/15	2015/16
	MID YEAR ADJ BUDGET	BUDGET	BUDGET	BUDGET
Total Operating Budget	129 894 948	R 130 740 140	R 143 131 798	<b>R 151 001 636</b>
Total Capital Budget	21 006 979	18 589 897	13 598 058	12 672 774
Total Budget	150 901 927	<b>R 149 330 037</b>	<b>R 156 729 856</b>	<b>R 163 674 410</b>

The following table is a consolidated overview of the proposed 2013/14 Medium Term Revenue and Expenditure Framework:

Total operating revenue for 2013/14 has increased by R 684 000 when compared against the 2012/13 adjustments budget. It is envisaged that revenue will grow by 6.8% and 6.7% in 2014/15 and 2015/16 financial periods, respectively.

Total operating expenditure has been appropriated at R130.7 million in 2013/14 MTREF.

Operating expenditure has grown by R 12.39 million (9.4%) in 2014/15 and R7.87 million (5.4%) in 2015/16 MTREF period.

Capital expenditure is showing a steady decline from R 21 million in the 2012/13 Adjustments Budget to about R18.4 million in the 2013/14 MTREF period (MIG and INEG). The municipal infrastructure grant capital expenditure is budgeted for at R 14.526 million in the 2014/15 financial period and at R12.03 million in the 2015/16 financial period.

#### 1.4. Operating Revenue Analysis

The municipality's revenue has shown steady increase from the 2009/10 financial period to 2011/12 financial period. The increase can be attributed to individual increases in service charges, particularly electricity and sanitation, as well as in property rates. Housing developments and economic growth has meant an increase in revenue base for the municipality over this period.

The municipality continues to draw the bulk of its revenue from property rates as well as from electricity sales. These two sources make up the more than 50% of revenue generated by the municipality, if grants are excluded.

The following table is a summary of the 2013/14 MTREF (classified by main revenue source):

**Table 2: Summary of revenue classified by main revenue source**

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Revenue By Source</b>									
Property rates	7 425	7 658	8 449	9 900	9 900	9 900	13 675	14 427	15 220
Property rates - penalties & collection charges									
Service charges - electricity revenue	26 526	33 659	41 494	53 160	59 624	59 624	57 307	60 459	63 784
Service charges - water revenue	-	5 220	7 708	7 019	-	-	-	-	-
Service charges - sanitation revenue	-	1 012	2 702	2 725	-	-	-	-	-
Service charges - refuse revenue	4 203	5 159	2 685	3 601	3 196	3 196	3 591	3 135	5 872
Service charges - other	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	1 510	1 586	1 700	1 894	1 929	1 929	1 709	2 442	3 612
Interest earned - external investments	494	353	207	270	230	230	160	168	178
Interest earned - outstanding debtors	668	794	881	950	950	950	3 307	4 619	4 995
Dividends received	-	-	-	-	-	-	-	-	-
Fines	224	273	250	452	321	321	198	213	229
Licences and permits	1 725	2 159	2 189	2 720	2 770	2 770	2 551	2 755	2 976
Agency services	1 507	1 306	1 300	1 550	3 861	3 861	1 530	1 652	1 784
Transfers recognised - operational	20 313	21 977	26 849	28 975	29 120	29 120	30 142	31 428	31 489
Other revenue	7 275	10 633	11 982	15 588	3 982	3 982	7 213	7 705	7 490
Gains on disposal of PPE	207	56	42	60	60	60	65	70	76
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>72 079</b>	<b>91 844</b>	<b>108 439</b>	<b>128 863</b>	<b>115 943</b>	<b>115 943</b>	<b>121 448</b>	<b>129 073</b>	<b>137 703</b>

The water and sanitation services were taken over by the Joe Gqabi District Municipality in the 2012/13 financial year, and are thus not included in the budget. This has also contributed to the decrease in the expected revenue.

The operating revenue budget does not include the effects of capital transfers, as this will distort the calculation of the operating surplus/deficit.

Maletswai Local Municipality has struggled to maintain the revenue growth trend as anticipated in the 2012/13 budget, thus necessitating that the original budget be revised downwards from R128m to R116m. The 2013/14 revenue was thus drawn using the adjustments budget information.

Contributing to the downward revenue projections is as result of a myriad of reasons. The major reason is the high unemployment rate in the area thereby contributing to an increase in the number of consumers qualifying for a subsidy grant. The stagnant country-wide economic growth has negatively affected the growth of the municipality towns of Aliwal North and Jamestown, with Jamestown the worst affected of the two.

Despite these circumstances the municipality has not shied away from its resolve to continue providing quality services to its community at large.

It is hoped that new housing developments aimed at the middle to high income earners, the proposed development of the mall, as well as revitalisation of the Aliwal Spa will increase the revenue base of the municipality in the near future. This will also boost the economic growth of the towns, particularly Aliwal North.

The adverse economic conditions has forced the municipality to look at ways of improving the economic outlook of the town by adopting vision 2028 which aims to make the municipality a focal development point within the Joe Gqabi District.

#### **1.4.1 Property Rates**

In terms of section 75A of the Local Government: Municipal Systems Act 2000 (Act No 32 of 2000) the Municipality may levy and recover fees, charges or tariffs in respect of any function performed or service rendered by or on behalf of the Municipality and recover collection charges and interest on any outstanding amount. Once the Council has levied a fee, charge or tariff, notice must be given that the Council has passed a resolution in this regard and the resolution must be made available for inspection.

Each year, National Treasury issues a circular to municipalities advising them of the budget parameters within which municipalities should work when preparing their budgets.

The headline CPIX forecast for 2013/14, 2014/15 and 2015/16 are 5.6%, 5.4% and 5.4% respectively.

These growth parameters apply to tariff increases for property rates, user and other charges raised by municipalities and municipal entities, to ensure that all spheres of government support the national macroeconomic policies, unless it can be shown that external factors impact otherwise. The municipality has set its tariff increases at 10% which is above inflation. This is due to the fact that the tariff structure in place does not cover the effect of the cost of services, hence an increase above the inflation amount is proposed for the 2013/14 MTREF period.

Table 3 Proposed property rates for 2013/14 financial period

<b>Description</b>	<b>2012 -2013 Current Tariffs</b>	<b>2013 -2014 Proposed Tariffs</b>
Cent per Rand		
Residential properties	0.007711	0.0084821
Commercial/Business properties	0.009251	0.010761
Industrial properties	0.009251	0.010761
Public Service Infrastructure properties	0.00231	0.002541
Public Benefits Organisation properties	0	0
Agricultural properties used for agricultural purposes	0.001925	0.010761
Agricultural properties used for commercial/industrial purposes	0.003861	0.0042471
Agricultural properties used for eco-tourism, conservation	0	0
trading in or hunting of game	0.003861	0.004247
Agricultural properties not used for any purpose/ purpose	0	0
unknown to the municipality	0.007711	0.008482
State-owned properties that provide local services	0.007711	0.008482
State-owned properties that provide regional or district wide services	0.007711	0.008482
State-owned properties that provide provincial or national services	0.007711	0.008482
Municipal properties	0	0
Vacant properties	0.015422	0.0169642
Mining properties	0.015422	0.0169642

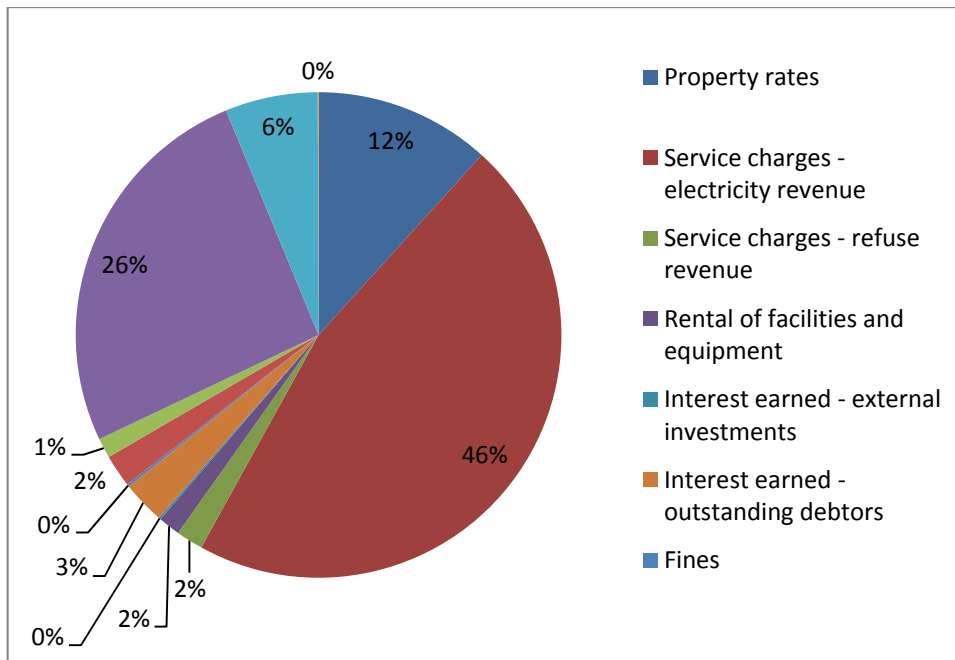


Figure 1: Detailed Revenue by Source

#### 1.4.2 Service charges – Electricity Revenue

NERSA has announced the revised bulk electricity pricing structure. An 8 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2013.

Based on the above increase the municipality has proposed a tariff increase of 10 per cent, in order to compensate for the cost of providing the services.

Registered indigents will be granted 50 kWh per 30-day period free of charge. In addition there is a proposed tariff for old age homes, child shelters as well as welfare organisations

Table 4 Proposed electricity tariffs for the 2013/14 financial period

	2012 - 2013 (Current)		2013 - 2014 (Proposed)
<b>ELECTRICITY</b>	<b>tariff</b>	<b>vat inclusive</b>	<b>Vat inclusive</b>
<b>Domestic</b>	-	-	
Basic charge/Minimum	72.98	83.20	91.52
Conventional units 1 - 50kwh	0.66	0.75	0.83
Conventional units 51 - 350kwh	0.82	0.93	1.03
Conventional units 351 - 600kwh	1.08	1.24	1.36
Conventional units >600kwh	1.12	1.28	1.41
Basic charge/Minimum	72.98	83.20	91.52
Prepaid units 1 - 50kwh	0.66	0.75	0.83
Prepaid units 51 - 350kwh	0.82	0.93	1.03
Prepaid units 351 - 600kwh	1.08	1.24	1.36
Prepaid units >600kwh	1.12	1.28	1.41
<b>Business</b>			
Basic charge	164.92	188.00	206.80

	<b>2012 - 2013(Current)</b>		<b>2013 - 2014(Proposed)</b>
<b>ELECTRICITY</b>	<b>tariff</b>	<b>vat inclusive</b>	<b>Vat inclusive</b>
Conventional unit	0.925	1.0545	1.16
Prepaid unit	0.925	1.0545	1.16
<b><i>Bulk Consumers - above 400 volts</i></b>			
Basic monthly charges	659.23	751.52	826.67
KVA tariff	144.09	164.26	180.69
KWH Tariff	0.53	0.60	0.66
<b><i>Bulk Consumers - below 400 volts</i></b>			
Basic monthly charges	593.02	676.04	743.64
KVA tariff	155.19	176.92	194.61
KWH Tariff	0.53	0.61	0.67
Service charges - per month	37.97	43.29	47.62
Plus: per kwh(average of 44000 per month)	0.75	0.86	0.95

Electricity continues to be the major source of revenue for Maletswai Local Municipality (46% of operating revenue). Growth in electricity revenue is expected to be 5.4% in 2013/14 financial period and 5.5% in 2014/16 financial period.

The electricity infrastructure is aging and needs to be repaired. However, given the cash flow constraints within the municipality it becomes a challenge to set aside sufficient funds for the upgrading of the electricity network. Upgrading the network is necessary as to enable an efficient electricity system that significantly reduces losses.

The proposed tariff increases will still not be sufficient for the municipality to generate sufficient funds to fully upgrade the electricity network.

### **1.4.3 Grant Funding**

Operating grant funding is projected at R31.2 million in 2013/14 and increasing steadily to R31.5 million in 2015/16.

Table 5 Operating transfers and grants receipts

Description	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>								
<b>RECEIPTS:</b>								
<b>Operating Transfers and Grants</b>								
<b>National Government:</b>	19 620	23 118	26 462	26 422	26 422	29 063	30 483	30 483
Local Government Equitable Share	17 620	20 224	22 944	22 944	22 944	24 074	25 448	27 642
Municipal Systems Improvement	750	790	840	800	800	1 668	2 417	223
Finance Management	1 250	1 500	900	900	900	1 500	1 750	1 750
EPWP Incentive	-	604	1 000	1 000	1 000	1 000	-	-
Management Support	-	-	-	-	-	-	-	-
Water Services Operating Subsidy	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant (MIG)	-	-	778	778	778	821	868	868
<b>Provincial Government:</b>	2 147	45	-	-	-	-	-	-
Health subsidy	1 279	-	-	-	-	-	-	-
Spatial Development Plan	400	-	-	-	-	-	-	-
Land Survey Management	468	-	-	-	-	-	-	-
VUNA Awards	-	45	-	-	-	-	-	-
Municipal Infrastructure Grant (MIG)	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	103	67	903	903	903	146	157	170
<i>IDP Fund</i>	50	-	75	75	75	81	87	94
<i>Performance Management Appraisal LED</i>	53	67	828	828	828	65	70	76
<b>Other grant providers:</b>	570	776	1 610	1 004	1 004	992	1 071	1 157
<i>Skills Development</i>	130	209	300	300	300	324	350	378
<i>Library Fund</i>	440	567	1 310	704	704	668	721	779
<b>Total Operating Transfers and Grants</b>	22 440	24 006	28 975	28 329	28 329	30 200	31 712	31 810
<b>Capital Transfers and Grants</b>								
<b>National Government:</b>	20 487	15 614	13 339	13 339	13 339	17 314	17 314	17 314
Municipal Infrastructure Grant (MIG)	10 487	12 614	12 739	12 739	12 739	13 438	13 438	13 438
Finance Management	-	-	600	600	600	-	-	-
Management Support	-	-	-	-	-	-	-	-
National Electrification Grant	10 000	3 000	-	-	-	3 876	3 876	3 876
Other capital transfers/grants [insert desc]	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	60	-	-	-	-	-	-	-
<i>Johanna Park Fencing</i>	60	-	-	-	-	-	-	-
<b>Other grant providers:</b>	6 905	-	3 693	3 693	3 693	-	-	-
<i>DEAT - Upgrading of Spa</i>	4 905	-	3 693	3 693	3 693	-	-	-
<i>DEAT - Waste Recycling Project</i>	2 000	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	27 452	15 614	17 032	17 032	17 032	17 314	17 314	17 314
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	49 892	39 620	46 006	45 360	45 360	47 514	49 026	49 124

#### 1.4.4 Refuse removal

The municipality embarked on a rigorous costing exercise for all its tariffs and analysed that the tariffs for refuse removal were below the cost of providing the service. It then necessitated that the cost structure be revised to ensure that the municipality at the least attains the break-even point. It is as a result of this exercise that the municipality proposed a 14 per cent increase in the tariff for the removal of solid waste.

The proposed tariff increases are set out in the following table:

Table 6 Proposed tariffs for refuse removal for the 2013/14 financial period

REFUSE REMOVAL	2012-13 Current Tariffs	VAT Inclusive	2013-14 Proposed Tariffs	VAT Incisive	Percentage Change
One removal per week	61.75	70.40	78.95	90.00	14%
Households/Churches	61.75	70.40	78.95	90.00	14%
Business - (one removal per week)	115.79	132.00	144.74	165.00	14%
Per additional container	28.47	32.45	35.09	40.00	14%
Welfare/Crèche	61.75	70.40	78.95	90.00	14%
Indigent Consumer	61.75	70.40	78.95	90.00	14%
Intermediate pick-up	337.72	385.00	412.28	470.00	14%

#### 1.4.6 Overall tariff increases

The municipality has made concerted efforts to ensure that households and businesses are not adversely affected by the increases in tariffs. The increases in tariffs were set at between 10 % and 14%. This is to ensure that at the least the cost of providing services relates to the revenue generated from providing those services i.e. a break-even is attained.

The following table shows the overall impact of tariff increases:



**Table 7 MBRR Monthly Household Bills (SA 14)**

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14 % incr.	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Rand/cent</b>										
<b>Monthly Account for Household - 'Middle Income Range'</b>										
<b>Rates and services charges:</b>										
Property rates	242.88	267.17	288.54	317.39	317.39	317.39	10.0%	349.13	384.05	422.45
Electricity: Basic lev y	54.60	54.60	65.75	72.98	72.98	72.98	14.0%	83.49	91.84	101.03
Electricity: Consumption	640.00	730.00	890.00	1 047.50	1 047.50	1 047.50	14.0%	1 194.15	1 313.57	1 444.92
Water: Basic lev y	31.80	35.30	39.18	45.06	45.06	45.06	25.0%	56.33	61.96	68.15
Water: Consumption	118.80	131.76	161.16	168.24	168.24	168.24	25.0%	210.30	231.33	254.46
Sanitation	53.40	56.60	65.79	75.66	75.66	75.66	25.0%	94.58	104.03	114.44
Refuse removal	43.00	52.00	56.14	61.75	61.75	61.75	28.0%	78.95	86.84	95.53
Other										
<b>sub-total</b>	<b>1 184.48</b>	<b>1 327.43</b>	<b>1 566.56</b>	<b>1 788.59</b>	<b>1 788.59</b>	<b>1 788.59</b>	<b>15.6%</b>	<b>2 066.92</b>	<b>2 273.62</b>	<b>2 500.98</b>
VAT on Services	131.82	148.44	178.92	248.77	248.77	248.77		240.49	264.54	290.99
<b>Total large household bill:</b>	<b>1 316.30</b>	<b>1 475.87</b>	<b>1 745.48</b>	<b>2 037.36</b>	<b>2 037.36</b>	<b>2 037.36</b>	<b>13.3%</b>	<b>2 307.41</b>	<b>2 538.15</b>	<b>2 791.97</b>
<b>% increase/-decrease</b>		<b>12.1%</b>	<b>18.3%</b>	<b>16.7%</b>	-	-		<b>13.3%</b>	<b>10.0%</b>	<b>10.0%</b>
<b>Monthly Account for Household - 'Affordable Range'</b>										
<b>Rates and services charges:</b>										
Property rates	130.29	143.32	154.78	170.26	170.26	170.26	10.0%	187.28	206.01	226.61
Electricity: Basic lev y	54.60	54.60	65.75	72.98	72.98	72.98	14.0%	83.49	91.84	101.03
Electricity: Consumption	318.72	364.79	421.22	442.50	442.50	442.50	14.0%	504.45	554.90	610.38
Water: Basic lev y	31.80	35.30	39.18	45.06	45.06	45.06	25.0%	56.33	61.96	68.15
Water: Consumption	94.05	104.31	127.58	133.19	133.19	133.19	25.0%	166.49	183.14	201.45
Sanitation	53.40	56.60	65.79	75.66	75.66	75.66	25.0%	94.58	104.03	114.44
Refuse removal	43.00	52.00	56.14	61.75	61.75	61.75	28.0%	78.95	86.84	95.53
Other										
<b>sub-total</b>	<b>725.86</b>	<b>810.92</b>	<b>930.44</b>	<b>1 001.40</b>	<b>1 001.40</b>	<b>1 001.40</b>	<b>17.0%</b>	<b>1 171.56</b>	<b>1 288.72</b>	<b>1 417.59</b>
VAT on Services	83.38	93.46	108.59	140.26	140.26	140.26		137.80	151.58	166.74
<b>Total small household bill:</b>	<b>809.24</b>	<b>904.38</b>	<b>1 039.04</b>	<b>1 141.67</b>	<b>1 141.67</b>	<b>1 141.67</b>	<b>14.7%</b>	<b>1 309.36</b>	<b>1 440.30</b>	<b>1 584.32</b>
<b>% increase/-decrease</b>		<b>11.8%</b>	<b>14.9%</b>	<b>9.9%</b>	-	-		<b>14.7%</b>	<b>10.0%</b>	<b>10.0%</b>
			0.27	-0.34	-1.00	-				
<b>Household - 'Indigent' Household receiving free basic services</b>										
<b>Rates and services charges:</b>										
Property rates	130.29	143.32	154.78	170.26	170.26	170.26	10.0%	187.28	206.01	226.61
Electricity: Basic lev y	54.60	54.60	65.75	72.98	72.98	72.98	14.0%	83.49	91.84	101.03
Electricity: Consumption	38.22	43.95	48.80	33.00	33.00	33.00	14.0%	37.62	41.38	45.52
Water: Basic lev y	31.80	35.30	39.18	45.06	45.06	45.06	25.0%	56.33	61.96	68.15
Water: Consumption	-	-	-	36.90	36.90	36.90	25.0%	46.13	50.74	55.81
Sanitation	53.40	56.60	65.79	75.66	75.66	75.66	25.0%	94.58	104.03	114.44
Refuse removal	43.00	52.00	56.14	61.75	61.75	61.75	28.0%	78.95	86.84	95.53
Other										
<b>sub-total</b>	<b>351.31</b>	<b>385.77</b>	<b>430.44</b>	<b>495.61</b>	<b>495.61</b>	<b>495.61</b>	<b>17.9%</b>	<b>584.37</b>	<b>642.80</b>	<b>707.09</b>
VAT on Services	30.94	33.94	38.59	54.12	54.12	54.12	#NAME?	55.59	61.15	67.27
<b>Total small household bill:</b>	<b>382.25</b>	<b>419.71</b>	<b>469.03</b>	<b>549.74</b>	<b>549.74</b>	<b>549.74</b>	<b>16.4%</b>	<b>639.96</b>	<b>703.96</b>	<b>774.35</b>
<b>% increase/-decrease</b>		<b>9.8%</b>	<b>11.8%</b>	<b>17.2%</b>	-	-		<b>16.4%</b>	<b>10.0%</b>	<b>10.0%</b>

**1.5. Operating Expenditure Analysis**

The Municipality's expenditure framework for the 2013/14 budget and MTREF is informed by the following:

- The asset renewal and the repairs and maintenance plan;
- Balanced budget constraints (operating expenditure should not exceed operating revenue unless there are uncommitted cash-backed reserves);
- Capital expenditure aligned to asset renewal strategy;

The following is a high level analysis of 2013 budget and MTREF:

Analysis of operating expenditure reveals that operating revenue generated from own funds has never been sufficient to cover the increasing expenditure over the period from 2009/10 to 2012/13 financial years. This means that the municipality has never been able to generate sufficient revenue to cover its expenditure.

The municipality has had to fill in critical posts, and this has contributed immensely to the increased expenditure. The employee related costs including remuneration of councillors average about 38% of total expenditure each year.

As evident from revenue table 2 and figure 1, the municipality generates most of its revenue from electricity (46%). However, the tariff structure used by the municipality is different from that used by Eskom. Eskom uses the Inclining Block Tariff system and is able to increase electricity charges during the high consumption periods whereas the municipality uses a flat rate tariff throughout the period. Eskom also charges the municipality for exceeding its load capacity, which happens often during the winter months where consumption is high.

The municipality's infrastructure in most areas is ageing and thus in need of repair. This results in increase in repairs and maintenance expenditure.

High unemployment rate in the area means that a lot of people fall behind with payments for services thus increasing the incidence of bad debts

**Table 7 Financial Performance: operating expenditure**

EC143 Maletswai - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Expenditure By Type</b>											
Employee related costs	2	34,762	38,586	41,075	50,527	41,343	41,343	41,343	45,589	47,677	50,722
Remuneration of councillors		-	2,586	2,576	2,795	3,056	3,056	3,056	3,443	3,650	3,869
Debt impairment	3	1,913	966	3,027	3,000	500	500	500	325	343	361
Depreciation & asset impairment	2	-	13,552	15,162	-	15,131	15,131	15,131	3,468	5,905	6,286
Finance charges		1,294	1,365	2,229	646	474	474	474	614	607	675
Bulk purchases	2	21,215	30,732	36,725	39,012	39,012	39,012	39,012	41,258	45,503	49,143
Other expenditure	4, 5	20,303	39,958	21,201	30,522	30,380	30,380	30,380	25,837	28,025	30,459
<b>Total Expenditure</b>		<b>79,866</b>	<b>127,745</b>	<b>121,995</b>	<b>126,502</b>	<b>129,895</b>	<b>129,895</b>	<b>129,895</b>	<b>120,533</b>	<b>131,709</b>	<b>141,515</b>

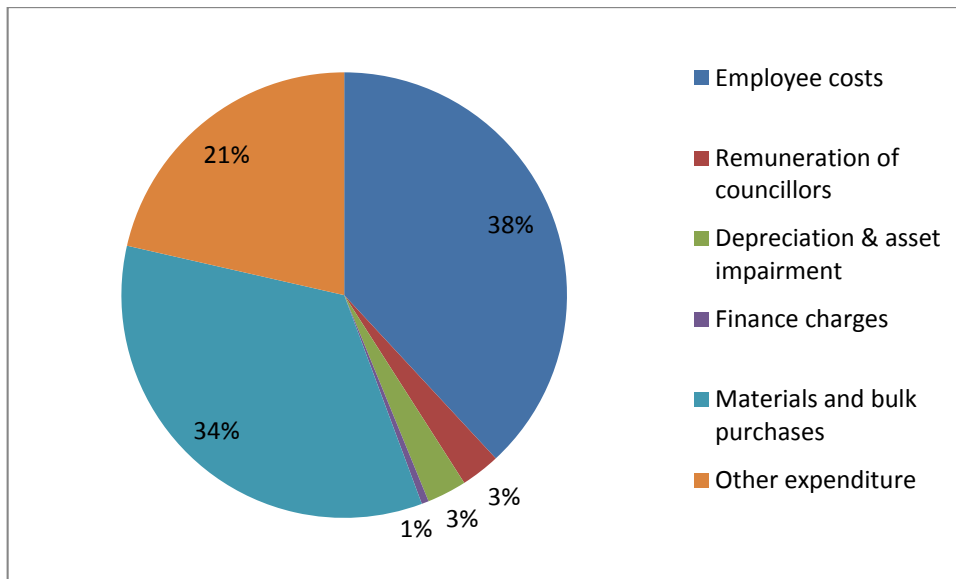


Figure 1: Expenditure by Type

### 1.5.1 Employee related costs

Employee related costs make up about 38% (R 45.589 million) of the total operating expenditure. This is due to rising employee costs including the related benefits, which sometimes increase above the inflation amounts, as well as the need to fill in critical posts within the municipality. It is envisaged that, going forward, the employee related cost will stabilise as most of the critical posts have been filled.

The 2013/14 MTREF takes into account the possible increase of 6.9%, calculated as inflation amount of 5.6% plus and adjustment of 1.3%.

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

The provision of debt impairment was determined based on an annual collection rate of 85 per cent and the Debt Write-off Policy of the municipality. For the 2013/14 financial year this amount equates to R 325 000 and escalates to R361000 by 2015/16. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues. The provision for debt impairment has decreased in comparison to the 2012/13 budget period due to the take-over of the water and sanitation functions by the Joe Gqabi District Municipality. It is thus assumed that the incidence of bad debts will decline as a result if fewer debts.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R3.5 million for the 2013/14 financial and equates to 3.0 per cent of the total operating expenditure. Depreciation is a non-cash flow item, and is associated with the cost of consumption of the asset as it is utilised. The aging asset structure means the depreciation amount is expected to decrease significantly in comparison to the previous financial years. There have not been any significant additions to assets to warrant an increase in the depreciation amount.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses. Bulk electricity purchases make up about 34.0 per cent (R 41.2 million) of the total operating expenditure, and this is expected to increase to R 49.1 million during the 2015/16 financial period.

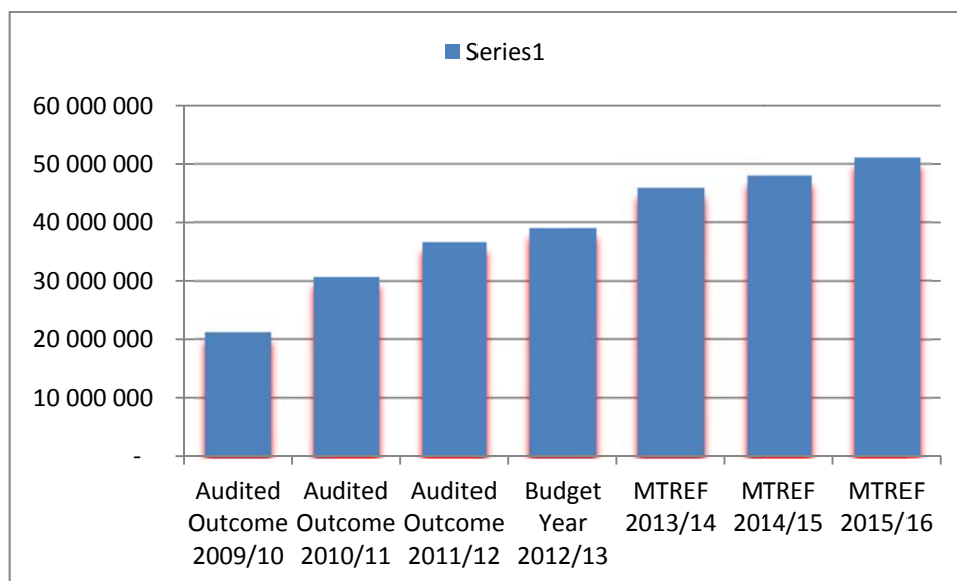


Figure 2: Bulk Purchases

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 5.6 per cent for 2012/13 and curbed at 5.4per cent for the two outer years, indicating that significant cost savings have been already realised.

Finance charges relate to the repayment of debt. This is budgeted for at R 614 000 in the 2013/14 MTREF, rising to R 675 000 in the 2015/16 financial period. The municipality has a high degree of operating leverage as it has not borrowed lot of funds.

### **1.5.1 Repairs and maintenance**

The aging municipality infrastructure has necessitated that the municipality prioritise the repairs and maintenance budget. The repairs and maintenance have been appropriated at R7.3 million in 2013/14 financial period and this is expected to increase to 8.3 million in 2015/16 financial period.

Table 8 Repairs and maintenance by asset class

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	1 697	2 017	3 176	4 832	3 942	3 942	5 589	5 906	6 246
Infrastructure - Road transport	399	840	1 810	2 682	2 582	2 582	4 250	4 493	4 755
<i>Roads, Pavements &amp; Bridges</i>	267	840	1 810	2 682	2 582	2 582	3 930	4 148	4 382
<i>Storm water</i>	132						320	346	373
Infrastructure - Electricity	1 038	410	825	1 090	1 120	1 120	1 199	1 264	1 334
<i>Generation</i>	-								
<i>Transmission &amp; Reticulation</i>	925	384	437	810	840	840	1 063	1 122	1 183
<i>Street Lighting</i>	112	26	388	280	280	280	135	143	151
Infrastructure - Water	-	322	346	519	-	-	-	-	-
<i>Dams &amp; Reservoirs</i>	-								
<i>Water purification</i>	-								
<i>Reticulation</i>	-	322	346	519	-	-	-	-	-
Infrastructure - Sanitation	-	138	93	301	-	-	-	-	-
<i>Reticulation</i>	-	138	93	301	-	-	-	-	-
<i>Sewerage purification</i>	-								
Infrastructure - Other	261	307	103	240	240	240	141	149	157
<i>Waste Management</i>	160	283	102	240	240	240	141	149	157
<i>Transportation</i>	101								
<i>Gas</i>	-								
<i>Other</i>	-	24	1						
<b>Community</b>	37	-	-	101	101	101	20	21	23
Parks & gardens	-								
Sportsfields & stadia	-								
Swimming pools	0			100	100	100	20	21	23
Community halls	-								
Libraries	-								
Recreational facilities	36								
Fire, safety & emergency	-			1	1	1			
Security and policing	-								
Buses	-								
Clinics	-								
Museums & Art Galleries	-								
Cemeteries	-								
Social rental housing	-								
Other	-								
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Buildings	-								
Other	-								
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Housing development	-								
Other	-								
<b>Other assets</b>	1 321	1 886	2 274	2 556	2 645	2 645	1 738	1 857	1 991
General vehicles	659	946	823	908	1 037	1 037	595	630	667
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	82	108	135	199	149	149	126	135	145
Computers - hardware/equipment	-								
Furniture and other office equipment	138	186	204	135	133	133	98	119	150
Abattoirs	-								
Markets	-								
Civic Land and Buildings	333	646	1 111	877	889	889	919	973	1 029
Other Buildings	-								
Other Land	110			437	437	437			
Surplus Assets - (Investment or Inventory)	-								
Other	-								
<b>Agricultural assets</b>	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>									
<b>Biological assets</b>	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>									
<b>Intangibles</b>	-	-	-	-	-	-	-	-	-
Computers - software & programming	-								
Other ( <i>list sub-class</i> )	-								
<b>Total Repairs and Maintenance Expenditure</b>	<b>3 056</b>	<b>3 904</b>	<b>5 450</b>	<b>7 489</b>	<b>6 688</b>	<b>6 688</b>	<b>7 347</b>	<b>7 784</b>	<b>8 260</b>

## Capital Expenditure

### 3. Capital Expenditure

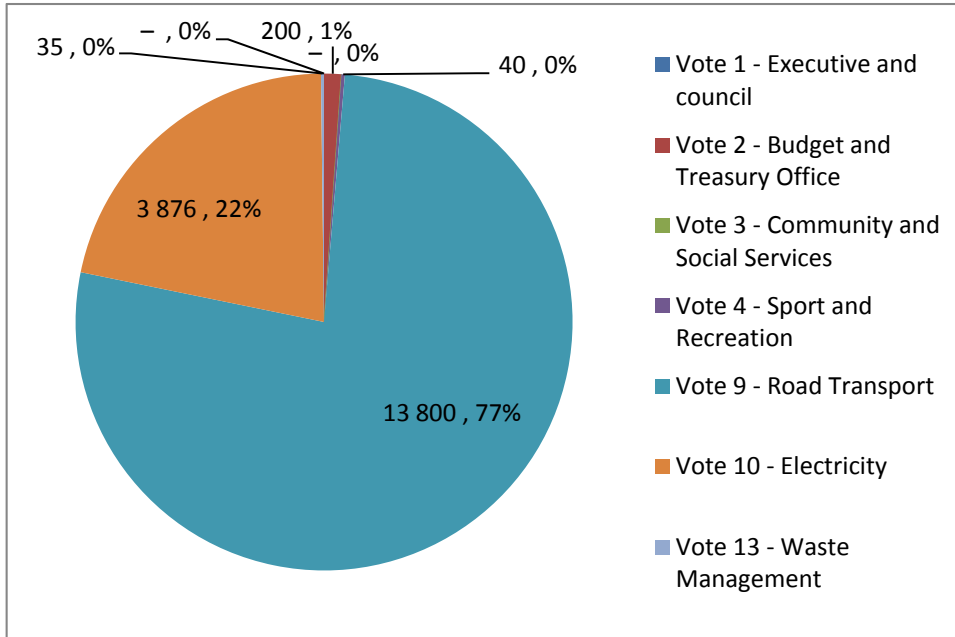


Figure 3: Capital Expenditure by Vote

The road infrastructure receives the bulk of the 2013/14 budgeted capital expenditure. This is followed by electricity infrastructure.

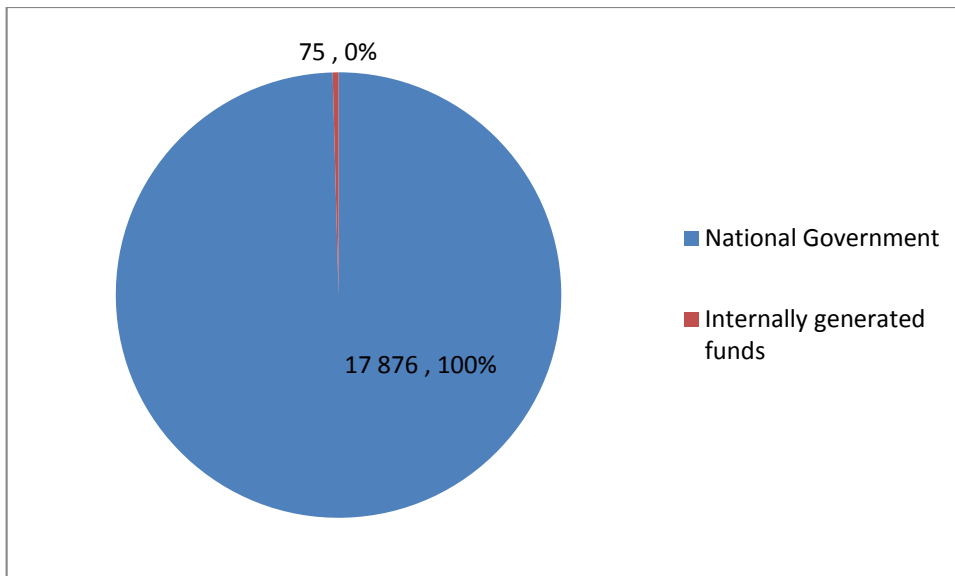


Figure 4: FUNDING OF CAPITAL EXPENDITURE

The municipality receive almost all of its funding for capital expenditure from National Government. Funds generated from own sources make up a very small percentage of the source of capital expenditure.

## 5. Cash Flows

Budgeted cash flows are monitored by the municipality to ensure they are maintained at an acceptable level and ensure sufficient funds for future projects. The cash position of the municipality is under strain, but steps have been taken to improve the cash position over the next three years.

Table 9 Budgeted Cash Flows for 2013/14 financial period

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES										
NET CASH FROM/(USED) OPERATING ACTIVITIES	11 404	24 698	4 707	48 721	53 167	53 167	53 167	20 046	19 598	19 638
CASH FLOWS FROM INVESTING ACTIVITIES										
NET CASH FROM/(USED) INVESTING ACTIVITIES	(16 700)	(21 038)	(15 660)	(22 281)	(20 980)	(20 980)	(20 980)	(17 563)	(14 028)	(14 324)
CASH FLOWS FROM FINANCING ACTIVITIES										
NET CASH FROM/(USED) FINANCING ACTIVITIES	(490)	(937)	(1 465)	(972)	(972)	(972)	(972)	(862)	(900)	(898)
NET INCREASE/ (DECREASE) IN CASH HELD	(5 786)	2 723	(12 417)	25 469	31 215	31 215	31 215	1 621	4 670	4 416
Cash/cash equivalents at the year begin:	2 980	(2 806)	(83)	(12 500)	(12 500)	(12 500)	(12 500)	(12 500)	(10 879)	(6 209)
Cash/cash equivalents at the year end:	(2 806)	(83)	(12 500)	12 968	18 714	18 714	18 714	(10 879)	(6 209)	(1 793)

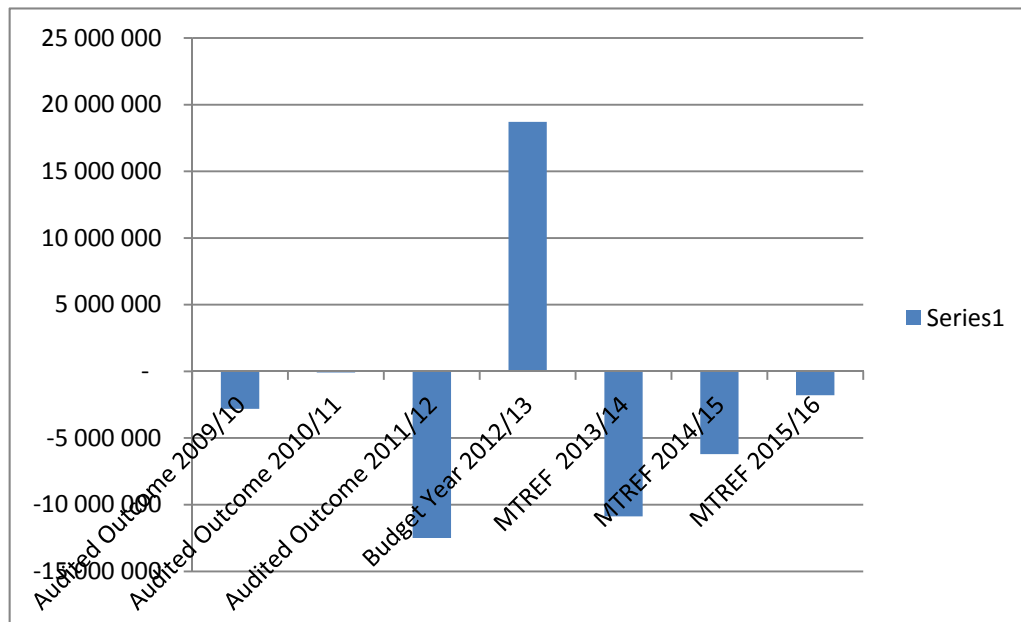


Figure 5: Cash and cash equivalents at end of the year



## 1.7 Annual Budget Tables

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2012/13 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page

Table 10 MBRR Table A1 - Summary Budget

EC143 Maletswai - Table A1 Budget Summary

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	7,425	7,658	8,449	9,900	9,900	9,900	9,900	13,675	14,427	15,220
Service charges	30,729	45,049	54,589	66,504	62,820	62,820	62,820	60,898	66,396	74,325
Investment revenue	494	353	207	270	230	230	230	160	168	178
Transfers recognised - operational	20,313	21,977	26,849	28,975	29,120	29,120	29,120	30,142	31,428	31,489
Other own revenue	13,117	16,807	18,345	23,214	13,873	13,873	13,873	16,573	19,457	21,160
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>72,079</b>	<b>91,844</b>	<b>108,439</b>	<b>128,863</b>	<b>115,943</b>	<b>115,943</b>	<b>115,943</b>	<b>121,448</b>	<b>131,876</b>	<b>142,372</b>
Employee costs	34,762	38,586	41,075	50,527	41,343	41,343	41,343	45,589	47,677	50,722
Remuneration of councillors	-	2,586	2,576	2,795	3,056	3,056	3,056	3,443	3,650	3,869
Depreciation & asset impairment	-	13,552	15,162	-	15,131	15,131	15,131	3,468	5,905	6,286
Finance charges	1,294	1,365	2,229	646	474	474	474	614	607	675
Materials and bulk purchases	21,215	30,732	36,725	39,012	39,012	39,012	39,012	41,258	45,503	49,143
Transfers and grants	379	-	-	-	-	-	-	-	-	-
Other expenditure	22,216	40,925	24,228	33,522	30,880	30,880	30,880	26,162	28,367	30,820
<b>Total Expenditure</b>	<b>79,866</b>	<b>127,745</b>	<b>121,995</b>	<b>126,502</b>	<b>129,895</b>	<b>129,895</b>	<b>129,895</b>	<b>120,533</b>	<b>131,709</b>	<b>141,515</b>
<b>Surplus/(Deficit)</b>	<b>(7,787)</b>	<b>(35,901)</b>	<b>(13,555)</b>	<b>2,361</b>	<b>(13,952)</b>	<b>(13,952)</b>	<b>(13,952)</b>	<b>914</b>	<b>167</b>	<b>857</b>
Transfers recognised - capital	17,744	22,403	14,090	17,032	17,771	17,771	17,771	17,676	13,431	11,816
Contributions recognised - capital & contributions	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>9,957</b>	<b>(13,498)</b>	<b>535</b>	<b>19,393</b>	<b>3,819</b>	<b>3,819</b>	<b>3,819</b>	<b>18,590</b>	<b>13,598</b>	<b>12,673</b>
<b>Surplus/(Deficit) for the year</b>	<b>9,957</b>	<b>(13,498)</b>	<b>535</b>	<b>19,393</b>	<b>3,819</b>	<b>3,819</b>	<b>3,819</b>	<b>18,590</b>	<b>13,598</b>	<b>12,673</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>16,799</b>	<b>21,346</b>	<b>16,107</b>	<b>22,307</b>	<b>21,917</b>	<b>21,917</b>	<b>21,917</b>	<b>17,951</b>	<b>13,666</b>	<b>12,336</b>
Transfers recognised - capital	17,744	19,007	11,590	17,032	17,771	17,771	17,771	17,876	13,631	12,301
Borrowing	-	1,380	2,594	3,080	3,080	3,080	3,080	-	-	-
Internally generated funds	(945)	959	1,923	2,196	1,066	1,066	1,066	75	35	35
<b>Total sources of capital funds</b>	<b>16,799</b>	<b>21,346</b>	<b>16,107</b>	<b>22,307</b>	<b>21,917</b>	<b>21,917</b>	<b>21,917</b>	<b>17,951</b>	<b>13,666</b>	<b>12,336</b>
<b>Financial position</b>										
Total current assets	24,302	18,747	21,690	9,507	10,365	10,365	10,365	11,718	17,110	22,259
Total non current assets	253,225	272,739	277,079	299,420	282,989	282,989	282,989	297,148	305,341	313,455
Total current liabilities	26,626	28,957	39,140	29,862	29,862	29,862	29,862	30,006	30,114	29,324
Total non current liabilities	11,831	16,544	19,902	19,240	19,240	19,240	19,240	19,318	19,560	20,711
Community wealth/Equity	250,044	236,225	247,261	259,824	244,251	244,251	244,251	259,542	272,777	285,679
<b>Cash flows</b>										
Net cash from (used) operating	11,404	24,698	4,707	48,721	53,167	53,167	53,167	20,046	19,598	19,638
Net cash from (used) investing	(16,700)	(21,038)	(15,660)	(22,281)	(20,980)	(20,980)	(20,980)	(17,563)	(13,636)	(12,302)
Net cash from (used) financing	(490)	(937)	(1,465)	(972)	(972)	(972)	(972)	(862)	(900)	(898)
<b>Cash/cash equivalents at the year end</b>	<b>(2,806)</b>	<b>(83)</b>	<b>(12,500)</b>	<b>12,968</b>	<b>18,714</b>	<b>18,714</b>	<b>18,714</b>	<b>(10,879)</b>	<b>(5,818)</b>	<b>620</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	(249)	1,065	(11,782)	(17,804)	(18,862)	(18,862)	(18,862)	(17,202)	(12,493)	(8,035)
Application of cash and investments	(13,650)	2,639	318	(12,318)	(21,362)	(21,362)	(21,362)	(5,039)	(4,906)	(5,190)
<b>Balance - surplus (shortfall)</b>	<b>13,401</b>	<b>(1,575)</b>	<b>(12,099)</b>	<b>(5,485)</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>(12,163)</b>	<b>(7,586)</b>	<b>(2,845)</b>
<b>Asset management</b>										
Asset register summary (WDV)	27,287	40,068	42,821	42,821	42,821	42,821	42,821	42,821	42,821	42,821
Depreciation & asset impairment	-	13,552	15,162	-	15,131	15,131	3,468	3,468	5,905	6,286
Repairs and Maintenance	3,056	3,904	5,450	7,489	6,688	6,688	7,347	7,347	7,784	8,260

## Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The operating surplus/deficit (after Total Expenditure) is positive over the 2013/14 MTREF. The effects of depreciation result in deficits in the outer years.
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognised is reflected on the Financial Performance Budget;
    - ii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The municipality's cash flow position is unfavourable thus resulting in dependence on capital transfers for capital expenditure funding.
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 many of its obligations are not cash-backed. This places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted.
5. Even though the cash-flow position of the municipality is not favourable, Council has emphasised on the need to provide quality services to the citizens.

Table 11 MBRR Table A2: Budgeted Financial Performance (revenue and expenditure by standard classification)

EC143 Maletswai - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		27,328	22,799	36,440	40,852	42,933	42,933	51,380	56,948	58,970
Executive and council		1,602	945	1,075	1,734	1,734	1,734	2,148	2,493	2,493
Budget and treasury office		24,387	20,651	33,211	37,266	39,463	39,463	47,448	51,907	52,743
Corporate services		1,339	1,204	2,154	1,852	1,736	1,736	1,784	2,547	3,735
<i>Community and public safety</i>		7,777	9,079	10,949	6,519	7,973	7,973	5,550	5,929	6,338
Community and social services		396	1,128	1,459	1,470	1,538	1,538	1,003	1,026	1,051
Sport and recreation		947	2,934	5,774	329	1,844	1,844	313	330	349
Public safety		3,201	3,734	3,677	4,721	4,591	4,591	4,234	4,573	4,939
Housing		550	3	39	-	-	-	-	-	-
Health		2,683	1,279	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		8,257	10,815	7,968	19,152	17,842	17,842	15,687	12,207	12,626
Planning and development		135	152	351	4,596	4,596	4,596	146	157	170
Road transport		8,122	10,663	7,617	14,557	13,247	13,247	15,541	12,050	12,456
<i>Trading services</i>		45,934	71,084	66,056	79,050	64,645	64,645	66,257	69,960	75,976
Electricity		41,529	50,994	43,659	53,970	61,434	61,434	62,664	66,824	70,102
Water		-	9,644	12,458	13,766	-	-	-	-	-
Waste water management		-	5,219	7,239	7,699	-	-	-	-	-
Waste management		4,405	5,227	2,699	3,616	3,211	3,211	3,593	3,136	5,874
<i>Other</i>	4	527	470	1,117	321	321	321	249	263	277
<b>Total Revenue - Standard</b>	2	<b>89,823</b>	<b>114,247</b>	<b>122,529</b>	<b>145,895</b>	<b>133,714</b>	<b>133,714</b>	<b>139,123</b>	<b>145,307</b>	<b>154,188</b>
<b>Expenditure - Standard</b>										
<i>Governance and administration</i>		27,652	33,432	37,513	36,479	40,383	40,383	37,082	41,892	45,181
Executive and council		11,168	10,737	11,375	13,517	14,159	14,159	13,507	14,330	15,206
Budget and treasury office		9,992	13,409	15,098	13,711	14,147	14,147	14,173	15,516	17,219
Corporate services		6,492	9,286	11,039	9,251	12,077	12,077	9,402	12,046	12,757
<i>Community and public safety</i>		11,450	10,367	9,955	11,992	11,806	11,806	11,973	12,549	13,367
Community and social services		1,818	2,699	2,853	3,416	3,373	3,373	3,503	3,689	3,937
Sport and recreation		3,381	2,562	2,605	3,470	3,424	3,424	3,151	3,284	3,488
Public safety		2,273	2,933	3,318	3,841	3,738	3,738	4,025	4,227	4,505
Housing		1,522	973	1,173	1,265	1,271	1,271	1,294	1,350	1,437
Health		2,456	1,199	5	-	-	-	-	-	-
<i>Economic and environmental services</i>		6,823	16,792	17,359	11,347	20,093	20,093	13,101	13,814	14,741
Planning and development		707	1,398	1,409	2,712	2,680	2,680	1,695	1,795	1,914
Road transport		6,116	15,394	15,950	8,635	17,412	17,412	11,406	12,019	12,827
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		33,867	56,490	63,690	66,307	57,403	57,403	58,252	63,322	68,086
Electricity		25,867	37,090	44,671	45,041	48,030	48,030	48,482	53,100	57,214
Water		-	8,128	7,229	7,433	-	-	-	-	-
Waste water management		-	3,160	2,872	4,174	-	-	-	-	-
Waste management		8,001	8,112	8,919	9,659	9,373	9,373	9,769	10,222	10,872
<i>Other</i>	4	74	162	306	377	209	209	125	132	140
<b>Total Expenditure - Standard</b>	3	<b>79,866</b>	<b>117,244</b>	<b>128,824</b>	<b>126,502</b>	<b>129,895</b>	<b>129,895</b>	<b>120,533</b>	<b>131,709</b>	<b>141,515</b>
<b>Surplus/(Deficit) for the year</b>		<b>9,957</b>	<b>(2,997)</b>	<b>(6,295)</b>	<b>19,393</b>	<b>3,819</b>	<b>3,819</b>	<b>18,590</b>	<b>13,598</b>	<b>12,673</b>

Standard Classification Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	R thousand Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Revenue - Standard</b>									
<i><b>Governance and administration</b></i>	27 328	22 799	36 440	40 852	42 933	42 933	51 380	56 948	58 970
Executive and council	1 602	945	1 075	1 734	1 734	1 734	2 148	2 493	2 493
Budget and treasury office	24 387	20 651	33 211	37 266	39 463	39 463	47 448	51 907	52 743
Corporate services	1 339	1 204	2 154	1 852	1 736	1 736	1 784	2 547	3 735
<i><b>Community and public safety</b></i>	7 777	9 079	10 949	6 519	7 973	7 973	5 550	5 929	6 338
Community and social services	396	1 128	1 459	1 470	1 538	1 538	1 003	1 026	1 051
Sport and recreation	947	2 934	5 774	329	1 844	1 844	313	330	349
Public safety	3 201	3 734	3 677	4 721	4 591	4 591	4 234	4 573	4 939
Housing	550	3	39	-	-	-	-	-	-
Health	2 683	1 279	-	-	-	-	-	-	-
<i><b>Economic and environmental</b></i>	8 257	10 815	7 968	19 152	17 842	17 842	15 687	12 207	12 626
Planning and development	135	152	351	4 596	4 596	4 596	146	157	170
Road transport	8 122	10 663	7 617	14 557	13 247	13 247	15 541	12 050	12 456
Environmental protection	-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>	45 934	71 084	66 056	79 050	64 645	64 645	62 957	63 676	67 634
Electricity	41 529	50 994	43 659	53 970	61 434	61 434	59 364	60 540	61 760
Water	-	9 644	12 458	13 766	-	-	-	-	-
Waste water management	-	5 219	7 239	7 699	-	-	-	-	-
Waste management	4 405	5 227	2 699	3 616	3 211	3 211	3 593	3 136	5 874
<i><b>Other</b></i>	527	470	1 117	321	321	321	249	263	277
<b>Total Revenue - Standard</b>	<b>89 823</b>	<b>114 247</b>	<b>122 529</b>	<b>145 895</b>	<b>133 714</b>	<b>133 714</b>	<b>135 823</b>	<b>139 023</b>	<b>145 846</b>
<b>Expenditure - Standard</b>									
<i><b>Governance and administration</b></i>	27 652	33 432	37 513	36 479	40 383	40 383	37 082	41 892	45 181
Executive and council	11 168	10 737	11 375	13 517	14 159	14 159	13 507	14 330	15 206
Budget and treasury office	9 992	13 409	15 098	13 711	14 147	14 147	14 173	15 516	17 219
Corporate services	6 492	9 286	11 039	9 251	12 077	12 077	9 402	12 046	12 757
<i><b>Community and public safety</b></i>	11 450	10 367	9 955	11 992	11 806	11 806	11 973	12 549	13 367
Community and social services	1 818	2 699	2 853	3 416	3 373	3 373	3 503	3 689	3 937
Sport and recreation	3 381	2 562	2 605	3 470	3 424	3 424	3 151	3 284	3 488
Public safety	2 273	2 933	3 318	3 841	3 738	3 738	4 025	4 227	4 505
Housing	1 522	973	1 173	1 265	1 271	1 271	1 294	1 350	1 437
Health	2 456	1 199	5	-	-	-	-	-	-
<i><b>Economic and environmental</b></i>	6 823	16 792	17 359	11 347	20 093	20 093	13 101	13 814	14 741
Planning and development	707	1 398	1 409	2 712	2 680	2 680	1 695	1 795	1 914
Road transport	6 116	15 394	15 950	8 635	17 412	17 412	11 406	12 019	12 827
Environmental protection	-	-	-	-	-	-	-	-	-
<i><b>Trading services</b></i>	33 867	56 490	63 690	66 307	57 403	57 403	58 252	63 322	68 086
Electricity	25 867	37 090	44 671	45 041	48 030	48 030	48 482	53 100	57 214
Water	-	8 128	7 229	7 433	-	-	-	-	-
Waste water management	-	3 160	2 872	4 174	-	-	-	-	-
Waste management	8 001	8 112	8 919	9 659	9 373	9 373	9 769	10 222	10 872
<i><b>Other</b></i>	74	162	306	377	209	209	125	132	140
<b>Total Expenditure - Standard</b>	<b>79 866</b>	<b>117 244</b>	<b>128 824</b>	<b>126 502</b>	<b>129 895</b>	<b>129 895</b>	<b>120 533</b>	<b>131 709</b>	<b>141 515</b>
<b>Surplus/(Deficit) for the year</b>	<b>9 957</b>	<b>(2 997)</b>	<b>(6 295)</b>	<b>19 393</b>	<b>3 819</b>	<b>3 819</b>	<b>15 290</b>	<b>7 314</b>	<b>4 331</b>

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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. The Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity and Waste Removal functions. The improved tariff structure will ensure that the waste revenue exceeds expenditure.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources.

Table 12 MBRR Table A3: Financial Performance (revenue and expenditure by municipal vote)

EC143 Maletswai - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Revenue by Vote</b>										
Vote 1 - Executive and council	1	1,602	945	1,075	1,734	1,734	1,734	2,148	2,493	2,493
Vote 2 - Budget and Treasury Office		25,726	21,855	35,365	39,118	41,199	41,199	49,232	54,455	56,477
Vote 3 - Community and Social Services		396	1,128	1,459	1,470	1,538	1,538	1,003	1,026	1,051
Vote 4 - Sport and Recreation		947	2,934	5,774	329	1,844	1,844	313	330	349
Vote 5 - Public Safety		3,201	3,734	3,677	4,721	4,591	4,591	4,234	4,573	4,939
Vote 6 - Housing		550	3	39	-	-	-	-	-	-
Vote 7 - Health		2,683	1,279	-	-	-	-	-	-	-
Vote 8 - Planning and Development		135	152	351	4,596	4,596	4,596	146	157	170
Vote 9 - Road Transport		8,122	10,663	7,617	14,557	13,247	13,247	15,541	12,050	12,456
Vote 10 - Electricity		41,529	50,994	43,659	53,970	61,434	61,434	62,664	66,824	70,102
Vote 11 - Water		-	9,644	12,458	13,766	-	-	-	-	-
Vote 12 - Waste Water Management		-	5,219	7,239	7,699	-	-	-	-	-
Vote 13 - Waste Management		4,405	5,227	2,699	3,616	3,211	3,211	3,593	3,136	5,874
Vote 14 - Other		527	470	1,117	321	321	321	249	263	277
<b>Total Revenue by Vote</b>	2	<b>89,823</b>	<b>114,247</b>	<b>122,529</b>	<b>145,895</b>	<b>133,714</b>	<b>133,714</b>	<b>139,123</b>	<b>145,307</b>	<b>154,188</b>
<b>Expenditure by Vote to be appropriated</b>										
Vote 1 - Executive and council	1	11,168	10,737	11,375	13,517	14,159	14,159	13,507	14,330	15,206
Vote 2 - Budget and Treasury Office		16,484	22,695	26,138	22,962	26,225	26,225	23,575	27,562	29,975
Vote 3 - Community and Social Services		1,818	2,699	2,853	3,416	3,373	3,373	3,503	3,689	3,937
Vote 4 - Sport and Recreation		3,381	2,562	2,605	3,470	3,424	3,424	3,151	3,284	3,488
Vote 5 - Public Safety		2,273	2,933	3,318	3,841	3,738	3,738	4,025	4,227	4,505
Vote 6 - Housing		1,522	973	1,173	1,265	1,271	1,271	1,294	1,350	1,437
Vote 7 - Health		2,456	1,199	5	-	-	-	-	-	-
Vote 8 - Planning and Development		707	1,398	1,409	2,712	2,680	2,680	1,695	1,795	1,914
Vote 9 - Road Transport		6,116	15,394	15,950	8,635	17,412	17,412	11,406	12,019	12,827
Vote 10 - Electricity		25,867	37,090	44,671	45,041	48,030	48,030	48,482	53,100	57,214
Vote 11 - Water		-	8,128	7,229	7,433	-	-	-	-	-
Vote 12 - Waste Water Management		-	3,160	2,872	4,174	-	-	-	-	-
Vote 13 - Waste Management		8,001	8,112	8,919	9,659	9,373	9,373	9,769	10,222	10,872
Vote 14 - Other		74	162	306	377	209	209	125	132	140
<b>Total Expenditure by Vote</b>	2	<b>79,866</b>	<b>117,244</b>	<b>128,824</b>	<b>126,502</b>	<b>129,895</b>	<b>129,895</b>	<b>120,533</b>	<b>131,709</b>	<b>141,515</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>9,957</b>	<b>(2,997)</b>	<b>(6,295)</b>	<b>19,393</b>	<b>3,819</b>	<b>3,819</b>	<b>18,590</b>	<b>13,598</b>	<b>12,673</b>



Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Revenue by Vote</b>	1									
Vote 1 - Executive and council		1 602	945	1 075	1 734	1 734	1 734	2 148	2 493	2 493
Vote 2 - Budget and Treasury Office		25 726	21 855	35 365	39 118	41 199	41 199	49 232	54 455	56 477
Vote 3 - Community and Social Services		396	1 128	1 459	1 470	1 538	1 538	1 003	1 026	1 051
Vote 4 - Sport and Recreation		947	2 934	5 774	329	1 844	1 844	313	330	349
Vote 5 - Public Safety		3 201	3 734	3 677	4 721	4 591	4 591	4 234	4 573	4 939
Vote 6 - Housing		550	3	39	-	-	-	-	-	-
Vote 7 - Health		2 683	1 279	-	-	-	-	-	-	-
Vote 8 - Planning and Development		135	152	351	4 596	4 596	4 596	146	157	170
Vote 9 - Road Transport		8 122	10 663	7 617	14 557	13 247	13 247	15 541	12 050	12 456
Vote 10 - Electricity		41 529	50 994	43 659	53 970	61 434	61 434	62 664	64 021	65 433
Vote 11 - Water		-	9 644	12 458	13 766	-	-	-	-	-
Vote 12 - Waste Water Management		-	5 219	7 239	7 699	-	-	-	-	-
Vote 13 - Waste Management		4 405	5 227	2 699	3 616	3 211	3 211	3 593	3 136	5 874
Vote 14 - Other		527	470	1 117	321	321	321	249	263	277
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>89 823</b>	<b>114 247</b>	<b>122 529</b>	<b>145 895</b>	<b>133 714</b>	<b>133 714</b>	<b>139 123</b>	<b>142 505</b>	<b>149 519</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Executive and council		11 168	10 737	11 375	13 517	14 159	14 159	13 507	14 330	15 206
Vote 2 - Budget and Treasury Office		16 484	22 695	26 138	22 962	26 225	26 225	23 575	27 562	29 975
Vote 3 - Community and Social Services		1 818	2 699	2 853	3 416	3 373	3 373	3 503	3 689	3 937
Vote 4 - Sport and Recreation		3 381	2 562	2 605	3 470	3 424	3 424	3 151	3 284	3 488
Vote 5 - Public Safety		2 273	2 933	3 318	3 841	3 738	3 738	4 025	4 227	4 505
Vote 6 - Housing		1 522	973	1 173	1 265	1 271	1 271	1 294	1 350	1 437
Vote 7 - Health		2 456	1 199	5	-	-	-	-	-	-
Vote 8 - Planning and Development		707	1 398	1 409	2 712	2 680	2 680	1 695	1 795	1 914
Vote 9 - Road Transport		6 116	15 394	15 950	8 635	17 412	17 412	11 406	12 019	12 827
Vote 10 - Electricity		25 867	37 090	44 671	45 041	48 030	48 030	48 482	53 100	57 214
Vote 11 - Water		-	8 128	7 229	7 433	-	-	-	-	-
Vote 12 - Waste Water Management		-	3 160	2 872	4 174	-	-	-	-	-
Vote 13 - Waste Management		8 001	8 112	8 919	9 659	9 373	9 373	9 769	10 222	10 872
Vote 14 - Other		74	162	306	377	209	209	125	132	140
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>79 866</b>	<b>117 244</b>	<b>128 824</b>	<b>126 502</b>	<b>129 895</b>	<b>129 895</b>	<b>120 533</b>	<b>131 709</b>	<b>141 515</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>9 957</b>	<b>(2 997)</b>	<b>(6 295)</b>	<b>19 393</b>	<b>3 819</b>	<b>3 819</b>	<b>18 590</b>	<b>10 796</b>	<b>8 004</b>

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

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the **Municipality**. This means it is possible to present the operating surplus or deficit of a vote thus making it easier to track votes that do not make a surplus.

Table 13 MBRR Table A4: Financial Performance (revenue and expenditure)

EC143 Maletswai - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>											
<b>Revenue By Source</b>											
Property rates	2	7,425	7,658	8,449	9,900	9,900	9,900	9,900	13,675	14,427	15,220
Service charges - electricity revenue	2	26,526	33,659	41,494	53,160	59,624	59,624	59,624	57,307	63,261	68,453
Service charges - water revenue	2	-	5,220	7,708	7,019	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	1,012	2,702	2,725	-	-	-	-	-	-
Service charges - refuse revenue	2	4,203	5,159	2,685	3,601	3,196	3,196	3,196	3,591	3,135	5,872
Rental of facilities and equipment		1,510	1,586	1,700	1,894	1,929	1,929	1,929	1,709	2,442	3,612
Interest earned - external investments		494	353	207	270	230	230	230	160	168	178
Interest earned - outstanding debtors		668	794	881	950	950	950	950	3,307	4,619	4,995
Fines		224	273	250	452	321	321	321	198	213	229
Licences and permits		1,725	2,159	2,189	2,720	2,770	2,770	2,770	2,551	2,755	2,976
Agency services		1,507	1,306	1,300	1,550	3,861	3,861	3,861	1,530	1,652	1,784
Transfers recognised - operational		20,313	21,977	26,849	28,975	29,120	29,120	29,120	30,142	31,428	31,489
Other revenue	2	7,275	10,633	11,982	15,588	3,982	3,982	3,982	7,213	7,705	7,490
Gains on disposal of PPE		207	56	42	60	60	60	60	65	70	76
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>72,079</b>	<b>91,844</b>	<b>108,439</b>	<b>128,863</b>	<b>115,943</b>	<b>115,943</b>	<b>115,943</b>	<b>121,448</b>	<b>131,876</b>	<b>142,372</b>
<b>Expenditure By Type</b>											
Employee related costs	2	34,762	38,586	41,075	50,527	41,343	41,343	41,343	45,589	47,677	50,722
Remuneration of councillors		-	2,586	2,576	2,795	3,056	3,056	3,056	3,443	3,650	3,869
Debt impairment	3	1,913	966	3,027	3,000	500	500	500	325	343	361
Depreciation & asset impairment	2	-	13,552	15,162	-	15,131	15,131	15,131	3,468	5,905	6,286
Finance charges		1,294	1,365	2,229	646	474	474	474	614	607	675
Bulk purchases	2	21,215	30,732	36,725	39,012	39,012	39,012	39,012	41,258	45,503	49,143
Other expenditure	4, 5	20,303	39,958	21,201	30,522	30,380	30,380	30,380	25,837	28,025	30,459
<b>Total Expenditure</b>		<b>79,866</b>	<b>127,745</b>	<b>121,995</b>	<b>126,502</b>	<b>129,895</b>	<b>129,895</b>	<b>129,895</b>	<b>120,533</b>	<b>131,709</b>	<b>141,515</b>
<b>Surplus/(Deficit)</b>											
Surplus/(Deficit)		(7,787)	(35,901)	(13,555)	2,361	(13,952)	(13,952)	(13,952)	914	167	857
Transfers recognised - capital		17,744	22,403	14,090	17,032	17,771	17,771	17,771	17,676	13,431	11,816
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>9,957</b>	<b>(13,498)</b>	<b>535</b>	<b>19,393</b>	<b>3,819</b>	<b>3,819</b>	<b>3,819</b>	<b>18,590</b>	<b>13,598</b>	<b>12,673</b>
<b>Surplus/(Deficit) after taxation</b>		<b>9,957</b>	<b>(13,498)</b>	<b>535</b>	<b>19,393</b>	<b>3,819</b>	<b>3,819</b>	<b>3,819</b>	<b>18,590</b>	<b>13,598</b>	<b>12,673</b>
<b>Surplus/(Deficit) attributable to municipality</b>		<b>9,957</b>	<b>(13,498)</b>	<b>535</b>	<b>19,393</b>	<b>3,819</b>	<b>3,819</b>	<b>3,819</b>	<b>18,590</b>	<b>13,598</b>	<b>12,673</b>
<b>Surplus/(Deficit) for the year</b>		<b>9,957</b>	<b>(13,498)</b>	<b>535</b>	<b>19,393</b>	<b>3,819</b>	<b>3,819</b>	<b>3,819</b>	<b>18,590</b>	<b>13,598</b>	<b>12,673</b>

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Revenue By Source</b>											
Property rates	2	7 425	7 658	8 449	9 900	9 900	9 900	9 900	13 675	14 427	15 220
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	26 526	33 659	41 494	53 160	59 624	59 624	59 624	57 307	60 459	63 784
Service charges - water revenue	2	-	5 220	7 708	7 019	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	1 012	2 702	2 725	-	-	-	-	-	-
Service charges - refuse revenue	2	4 203	5 159	2 685	3 601	3 196	3 196	3 196	3 591	3 135	5 872
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		1 510	1 586	1 700	1 894	1 929	1 929	1 929	1 709	2 442	3 612
Interest earned - external investments		494	353	207	270	230	230	230	160	168	178
Interest earned - outstanding debtors		668	794	881	950	950	950	950	3 307	4 619	4 995
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		224	273	250	452	321	321	321	198	213	229
Licences and permits		1 725	2 159	2 189	2 720	2 770	2 770	2 770	2 551	2 755	2 976
Agency services		1 507	1 306	1 300	1 550	3 861	3 861	3 861	1 530	1 652	1 784
Transfers recognised - operational		20 313	21 977	26 849	28 975	29 120	29 120	29 120	30 142	31 428	31 489
Other revenue	2	7 275	10 633	11 982	15 588	3 982	3 982	3 982	7 213	7 705	7 490
Gains on disposal of PPE		207	56	42	60	60	60	60	65	70	76
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>72 079</b>	<b>91 844</b>	<b>108 439</b>	<b>128 863</b>	<b>115 943</b>	<b>115 943</b>	<b>115 943</b>	<b>121 448</b>	<b>129 073</b>	<b>137 703</b>
<b>Expenditure By Type</b>											
Employee related costs	2	34 762	38 586	41 075	50 527	41 343	41 343	41 343	45 913	48 027	51 100
Remuneration of councillors		-	2 586	2 576	2 795	3 056	3 056	3 056	3 443	3 650	3 869
Debt impairment	3	1 913	966	3 027	3 000	500	500	500	325	343	361
Depreciation & asset impairment	2	-	13 552	15 162	-	15 131	15 131	15 131	3 468	5 905	6 286
Finance charges		1 294	1 365	2 229	646	474	474	474	614	607	675
Bulk purchases	2	21 215	30 732	36 725	39 012	39 012	39 012	39 012	41 258	45 503	49 143
Other materials	8	-	-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	-	-	-	-	-	-	-
Transfers and grants		379	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	20 303	39 958	21 201	30 522	30 380	30 380	30 380	25 513	27 675	30 081
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>79 866</b>	<b>127 745</b>	<b>121 995</b>	<b>126 502</b>	<b>129 895</b>	<b>129 895</b>	<b>129 895</b>	<b>120 533</b>	<b>131 709</b>	<b>141 515</b>
<b>Surplus/(Deficit)</b>		<b>(7 787)</b>	<b>(35 901)</b>	<b>(13 555)</b>	<b>2 361</b>	<b>(13 952)</b>	<b>(13 952)</b>	<b>(13 952)</b>	<b>914</b>	<b>(2 636)</b>	<b>(3 812)</b>
Transfers recognised - capital		17 744	22 403	14 090	17 032	17 771	17 771	17 771	17 676	13 431	11 816
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>9 957</b>	<b>(13 498)</b>	<b>535</b>	<b>19 393</b>	<b>3 819</b>	<b>3 819</b>	<b>3 819</b>	<b>18 590</b>	<b>10 796</b>	<b>8 004</b>
Taxation											
<b>Surplus/(Deficit) after taxation</b>		<b>9 957</b>	<b>(13 498)</b>	<b>535</b>	<b>19 393</b>	<b>3 819</b>	<b>3 819</b>	<b>3 819</b>	<b>18 590</b>	<b>10 796</b>	<b>8 004</b>
Attributable to minorities											
<b>Surplus/(Deficit) attributable to municipality</b>		<b>9 957</b>	<b>(13 498)</b>	<b>535</b>	<b>19 393</b>	<b>3 819</b>	<b>3 819</b>	<b>3 819</b>	<b>18 590</b>	<b>10 796</b>	<b>8 004</b>
Share of surplus/ (deficit) of associate	7										
<b>Surplus/(Deficit) for the year</b>		<b>9 957</b>	<b>(13 498)</b>	<b>535</b>	<b>19 393</b>	<b>3 819</b>	<b>3 819</b>	<b>3 819</b>	<b>18 590</b>	<b>10 796</b>	<b>8 004</b>

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

1. Total revenue is R149 330 037.02 in 2013/14 and escalates to R163 674 410.08 by 2015/16. This represents a year-on-year increase of 4.96 per cent for the 2013/14 financial year and 4.94 per cent for the 2015/16 financial year.
2. Revenue to be generated from property rates is R13.68million in the 2013/14 financial year and increases to R15.22million by 2015/16 which represents 12.0 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 10 per cent for each of the respective financial years of the MTREF.
3. Services charges relating to electricity and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R60.9million for the 2011/12 financial year and increasing to R69.0million by 2013/14. For the 2013/14 financial year services charges amount to 50 per cent of the total revenue base and grows by 1 per cent per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government.
5. Bulk purchases have significantly increased over the 2009/10 to 2015/16 period, escalating from R21.2 million to R49.1 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
6. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 14 MBRR A5: Budgeted capital expenditure by vote, standard classification and funding source

EC143 Maletswai - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	Current Year 2012/13							2013/14 Medium Term Revenue & Expenditure		
		2009/10 Audited Outcome	2010/11 Audited Outcome	2011/12 Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>	1										
<b>Capital expenditure - Vote</b>											
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - Executive and council		69	357	78	40	110	110	110	-	-	-
Vote 2 - Budget and Treasury Office		1,555	284	3,148	735	405	405	405	200	200	200
Vote 3 - Community and Social Services		70	33	50	63	63	63	63	-	-	-
Vote 4 - Sport and Recreation		22	2,317	3,464	408	1,728	1,728	1,728	40	-	-
Vote 5 - Public Safety		5	2	9	80	80	80	80	-	-	-
Vote 6 - Housing		2	44	6	15	15	15	15	-	-	-
Vote 7 - Health		-	7	-	-	-	-	-	-	-	-
Vote 8 - Planning and Development		-	11	174	3,703	3,703	3,703	3,703	-	-	-
Vote 9 - Road Transport		6,347	9,520	7,592	14,559	12,199	12,199	12,199	13,800	11,431	11,816
Vote 10 - Electricity		8,691	8,421	1,251	285	1,285	1,285	1,285	3,876	2,000	285
Vote 13 - Waste Management		38	351	335	2,420	2,330	2,330	2,330	35	35	35
<b>Capital single-year expenditure sub-total</b>		<b>16,799</b>	<b>21,346</b>	<b>16,107</b>	<b>22,307</b>	<b>21,917</b>	<b>21,917</b>	<b>21,917</b>	<b>17,951</b>	<b>13,666</b>	<b>12,336</b>
<b>Total Capital Expenditure - Vote</b>		<b>16,799</b>	<b>21,346</b>	<b>16,107</b>	<b>22,307</b>	<b>21,917</b>	<b>21,917</b>	<b>21,917</b>	<b>17,951</b>	<b>13,666</b>	<b>12,336</b>
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		<b>1,624</b>	<b>641</b>	<b>3,227</b>	<b>775</b>	<b>515</b>	<b>515</b>	<b>515</b>	<b>200</b>	<b>200</b>	<b>200</b>
Executive and council		69	357	78	40	110	110	110	-	-	-
Budget and treasury office		1,534	78	426	715	385	385	385	200	200	200
Corporate services		21	207	2,722	20	20	20	20	-	-	-
<b>Community and public safety</b>		<b>99</b>	<b>2,403</b>	<b>3,529</b>	<b>566</b>	<b>1,886</b>	<b>1,886</b>	<b>1,886</b>	<b>40</b>	<b>-</b>	<b>-</b>
Community and social services		70	33	50	63	63	63	63	-	-	-
Sport and recreation		22	2,317	3,464	408	1,728	1,728	1,728	40	-	-
Public safety		5	2	9	80	80	80	80	-	-	-
Housing		2	44	6	15	15	15	15	-	-	-
Health		-	7	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>6,347</b>	<b>9,531</b>	<b>7,766</b>	<b>18,262</b>	<b>15,902</b>	<b>15,902</b>	<b>15,902</b>	<b>13,800</b>	<b>11,431</b>	<b>11,816</b>
Planning and development		-	11	174	3,703	3,703	3,703	3,703	-	-	-
Road transport		6,347	9,520	7,592	14,559	12,199	12,199	12,199	13,800	11,431	11,816
<b>Trading services</b>		<b>8,729</b>	<b>8,772</b>	<b>1,586</b>	<b>2,705</b>	<b>3,615</b>	<b>3,615</b>	<b>3,615</b>	<b>3,911</b>	<b>2,035</b>	<b>320</b>
Electricity		8,691	8,421	1,251	285	1,285	1,285	1,285	3,876	2,000	285
Waste management		38	351	335	2,420	2,330	2,330	2,330	35	35	35
<b>Total Capital Expenditure - Standard</b>	3	<b>16,799</b>	<b>21,346</b>	<b>16,107</b>	<b>22,307</b>	<b>21,917</b>	<b>21,917</b>	<b>21,917</b>	<b>17,951</b>	<b>13,666</b>	<b>12,336</b>
<b>Funded by:</b>											
National Government		17,744	19,007	11,590	13,339	14,078	14,078	14,078	17,876	13,631	12,301
Provincial Government		-	-	-	3,693	3,693	3,693	3,693	-	-	-
Transfers recognised - capital	4	17,744	19,007	11,590	17,032	17,771	17,771	17,771	17,876	13,631	12,301
Borrowing	6	-	1,380	2,594	3,080	3,080	3,080	3,080	-	-	-
Internally generated funds		(945)	959	1,923	2,196	1,066	1,066	1,066	75	35	35
<b>Total Capital Funding</b>	7	<b>16,799</b>	<b>21,346</b>	<b>16,107</b>	<b>22,307</b>	<b>21,917</b>	<b>21,917</b>	<b>21,917</b>	<b>17,951</b>	<b>13,666</b>	<b>12,336</b>



Vote Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>										
<b>Capital expenditure - Vote</b>										
<b>Single-year expenditure to be appropriated</b>										
Vote 1 - Executive and council	69	357	78	40	110	110	110	-	-	-
Vote 2 - Budget and Treasury Office	1 555	284	3 148	735	405	405	405	200	200	200
Vote 3 - Community and Social Services	70	33	50	63	63	63	63	-	-	-
Vote 4 - Sport and Recreation	22	2 317	3 464	408	1 728	1 728	1 728	40	-	-
Vote 5 - Public Safety	5	2	9	80	80	80	80	-	-	-
Vote 6 - Housing	2	44	6	15	15	15	15	-	-	-
Vote 7 - Health	-	7	-	-	-	-	-	-	-	-
Vote 8 - Planning and Development	-	11	174	3 703	3 703	3 703	3 703	-	-	-
Vote 9 - Road Transport	6 347	9 520	7 592	14 559	12 199	12 199	12 199	13 800	11 431	11 816
Vote 10 - Electricity	8 691	8 421	1 251	285	1 285	1 285	1 285	3 876	2 000	285
Vote 11 - Water	-	-	-	-	-	-	-	-	-	-
Vote 12 - Waste Water Management	-	-	-	-	-	-	-	-	-	-
Vote 13 - Waste Management	38	351	335	2 420	2 330	2 330	2 330	35	35	35
Vote 14 - Other	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	<b>16 799</b>	<b>21 346</b>	<b>16 107</b>	<b>22 307</b>	<b>21 917</b>	<b>21 917</b>	<b>21 917</b>	<b>17 951</b>	<b>13 666</b>	<b>12 336</b>
<b>Total Capital Expenditure - Vote</b>	<b>16 799</b>	<b>21 346</b>	<b>16 107</b>	<b>22 307</b>	<b>21 917</b>	<b>21 917</b>	<b>21 917</b>	<b>17 951</b>	<b>13 666</b>	<b>12 336</b>
<b>Capital Expenditure - Standard</b>										
<b>Governance and administration</b>	<b>1 624</b>	<b>641</b>	<b>3 227</b>	<b>775</b>	<b>515</b>	<b>515</b>	<b>515</b>	<b>200</b>	<b>200</b>	<b>200</b>
Executive and council	69	357	78	40	110	110	110	-	-	-
Budget and treasury office	1 534	78	426	715	385	385	385	200	200	200
Corporate services	21	207	2 722	20	20	20	20	-	-	-
<b>Community and public safety</b>	<b>99</b>	<b>2 403</b>	<b>3 529</b>	<b>566</b>	<b>1 886</b>	<b>1 886</b>	<b>1 886</b>	<b>40</b>	<b>-</b>	<b>-</b>
Community and social services	70	33	50	63	63	63	63	-	-	-
Sport and recreation	22	2 317	3 464	408	1 728	1 728	1 728	40	-	-
Public safety	5	2	9	80	80	80	80	-	-	-
Housing	2	44	6	15	15	15	15	-	-	-
Health	-	7	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>6 347</b>	<b>9 531</b>	<b>7 766</b>	<b>18 262</b>	<b>15 902</b>	<b>15 902</b>	<b>15 902</b>	<b>13 800</b>	<b>11 431</b>	<b>11 816</b>
Planning and development	-	11	174	3 703	3 703	3 703	3 703	-	-	-
Road transport	6 347	9 520	7 592	14 559	12 199	12 199	12 199	13 800	11 431	11 816
Environmental protection	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>8 729</b>	<b>8 772</b>	<b>1 586</b>	<b>2 705</b>	<b>2 705</b>	<b>2 705</b>	<b>2 705</b>	<b>3 911</b>	<b>2 035</b>	<b>320</b>
Electricity	8 691	8 421	1 251	285	285	285	285	3 876	2 000	285
Water	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-
Waste management	38	351	335	2 420	2 420	2 420	2 420	35	35	35
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Standard</b>	<b>16 799</b>	<b>21 346</b>	<b>16 107</b>	<b>22 307</b>	<b>21 007</b>	<b>21 007</b>	<b>21 007</b>	<b>17 951</b>	<b>13 666</b>	<b>12 336</b>
<b>Funded by:</b>										
National Government	17 744	19 007	11 590	13 339	14 078	14 078	14 078	17 876	13 631	12 301
Provincial Government	-	-	-	3 693	3 693	3 693	3 693	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>17 744</b>	<b>19 007</b>	<b>11 590</b>	<b>17 032</b>	<b>17 771</b>	<b>17 771</b>	<b>17 771</b>	<b>17 876</b>	<b>13 631</b>	<b>12 301</b>
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	1 380	2 594	3 080	3 080	3 080	3 080	-	-	-
Internally generated funds	(945)	959	1 923	2 196	1 186	1 186	1 186	75	35	35
<b>Total Capital Funding</b>	<b>16 799</b>	<b>21 346</b>	<b>16 107</b>	<b>22 307</b>	<b>22 037</b>	<b>22 037</b>	<b>22 037</b>	<b>17 951</b>	<b>13 666</b>	<b>12 336</b>

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

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Capital expenditure has been appropriated at R18. 589 897 (MIG, INEG and FMG – intangible assets acquisition)million for the 2013/14 financial year and remains relatively constant over the MTREF at levels of R13.6 million and R12.3 million respectively for the two outer years.
4. Road transport and electricity votes receive the bulk of the budget.
5. The capital programme is funded mainly form transfers from National government. Given the municipality's cash flow challenges, there is no available funding at the moment from own revenue earmarked for capital projects.

Table 15 MBRR Table A6: Budgeted Financial Position

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>ASSETS</b>										
<b>Current assets</b>										
Cash	2 056	630	202	(18 609)	(19 668)	(19 668)	(19 668)	(18 046)	(13 377)	(8 961)
Call investment deposits	143	536	107	107	107	107	107	107	107	107
Consumer debtors	12 514	10 323	11 986	12 509	14 425	14 425	14 425	14 138	14 850	15 582
Other debtors	9 326	6 842	8 931	15 000	15 000	15 000	15 000	15 000	15 000	15 000
Current portion of long-term receivables	-	-	-	-	-	-	-	-	-	-
Inventory	263	416	465	500	500	500	500	520	530	530
<b>Total current assets</b>	<b>24 302</b>	<b>18 747</b>	<b>21 690</b>	<b>9 507</b>	<b>10 365</b>	<b>10 365</b>	<b>10 365</b>	<b>11 718</b>	<b>17 110</b>	<b>22 259</b>
<b>Non current assets</b>										
Long-term receivables	-	-	-	-	-	-	-	-	-	-
Investments	581	627	665	699	699	699	699	737	777	819
Investment property	25 038	38 142	40 245	40 245	40 245	40 245	40 245	40 245	40 245	40 245
Investment in Associate	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	225 357	232 043	233 593	255 900	239 469	239 469	239 469	253 590	261 743	269 815
Agricultural	-	-	-	-	-	-	-	-	-	-
Biological	1 118	1 244	2 139	2 139	2 139	2 139	2 139	2 139	2 139	2 139
Intangible	1 131	682	438	438	438	438	438	438	438	438
Other non-current assets	-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>	<b>253 225</b>	<b>272 739</b>	<b>277 079</b>	<b>299 420</b>	<b>282 989</b>	<b>282 989</b>	<b>282 989</b>	<b>297 148</b>	<b>305 341</b>	<b>313 455</b>
<b>TOTAL ASSETS</b>	<b>277 527</b>	<b>291 485</b>	<b>298 770</b>	<b>308 927</b>	<b>293 353</b>	<b>293 353</b>	<b>293 353</b>	<b>308 867</b>	<b>322 451</b>	<b>335 714</b>
<b>LIABILITIES</b>										
<b>Current liabilities</b>										
Bank overdraft	3 029	729	12 756							
Borrowing	940	1 159	1 191	1 097	1 097	1 097	1 097	1 140	1 143	243
Consumer deposits	1 625	1 670	1 745	1 833	1 833	1 833	1 833	1 933	2 038	2 148
Trade and other payables	15 057	19 753	18 348	21 833	21 833	21 833	21 833	21 833	21 833	21 833
Provisions	5 975	5 645	5 101	5 101	5 101	5 101	5 101	5 101	5 101	5 101
<b>Total current liabilities</b>	<b>26 626</b>	<b>28 957</b>	<b>39 140</b>	<b>29 862</b>	<b>29 862</b>	<b>29 862</b>	<b>29 862</b>	<b>30 006</b>	<b>30 114</b>	<b>29 324</b>
<b>Non current liabilities</b>										
Borrowing	3 524	4 022	5 256	4 291	4 291	4 291	4 291	3 285	2 277	2 170
Provisions	8 307	12 521	14 646	14 949	14 949	14 949	14 949	16 033	17 283	18 542
<b>Total non current liabilities</b>	<b>11 831</b>	<b>16 544</b>	<b>19 902</b>	<b>19 240</b>	<b>19 240</b>	<b>19 240</b>	<b>19 240</b>	<b>19 318</b>	<b>19 560</b>	<b>20 711</b>
<b>TOTAL LIABILITIES</b>	<b>38 457</b>	<b>45 500</b>	<b>59 042</b>	<b>49 102</b>	<b>49 102</b>	<b>49 102</b>	<b>49 102</b>	<b>49 324</b>	<b>49 674</b>	<b>50 035</b>
<b>NET ASSETS</b>	<b>239 070</b>	<b>245 985</b>	<b>239 727</b>	<b>259 824</b>	<b>244 251</b>	<b>244 251</b>	<b>244 251</b>	<b>259 542</b>	<b>272 777</b>	<b>285 679</b>
<b>COMMUNITY WEALTH/EQUITY</b>										
Accumulated Surplus/(Deficit)	250 044	236 225	247 261	259 824	244 251	244 251	244 251	259 542	272 777	285 679
Reserves	-	-	-	-	-	-	-	-	-	-
Minorities' interests	-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>250 044</b>	<b>236 225</b>	<b>247 261</b>	<b>259 824</b>	<b>244 251</b>	<b>244 251</b>	<b>244 251</b>	<b>259 542</b>	<b>272 777</b>	<b>285 679</b>

## **Explanatory notes to Table A6 - Budgeted Financial Position**

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 16 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non-current;
  - Changes in net assets;
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position.

**Table 16 MBRR Table A7: Budgeted Cash Flow**

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Ratepayers and other	55 540	69 254	70 112	123 598	127 027	127 027	127 027	83 997	89 767	97 753
Government - operating	12 911	27 489	25 530	28 975	29 120	29 120	29 120	29 120	29 120	29 120
Government - capital	17 744	22 403	14 090	17 032	17 771	17 771	17 771	18 660	19 667	20 729
Interest	1 162	1 147	1 088	1 220	1 180	1 180	1 180	3 466	4 788	5 173
<b>Payments</b>										
Suppliers and employees	(74 281)	(95 064)	(105 050)	(121 457)	(121 457)	(121 457)	(121 457)	(114 583)	(123 137)	(132 462)
Finance charges	(1 294)	(532)	(1 063)	(646)	(474)	(474)	(474)	(614)	(607)	(675)
Transfers and Grants	(379)	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>11 404</b>	<b>24 698</b>	<b>4 707</b>	<b>48 721</b>	<b>53 167</b>	<b>53 167</b>	<b>53 167</b>	<b>20 046</b>	<b>19 598</b>	<b>19 638</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE	207	63	76	60	60	60	60	65	70	76
Decrease (increase) in non-current investments	(63)	(46)	(38)	(33)	(33)	(33)	(33)	(38)	(40)	(42)
<b>Payments</b>										
Capital assets	(16 844)	(21 054)	(15 698)	(22 307)	(21 007)	(21 007)	(21 007)	(17 589)	(14 058)	(14 358)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(16 700)</b>	<b>(21 038)</b>	<b>(15 660)</b>	<b>(22 281)</b>	<b>(20 980)</b>	<b>(20 980)</b>	<b>(20 980)</b>	<b>(17 563)</b>	<b>(14 028)</b>	<b>(14 324)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Increase (decrease) in consumer deposits	237	45	75	87	87	87	87	101	104	110
<b>Payments</b>										
Repayment of borrowing	(727)	(982)	(1 540)	(1 059)	(1 059)	(1 059)	(1 059)	(963)	(1 005)	(1 008)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(490)</b>	<b>(937)</b>	<b>(1 465)</b>	<b>(972)</b>	<b>(972)</b>	<b>(972)</b>	<b>(972)</b>	<b>(862)</b>	<b>(900)</b>	<b>(898)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(5 786)</b>	<b>2 723</b>	<b>(12 417)</b>	<b>25 469</b>	<b>31 215</b>	<b>31 215</b>	<b>31 215</b>	<b>1 621</b>	<b>4 670</b>	<b>4 416</b>
Cash/cash equivalents at the year begin:	2 980	(2 806)	(83)	(12 500)	(12 500)	(12 500)	(12 500)	(12 500)	(10 879)	(6 209)
Cash/cash equivalents at the year end:	(2 806)	(83)	(12 500)	12 968	18 714	18 714	18 714	(10 879)	(6 209)	(1 793)

**Table 17 MBRR Table A8: Cash Backed Reserves/Accumulated Surplus Reconciliation**

**EC143 Maletswai - Table A8 Cash backed reserves/accumulated surplus reconciliation**

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	(2,806)	(83)	(12,500)	12,968	18,714	18,714	18,714	20,336	25,006	29,421
Other current investments > 90 days		1,976	520	53	(31,471)	(38,275)	(38,275)	(38,275)	(38,275)	(38,275)	(38,275)
Non current assets - Investments	1	581	627	665	699	699	699	699	737	777	819
<b>Cash and investments available:</b>		<b>(249)</b>	<b>1,065</b>	<b>(11,782)</b>	<b>(17,804)</b>	<b>(18,862)</b>	<b>(18,862)</b>	<b>(18,862)</b>	<b>(17,202)</b>	<b>(12,493)</b>	<b>(8,035)</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		3,704	8,617	6,833	6,833	6,833	6,833	6,833	6,833	6,833	6,833
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(4,952)									
Other working capital requirements	3	(12,402)	(5,978)	(6,515)	(19,151)	(28,195)	(28,195)	(28,195)	(11,872)	(11,739)	(12,023)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
<b>Total Application of cash and investments:</b>		<b>(13,650)</b>	<b>2,639</b>	<b>318</b>	<b>(12,318)</b>	<b>(21,362)</b>	<b>(21,362)</b>	<b>(21,362)</b>	<b>(5,039)</b>	<b>(4,906)</b>	<b>(5,190)</b>
<b>Surplus(shortfall)</b>		<b>13,401</b>	<b>(1,575)</b>	<b>(12,099)</b>	<b>(5,485)</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>(12,163)</b>	<b>(7,586)</b>	<b>(2,845)</b>

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

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the Municipality fell significantly over the 2009/10 to 20011/12 period owing directly to a net decrease in cash for the 2011/12 financial year of R12.5 million.
4. The approved 2013/14 MTREF provides for a further net decrease in cash of R10.1 million for the 2013/14 financial year.
5. The municipality has embarked on efforts to improve the cash flow position of the municipality in the near future. Expenditure has been drastically curbed as an effort to improve the cash flow.
6. In addition the Municipality has undertaken an extensive debt collection drive in order to improve the collection of arrear debts. It is envisaged that these interventions will translate into an improved cash flow position in the outer two years.

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2010/11 to 2011/12 the deficit deteriorated from R1.6 million to R12.1million.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2011/12 MTREF was not funded owing to the significant deficit.
7. As can be seen the deficit is decreasing significantly during the 2013/14 MTREF period, this however is not sufficient to imply that the budget complies with section 18 of the MFMA. This means that the budget is not funded over the MTREF period.

Table 18 MBRR Table A9: Asset Management

EC143 Maletswai - Table A9 Asset Management

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	16,799	21,346	16,107	22,307	21,917	21,917	17,951	13,666	12,336
<i>Infrastructure - Road transport</i>		6,337	8,818	7,486	13,739	11,429	11,429	13,800	11,431	11,816
<i>Infrastructure - Electricity</i>		8,691	8,217	1,192	240	1,240	1,240	3,876	2,000	285
<i>Infrastructure - Other</i>		-	-	166	3,693	3,693	3,693	-	-	-
Infrastructure		15,028	17,036	8,844	17,672	16,362	16,362	17,676	13,431	12,101
Community		10	222	3,453	300	1,610	1,610	-	-	-
Other assets	6	1,336	4,088	3,810	3,736	3,606	3,606	75	35	35
Intangibles		425	-	-	600	340	340	200	200	200
<b>Total Renewal of Existing Assets</b>	2	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4	-	-	-	-	-	-	-	-	-
<i>Infrastructure - Road transport</i>		6,337	8,818	7,486	13,739	11,429	11,429	13,800	11,431	11,816
<i>Infrastructure - Electricity</i>		8,691	8,217	1,192	240	1,240	1,240	3,876	2,000	285
<i>Infrastructure - Other</i>		-	-	166	3,693	3,693	3,693	-	-	-
Infrastructure		15,028	17,036	8,844	17,672	16,362	16,362	17,676	13,431	12,101
Community		10	222	3,453	300	1,610	1,610	-	-	-
Other assets		1,336	4,088	3,810	3,736	3,606	3,606	75	35	35
Intangibles		425	-	-	600	340	340	200	200	200
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	16,799	21,346	16,107	22,307	21,917	21,917	17,951	13,666	12,336
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5									
Infrastructure		-	-	-	-	-	-	-	-	-
Investment properties		25,038	38,142	40,245	40,245	40,245	40,245	40,245	40,245	40,245
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		1,118	1,244	2,139	2,139	2,139	2,139	2,139	2,139	2,139
Intangibles		1,131	682	438	438	438	438	438	438	438
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	27,287	40,068	42,821	42,821	42,821	42,821	42,821	42,821	42,821
<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation &amp; asset impairment</b>		-	13,552	15,162	-	15,131	15,131	3,468	5,905	6,286
<b>Repairs and Maintenance by Asset Class</b>	3	3,056	3,904	5,450	7,489	6,688	6,688	7,347	7,784	8,260
<i>Infrastructure - Road transport</i>		399	840	1,810	2,682	2,582	2,582	4,250	4,493	4,755
<i>Infrastructure - Electricity</i>		1,038	410	825	1,090	1,120	1,120	1,199	1,264	1,334
<i>Infrastructure - Water</i>		-	322	346	519	-	-	-	-	-
<i>Infrastructure - Sanitation</i>		-	138	93	301	-	-	-	-	-
<i>Infrastructure - Other</i>		261	307	103	240	240	240	141	149	157
Infrastructure		1,697	2,017	3,176	4,832	3,942	3,942	5,589	5,906	6,246
Community		37	-	-	101	101	101	20	21	23
Other assets	6,7	1,321	1,886	2,274	2,556	2,645	2,645	1,738	1,857	1,991
<i>Renewal of Existing Assets as % of total capex</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal of Existing Assets as % of deprecn"</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>R&amp;M as a % of PPE</i>		1.4%	1.7%	2.3%	2.9%	2.8%	2.8%	2.9%	3.0%	3.1%
<i>Renewal and R&amp;M as a % of PPE</i>		11.0%	10.0%	13.0%	17.0%	16.0%	16.0%	17.0%	18.0%	19.0%

Explanatory notes to Table A9 - Asset Management

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



## PART 2 – SUPPORTING DOCUMENTATION

### Overview of annual budget process

#### Budget Process Overview

##### Political oversight of the budget process

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

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

The primary aim of the Budget Steering Committee is to ensure:

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

##### Schedule of Key Deadlines relating to budget process -MFMA s 21

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

The Mayor tabled in Council the required the IDP and budget time schedule in August 2012. Key dates applicable to the process were:

- **November 2012** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **January 2013** – Multi-year budget proposals are submitted
- **29 January 2013** - Council considers the 2012/13 Mid-year Review and Adjustments Budget;
- **February 2013** - The draft 2011/12 MTREF is revised accordingly;
- **27 March 2013** - Tabling in Council of the draft 2013/14 IDP and 2013/14 MTREF for public consultation;
- **April 2013** – Public consultation;
- **6 May 2013** - Closing date for written comments;

- **6 to 21 May 2013** – finalisation of the 2013/14 IDP and 2013/14 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- **23 May 2013** - Tabling of the 2013/14 MTREF before Council for consideration and approval.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

#### Process used to integrate the review of the IDP & preparation of the budget

The budget process is integrated with the review of the IDP through the IDP review mechanism. The outcome of consultation feeding into the IDP review is taken into account in the budget process.

#### Process for tabling the budget in Council for consultation

A statutory period of consultation follows the tabling of the draft budget in Council on 27 March 2013. Meetings with the local community will be advertised in the local press following the tabling of the draft budget.

The Executive Mayor will consider the outcomes of these consultation meetings and a report detailing the responses will be tabled at the same meeting where the budget will be tabled for final approval.

#### Process for approving the budget

The budget must be approved by Council by 31 May.

#### Process and media used to provide information on the budget to the community

All budget documentation, the MTREF together with tariffs and policies, will be made available at Council libraries and offices for inspection. It will also be available on Council's website.

Advertisements informing the public about the availability of these documents and the schedules for the IDP/Budget public hearings will be published in all local newspapers and put up at municipal offices and libraries.

### **Budget Process 2013/14**

The budget process in Maletswai follows the requirements of the MFMA.

A schedule of key deadlines was prepared for tabling in Council by the Mayor prior to the end of August 2012.

The proposed budget must be tabled in Council by the end of March 2013. A period of consultation then follows. At the culmination of the consultation process the Mayor must consider any representations and decide if any amendments should be made to the budget.

The final budget has to be agreed by Council by the end of May 2013.

The Municipality's budget is again prepared on a 3 year basis. This takes into account the National and Provincial 3 year allocations to the Municipality. It is necessary to plan and budget on a 3 year basis to take account of resource constraints and also capacity constraints on service delivery. The MFMA requires municipalities to prepare 3 year budgets to ensure more thorough financial planning and provide for seamless service delivery.

The municipality will set out measurable performance objectives to link the financial inputs of the budget to service delivery on the ground. This will be done in the form of the quarterly service targets and monthly financial targets that are contained in the Service Delivery and Budget Implementation Plan (SDBIP). This must be agreed by the Mayor within 28 days of agreement of the final budget and forms the basis for the Municipality's in year monitoring.

### PART 3 - Overview of alignment of the annual budget with the Integrated Development Plan

The Integrated Development Plan process aims to on a continuing basis, address service delivery needs by identifying new needs or areas of improvement. It is, however, also a known fact that the needs identified by far exceeds the resources, and in particular financial resources, available.

The alignment of the budget with the objectives set in the IDP is as follows:

Table 19 MBRR SA4: IDP strategic objectives and budget (Revenue)

Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand												
Good Governance	To build an institution capable of effective delivery with sound administration and good governance practices				945	1 075	1 734	1 734	1 734	2 148	2 493	2 493
Sustainable Infrastructure Development	Provide Sustainable Infrastructure Development by improving and reconstructing access roads, other streets and storm water.				10 663	7 617	14 557	13 247	13 247	15 541	12 050	12 456
Sustainable Basic Services	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable electricity.				50 994	43 659	53 970	61 434	61 434	59 364	60 540	61 760

Housing	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable quality water.	9 644	12 458	13 766	-	-	-	-	-
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality sewerage and sanitation services.	5 219	7 239	7 699	-	-	-	-	-
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality waste management services.	5 227	2 699		3 211	3 211	2 093	2 081	4 761
	Provide support services to all departments and contribute to the delivery of sustainable basic service delivery	470	1 117	3 616 321	321	321	229	241	255
	The allocation of sufficient funds to provide housing within the municipal area			-	-	-			

Social Development	To create a healthy and sustainable environment by improving social services and the maintenance of public facilities and buildings.			1 128	1 459	1 470	1 538	1 538	1 003	1 026	1 051	
	To create and maintain public areas, sportsfields and resorts for the benefit of the community.			2 934	5 774	329	1 844	1 844	313	330	349	
Financial Viability	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms			21 855	35 365	39 118	41 199	41 199	49 232	54 455	56 477	
	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms			152	351	4 596	4 596	4 596	146	157	170	
Safety & Security	To create a safe and secure environment by providing traffic and related services.			3 734	3 677		4 591	4 591	4 234	4 573	4 939	
						4 721						
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	-	112 964	122 490	145 895	133 714	133 714	134 303	137 947	144 711

Table 20 MBRR SA5: IDP strategic objectives and budget (operating expenditure)

EC143 Maletswai - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Good Governance	To build an institution capable of effective delivery with sound administration and good governance practices				10,737	11,375	13,517	14,159	14,159	13,507	14,330	15,206
Sustainable Infrastructure Development	Provide Sustainable Infrastructure Development by improving and reconstructing access roads, other streets and storm water.				15,394	15,950	8,635	17,412	17,412	11,406	12,019	12,827
Sustainable Basic Services	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable electricity.				37,090	44,671	45,041	48,030	48,030	48,482	53,100	57,214
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable quality water.				8,128	7,229	7,433	-	-	-	-	-
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality sewerage and sanitation services.				3,160	2,872	4,174	-	-	-	-	-
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality waste management services.				8,112	8,919	9,659	9,373	9,373	9,769	10,222	10,872

	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality waste management services.		8,112	8,919	9,659	9,373	9,373	9,769	10,222	10,872
	Provide support services to all departments and contribute to the delivery of sustainable basic service delivery		162	306	377	209	209	125	132	140
Housing	The allocation of sufficient funds to provide housing within the municipal area		973	1,173	1,265	1,271	1,271	1,294	1,350	1,437
Social Development	To create a healthy and sustainable environment by improving social services and the maintenance of public facilities and buildings.		2,699	2,853	3,416	3,373	3,373	3,503	3,689	3,937
	To create and maintain public areas, sportsfields and resorts for the benefit of the community.		2,562	2,605	3,470	3,424	3,424	3,151	3,284	3,488
Financial Viability	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms		22,695	26,138	22,962	26,225	26,225	23,575	27,562	29,975
	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementing all MFMA regulations and reforms		1,398	1,409	2,712	2,680	2,680	1,695	1,795	1,914
Safety & Security	To create a safe and secure environment by providing traffic and related services.		2,933	3,318	3,841	3,738	3,738	4,025	4,227	4,505



Safety & Security	To create a safe and secure environment by providing traffic and related services.			2,933	3,318	3,841	3,738	3,738	4,025	4,227	4,505	
Allocations to other priorities												
Total Expenditure			1	-	116,045	128,819	126,502	129,895	129,895	120,533	131,709	141,515

Table SA6: Reconciliation of IDP Strategic objectives and budget (capital and expenditure)

Strategic Objective	Goal	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>										
Good Governance	To build an institution capable of effective delivery with sound administration and good governance practices	69	357	78	40	110	110			
Sustainable Infrastructure Development	Provide Sustainable Infrastructure Development by improving and reconstructing access roads, other streets and storm water.	6 347	9 520	7 592	14 559	12 199	12 199	13 800	11 431	11 816
Sustainable Basic Services	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing sustainable electricity.	8 691	8 421	1 251	285	1 285	1 285	3 876	2 000	285
	To provide adequate sustainable basic services for improved quality of life for our communities by eradicating service delivery backlogs and providing high quality waste management services.	38	351	335	2 420	2 330	2 330	35	35	35

	Provide support services to all departments and contribute to the delivery of sustainable basic service delivery									
Housing	The allocation of sufficient funds to provide housing within the municipal area	2	44	6	15	15	15			
Social Development	To create a healthy and sustainable environment by improving social services and the maintenance of public facilities and buildings.	70	33	50	63	63	63			
	To create and maintain public areas, sportsfields and resorts for the benefit of the community.	22	2 317	3 464	408	1 728	1 728	40		
Financial Viability	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementting all MFMA regulations and reforms	1 555	284	3 148	735	405	405	200	200	200
	To create an environment of effective, accountable and viable financial management with reliable information technology and accurate database by fully implementting all MFMA regulations and reforms		11	174	3 703	3 703	3 703	-	-	-

Safety & Security	To create a safe and secure environment by providing traffic and related services.	5	2	9	80	80	80			
Total Capital Expenditure		16 799	21 339	16 107	22 307	21 917	21 917	17 951	13 666	12 336

Refer to annual budget tables attached for further details.

**PART 3–Measurable performance objectives and indicators**

**Key financial indicators and ratios:**

Measurable performance objectives:

Table 21 MBRR TABLE SA 7: Measurable performance objectives

Description	Unit of measurement	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Vote 1 - vote name</b>										
Function 1 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Function 2 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
<b>Vote 2 - vote name</b>										
Function 1 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Function 2 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
Function 2 - (name)										
Sub-function 1 - (name)										
<i>Insert measure/s description</i>										
Sub-function 2 - (name)										
<i>Insert measure/s description</i>										
Sub-function 3 - (name)										
<i>Insert measure/s description</i>										
And so on for the rest of the Votes										

The following table sets out the municipalities main performance objectives and benchmarks for the 2013/14 MTREF:

Table 22 MBRR Table SA 8: Performance objectives and benchmarks

EC143 Maletswai - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Borrowing Management</b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.5%	1.8%	3.1%	1.3%	1.2%	1.2%	1.2%	1.3%	1.2%	1.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	3.9%	3.4%	4.6%	1.7%	1.8%	1.8%	1.8%	1.7%	1.6%	1.5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	0.9	0.6	0.6	0.3	0.3	0.3	0.3	0.4	0.6	0.8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.9	0.6	0.6	0.3	0.3	0.3	0.3	0.4	0.6	0.8
Liquidity Ratio	Monetary Assets/Current Liabilities	0.1	0.0	0.0	(0.6)	(0.7)	(0.7)	(0.7)	(0.6)	(0.4)	(0.3)
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		108.8%	99.7%	86.2%	124.1%	146.8%	146.8%	146.8%	92.2%	89.6%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			108.8%	99.7%	86.2%	124.1%	146.8%	146.8%	146.8%	92.2%	89.6%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	30.3%	18.7%	19.3%	21.3%	25.4%	25.4%	25.4%	24.0%	22.6%	21.5%
<b>Creditors Management</b>											
Creditors to Cash and Investments		-404.6%	-13437.7%	-92.1%	115.7%	80.2%	80.2%	80.2%	73.8%	60.0%	51.0%
<b>Other Indicators</b>											
Employee costs	Employee costs/(Total Revenue - capital revenue)	48.2%	42.0%	37.9%	39.2%	35.7%	35.7%	35.7%	37.8%	36.4%	35.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	48.2%	44.8%	40.3%	41.4%	38.3%	38.3%		40.5%	39.2%	38.6%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4.2%	4.3%	5.0%	5.8%	5.8%	5.8%		6.0%	5.9%	5.8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	1.8%	16.2%	16.0%	0.5%	13.5%	13.5%	13.5%	3.4%	4.9%	4.9%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	24.3	26.6	35.8	44.6	44.6	44.6	19.6	15.8	16.3	17.9
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	55.1%	31.6%	32.3%	35.1%	39.4%	39.4%	39.4%	38.2%	35.8%	32.8%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(0.5)	(0.0)	(1.6)	1.5	2.4	2.4	2.4	2.4	2.8	3.0

## PART 5 - Overview of budget related policies

The **detailed policies** are not included in this budget documentation. However they are available at the Council offices in Barkly Street, Aliwal North, for viewing as well as on the Internet at [www.maletswai.gov.za](http://www.maletswai.gov.za). This section gives a **broad overview** of the budget policy framework and highlights the amended policies to be approved by Council resolution.

Name of Policy	Type	Date of Council adoption (if already done)	Purpose / Basic areas covered by Policy	Summary of changes	Responsible Manager
<b>REVENUE RELATED</b>					
Tariff	Unchanged	May 2010 (with previous budget)	Setting criteria for establishing service tariffs	N/A	CFO
Rates	Unchanged	May 2010 (with previous budget)	Setting criteria for establishing rates tariffs	N/A	CFO
Credit control	Unchanged	May 2010 (with previous budget)	Principles and guidelines to be followed with respect to arrear consumer debt control	N/A	CFO
<b>BUDGET AND EXPENDITURE</b>					
Investment	Unchanged	May 2010 (with previous budget)	Guideline of procedures to be followed when investing or lending money	N/A	CFO
Borrowing and Raising of Debt	Unchanged	May 2010 (with previous budget)	To ensure that the Municipality's borrowing practices at all times comply with the relevant laws and best practices.	N/A	CFO
Cash Management and Payment	Unchanged	May 2010 (with previous budget)	To ensure that the Municipality has a sound cash management and payment system	N/A	CFO

of Creditors					
Supply chain management	changed	December 2011 (with previous budget)	Dictates procedures for the procurement of goods and services	Alignment with the Revised Procurement Policy Framework Act (PPFA)	CFO
Funding and Reserves Policy	New	May 2010 (with previous budget)	Sets guidelines for budgeting	New	CFO
Virement Policy	New	March 2012	Set guidelines for transfer of funds between votes	new	CFO
Fruitless, Wasteful & Irregular Expenditure	New	March 2012	Set guidelines for monitoring and avoiding fruitless, wasteful and irregular expenditure	new	CFO
Indigent Policy	changed	March 2012	Defines the process of applying for indigent support	Specifies the additional requirements for indigent applications	CFO



## **PART 6 – Overview of budget assumptions**

### **Budget Assumptions**

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

#### **External Factors:**

There is no real growth in the municipal area, with the number of people, as well as the number of households, remaining fairly consistent.

Job opportunities are limited, and the National budget identified employment creation as a priority and suggests that municipal capital and maintenance projects should seek to assist in this manner, by implementing labour intensive projects within financial means.

#### **General inflation outlook and its impact on the municipal activities**

General inflation (CPIX) is estimated at 5.60% for the 2013/14 financial year. This of course lends to expectations that municipal tariffs should increase by more or less the same percentage, which is impossible due to a wage increase settlement at national level of inflation plus 2% as well as the increase in bulk electricity charges from ESKOM, and of course the full implementation of GRAP requirements such as depreciation charges and Non – current Employee Benefits and other provisions. This budget and the proposed tariff increases therefore exceed the inflation outlook for these reasons.

	2013/14	2014/15	2015/16
<b>General inflation</b>	<b>5,6%</b>	<b>5,4%</b>	<b>5,4%</b>

#### **Interest rates for borrowing and investment of funds**

The following assumptions are built into the MTREF;

	2013/14	2014/15	2015/16
<b>Average Interest Rate – New Borrowing</b>	<b>9,5%</b>	<b>9,5%</b>	<b>9,5%</b>
<b>Average Interest Rate - Investments</b>	<b>6%</b>	<b>6%</b>	<b>6%</b>

#### **Rates, tariffs, charges and timing of revenue collection**

The rates, tariffs and charges for the 2013/14 budget are included in annexure 2.

The following table shows the assumed average percentage increases built into the MTREF for rates, tariffs and charges;

	2013/14	2014/15	2015/16
<b>Rates</b>			
<b>Electricity – monthly consumption tariff</b>			

The monthly cash flow statement in annexure 1 shows when rates and tariffs are expected to be collected over the financial year. In general terms, the timing of rates, tariffs and charges is based on the following;

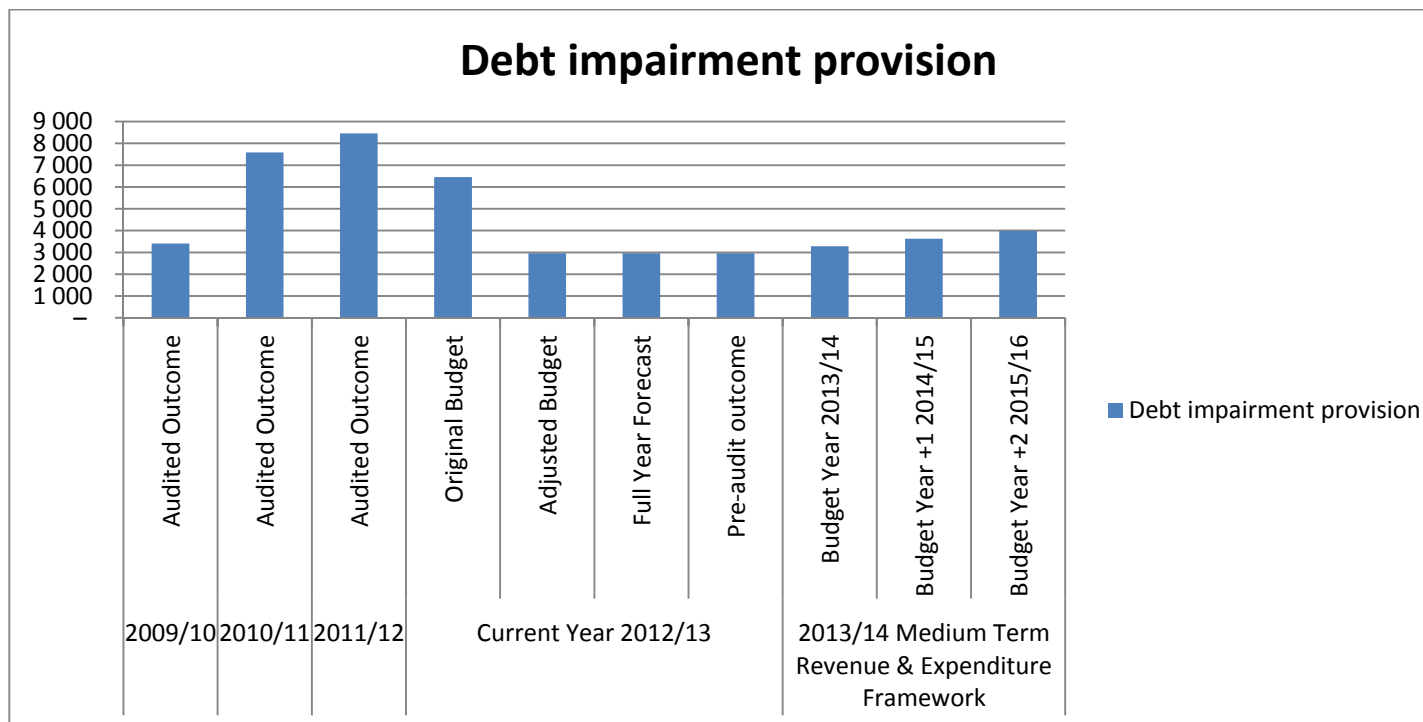
Rates and annual charges	Annual and monthly billing in July. Interim billing throughout the year as required. Revenue foregone recognised in July.
Consumption Tariffs	Monthly billing. On-going prepayment meters. Seasonal fluctuations.
Charges	Generally steady state throughout the financial year with seasonal fluctuations.

Collection rates for each revenue source and customer type

Furthermore, its policy on indigent support and social rebates means that many households who would normally struggle to pay their accounts receive free or subsidised basic services thereby keeping them free of the burden of municipal debt.

Nevertheless, there will always be an element of the total amount billed that will remain uncollected. The Municipality is the same as any other business in this regard. Adequate provision has to be made in the budget for any bad debts based on assumptions on collection rates. The bad debt contribution also remains fairly stable throughout the MRTEF period. This is mainly due to the take-over of water and sanitation function by the Joe Gqabi District Municipality, thus reducing the extent of bad debts. The following bad debt provisions and collection rates are assumed in the MTREF for rates and tariffs.

R '000	2013/14	2014/15	2015/16
<b>Provision for bad and doubtful debts</b>	<b>5 101</b>	<b>5101</b>	<b>5101</b>
<b>Assumed collection rate (service charges)</b>	<b>85%</b>	<b>85%</b>	<b>85%</b>
<b>Assumed collection rate (assessment rates)</b>	<b>85%</b>	<b>85%</b>	<b>85%</b>



#### Price movements on specific items

The bulk purchases from Eskom 2011/12– 36 725):

	R '000	2013/14	2014/15	2015/16
<b>Eskom</b>		<b>41 258</b>	<b>45 503</b>	<b>49 143</b>

#### Average salary increases

The MTREF includes the following average percentage increases in salaries and wages and for Councillors' allowances:

	2013/14	2014/15	2015/16
<b>Councillors</b>	7%	7%	<b>7%</b>
<b>Senior Managers</b>	8%	8%	<b>8%</b>
<b>Administrative, professional, technical, clerical &amp; manual</b>	8%	8%	<b>8%</b>
<b>Medical aid contributions</b>	<b>9%</b>	<b>9%</b>	<b>9%</b>

### Industrial relations climate, reorganisation and capacity building

The ability of the Municipality to deliver quality services is dependent on its staff and the ability to provide services to the Maletswai population at a viable level. Failure by the Municipality to invest in its staff to ensure that the capacity and skills exist to meet the challenges being faced by Maletswai will ultimately mean a failure to deliver services.

The Municipality has made the following amounts available for training over the MTREF period:

R '000	2013/14	2014/15	2015/16
<b>Training Budget</b>	<b>368</b>	<b>397</b>	<b>429</b>

### Trends in population and households (growth, decline, stable)

Population growth trends predict a population of over 60, 000 at the end of the 3 year budget period.

### Changing demand characteristics (demand for services)

Maletswai has to respond to changing demand for services that can occur through a number of reasons such as population migration, changing demographic profile, technological changes, and major infrastructure development.

The introduction of wireless technology in Maletswai has made the internet available to many more people making on-line interaction with the Municipality possible, including the payment of municipal accounts. The selling of prepaid electricity by all outside vendors assisted consumers to purchase prepaid electricity after hours and over weekends by means of the Syntell system

The growth of formal housing in prior years has impacted on the demand for services and challenges the Municipality in how services are delivered.

### Trends in demand for free or subsidised basic services

Maletswai's criteria for supporting free or subsidised basic services are set out in the indigent support policy. The Government allocates revenue via the Division of Revenue Act (DORA) in the form of the Equitable Share Grant with the primary aim of assisting municipalities with the costs of providing free or subsidised basic services.

### Impact of national, provincial and local policies

Maletswai sees itself as working in partnership with national, provincial and district municipality spheres of Government in meeting the priority service needs of its people.

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

The following table shows the trend of spending against budget for the capital programme since 2009/10:

R '000	2009/10	2010/11	2011/12
<b>Capital Budget (adjusted)</b>	16 799	<b>21, 918</b>	<b>33 412</b>
<b>Actual Spending</b>	16 799	<b>21 346</b>	<b>16 147</b>
<b>%</b>	<b>89%</b>	<b>99%</b>	<b>63%</b>

Spending is monitored closely throughout the year and Managers must ensure that capital schemes are supported by robust planning. The Municipality is continually reviewing its capital planning processes.

The SDBIP includes monthly cash flows of expenditure and is used as the basis for budget monitoring.

*Implications of restructuring and other major events into the future*

The budget does not include any provision for the establishment of a Regional Electricity Distributor for Maletswai as there is still considerable uncertainty as to how and when this would operate.

**Funding compliance**

The budget is not cash – funded and thus does not comply with section 18 of the MFMA.

There is a huge increase in tariffs above the CPIX forecast, mainly as a result of the effect of the electricity increases. Other increases, set at about 10%, is in order not to reduce maintenance programs, but even these programs are affected negatively due to the increase in bulk charges and the cap on an increase in electricity tariffs set by NERSA.

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**PART 7 — Overview of budget funding**

**Funding the Budget**

Section 18(1) of the MFMA states that an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous years' surpluses not committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in section 17.

Achievement of this requirement in totality effectively means that a Council has 'balanced' its budget by ensuring that budgeted outflows will be offset by a combination of planned inflows.

A Credible Budget

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

- Funds only activities consistent with the revised IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the municipality;
- Is achievable in terms of agreed service delivery and performance targets;
- Contains revenue and expenditure projections that are consistent with current and on past performance and supported by documented evidence of future assumptions;
- Does not jeopardise the financial viability of the municipality (ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term); and
- Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

A budget sets out certain service delivery levels and associated financial implications. Therefore the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications. Major under spending due to under collection of revenue or poor planning is a clear example of a budget that is not credible and unrealistic.

Furthermore, budgets tabled for consultation at least 90 days prior to the start of the budget year should already be credible and fairly close to the final approved budget.

## **Part 8 - Fiscal Overview of Maletswai Municipality**

Over the past financial years sound and strong financial management has ensured a relatively sound financial position for Maletswai Local Municipality. There is also a high level of compliance with the Municipal Finance Management Act and other legislation directly affecting financial management.

### Long term financial planning

The municipality's financial position is sound and this budget further ensures that it stays sound. The municipality's cash flow position has been greatly affected by the 2011/12 financial position which saw an unfavourable net cash flow balance of R12.55million.

This unfavourable cash flow position has meant that the municipality does not have sufficient internally generated funds to fund capital expenditure and thus relies heavily on grants from national government. It is for this reason that the municipality has looked at ways of improving the cash flow position in the long-term. Current measures include curbing of unnecessary expenditure, timely collection of debts as well as developing ways of increasing the revenue base of the municipality.

## PART 9 - Sources of funding

Table 23 MBRR SA15: Detailed investment information

Investment type	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand									
<b>Parent municipality</b>									
Deposits - Bank	724	1 163	772	805	805	805	844	884	926
<b>Municipality sub-total</b>	<b>724</b>	<b>1 163</b>	<b>772</b>	<b>805</b>	<b>805</b>	<b>805</b>	<b>844</b>	<b>884</b>	<b>926</b>
<b>Consolidated total:</b>	<b>724</b>	<b>1 163</b>	<b>772</b>	<b>805</b>	<b>805</b>	<b>805</b>	<b>844</b>	<b>884</b>	<b>926</b>

The table above shows that the municipality does not hold significant investments from which revenue can be generated or which can be liquidated when the financial situation so requires.

Table 24 MBRR Table SA 16: Investment particulars by maturity

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Expiry date of investment	Monetary value	Interest to be realised
Name of institution & investment ID	Yrs/Months						Rand thousand	
<b>Parent municipality</b>								
ABSA - Account number 20-6626-7402	Fixed	Term deposit	yes	Variable	0.054	24/10/2013	700	38
ABSA - Account number 20-4791-9733	Fixed	Term deposit	yes	Variable	0.0539	25 May 2014	27	1
ABSA - Account number 92-7435-868	32b Days	Call	yes	Variable	0.055	Never	532	24
<b>Municipality sub-total</b>							<b>1 258</b>	<b>64</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>							<b>1 258</b>	<b>64</b>

### Contributions and donations

The Municipality can receive contributions from developers to provide infrastructure and other works as part of the conditions of agreeing planning permission.

### Sale of assets

The Municipality is in the process of reviewing its land and asset holdings as part of its longer term financial strategy. Major asset sales are therefore, excluded from the MTREF at this stage.

### Borrowing

The MFMA prescribes the conditions within which municipalities may borrow through either short or long term debt.

The Act stipulates that short term debt can be used to meet immediate cash flow needs but that it must be fully repaid within the financial year in which it was incurred. Long term debt can only be incurred for capital expenditure or to re-finance existing long term debt. Proposals to incur long term debt must go through a public consultation process.

The cash flow projections will determine the likely need to borrow short term. It is not projected that any short term borrowing will be required over the MTREF period.

The ratios as set out in the Cash and Management Investment policy are used to establish prudential levels of borrowing in terms of affordability and the overall indebtedness of the Municipality.

Table 25 MBRR Table SA17 - Borrowings

R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Parent municipality</b>									
Long-Term Loans (annuity/reducing balance)	2 751	3 808	3 699	3 170	3 170	3 170	2 678	2 277	2 170
Long-Term Loans (non-annuity)	-	-	-	-	-	-	-	-	-
Local registered stock	-	-	-	-	-	-	-	-	-
Instalment Credit	-	-	-	-	-	-	-	-	-
Financial Leases	773	214	1 557	1 121	1 121	1 121	607	-	-
<b>Total Borrowing</b>	<b>3 524</b>	<b>4 022</b>	<b>5 256</b>	<b>4 291</b>	<b>4 291</b>	<b>4 291</b>	<b>3 285</b>	<b>2 277</b>	<b>2 170</b>

As can be seen from Table 27 the municipality is not highly leveraged, as the long-term liabilities are budgeted for at R 2.6 million in 2013/14 MTREF declining to R 2. 2 million during the 2015/16 financial period.

Table 26 MBRR Table SA18: Capital transfers and grants receipts

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>RECEIPTS:</b>									
<b>Capital Transfers and Grants</b>									
National Government:	10 781	20 487	15 614	13 339	13 339	13 339	17 314	17 314	17 314
Municipal Infrastructure Grant (MIG)	7 349	10 487	12 614	12 739	12 739	12 739	13 438	13 438	13 438
Finance Management	432	-	-	600	600	600	-	-	-
Management Support	-	-	-	-	-	-	-	-	-
National Electrification Grant	3 000	10 000	3 000	-	-	-	3 876	3 876	3 876
Provincial Government:	-	-	-	-	-	-	-	-	-
District Municipality:	-	60	-	-	-	-	-	-	-
Johanna Park Fencing	-	60	-	-	-	-	-	-	-
Other grant providers:	-	6 905	-	3 693	3 693	3 693	-	-	-
DEAT - Upgrading of Spa	-	4 905	-	3 693	3 693	3 693	-	-	-
DEAT - Waste Recycling Project	-	2 000	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	<b>10 781</b>	<b>27 452</b>	<b>15 614</b>	<b>17 032</b>	<b>17 032</b>	<b>17 032</b>	<b>17 314</b>	<b>17 314</b>	<b>17 314</b>

Table 28 shows the expected injections from the Provincial or National departments. The municipality's capital funding is derived mostly from capital grants.



Expenditure on grants and reconciliations of unspent funds

Table 27 MBRR Table SA 19: Expenditure on grants and transfers

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>									
<b>EXPENDITURE:</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	16 423	19 559	24 895	26 462	26 422	26 422	29 063	30 483	30 483
Local Government Equitable Share	14 328	17 620	20 224	22 944	22 944	22 944	24 074	25 448	27 642
Municipal Systems Improvement	700	638	866	840	800	800	1 668	2 417	223
Finance Management	1 334	1 301	1 569	900	900	900	1 500	1 750	1 750
EPWP Incentive				1 000	1 000	1 000	1 000		
Management Support			177	-	-	-			
Water Services Operating Subsidy				-	-	-			
Municipal Infrastructure Grant (MIG)	60		2 059	778	778	778	821	868	868
<b>Provincial Government:</b>	3 233	1 332	553	-	-	-	-	-	-
Health subsidy	2 683	1 279							
Spatial Development Plan	550		39						
Land Survey Management		52							
VUNA Awards			45						
DEAT			469						
<b>District Municipality:</b>	285	103	67	903	903	903	146	157	170
<i>IDP Fund</i>	135	50		75	75	75	81	87	94
<i>Performance Management Appraisal</i>	150	53	67	828	828	828	65	70	76
<b>Other grant providers:</b>	373	984	1 325	1 610	1 004	1 004	992	1 071	1 157
<i>Skills Development</i>	134	130	209	300	300	300	324	350	378
<i>Library Fund</i>	239	854	1 116	1 310	704	704	668	721	779
<b>Total operating expenditure of Transfers and Grants:</b>	<b>20 313</b>	<b>21 977</b>	<b>26 840</b>	<b>28 975</b>	<b>28 329</b>	<b>28 329</b>	<b>30 200</b>	<b>31 712</b>	<b>31 810</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	17 744	19 988	11 641	13 339	13 339	13 339	17 314	17 314	17 314
Municipal Infrastructure Grant (MIG)	7 681	10 575	10 199	12 739	12 739	12 739	13 438	13 438	13 438
Finance Management	432	276	175	600	600	600			
Management Support				-	-	-			
National Electrification Grant	9 631	9 137	1 267	-	-	-	3 876	3 876	3 876
Other capital transfers/grants [insert desc]									
<b>Provincial Government:</b>	-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]									
<b>District Municipality:</b>	-	60	55	-	-	-	-	-	-
<i>Johanna Park Fencing</i>		60	8						
<i>Library Fund</i>			46						
<b>Other grant providers:</b>	-	2 355	2 403	3 693	3 693	3 693	-	-	-
<i>DEAT - Upgrading of Spa</i>		2 355	2 237	3 693	3 693	3 693			
<i>DEAT - Waste Recycling Project</i>			166						
<b>Total capital expenditure of Transfers and Grants</b>	<b>17 744</b>	<b>22 403</b>	<b>14 098</b>	<b>17 032</b>	<b>17 032</b>	<b>17 032</b>	<b>17 314</b>	<b>17 314</b>	<b>17 314</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>38 057</b>	<b>44 380</b>	<b>40 939</b>	<b>46 006</b>	<b>45 360</b>	<b>45 360</b>	<b>47 514</b>	<b>49 026</b>	<b>49 124</b>

Table 28 MBRR Table SA20: Reconciliation between transfers, grant receipts and unspent funding

Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>R thousand</b>									
<b>Operating transfers and grants:</b>									
<b>National Government:</b>									
Balance unspent at beginning of the year	2 542	1 515	(1 007)	108	108	108	-	-	-
Current year receipts	15 396	15 053	25 388	22 350	22 350	22 350	29 063	30 483	30 483
<b>Conditions met - transferred to revenue</b>	<b>16 423</b>	<b>17 576</b>	<b>24 273</b>	<b>22 458</b>	<b>22 458</b>	<b>22 458</b>	<b>29 063</b>	<b>30 483</b>	<b>30 483</b>
Conditions still to be met - transferred to liabilities	1 515	(1 007)	108	-	-	-			
<b>Provincial Government:</b>									
Balance unspent at beginning of the year	2 622	2 072	7 739	4 828	4 828	4 828	4 828	4 828	4 828
Current year receipts	2 683	9 052	45	-	-	-			
<b>Conditions met - transferred to revenue</b>	<b>3 233</b>	<b>3 385</b>	<b>2 956</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities	2 072	7 739	4 828	4 828	4 828	4 828	4 828	4 828	4 828
<b>District Municipality:</b>									
Balance unspent at beginning of the year	-		-						
Current year receipts	285	163		903	903	903	146	157	170
<b>Conditions met - transferred to revenue</b>	<b>285</b>	<b>163</b>	<b>-</b>	<b>903</b>	<b>903</b>	<b>903</b>	<b>146</b>	<b>157</b>	<b>170</b>
Conditions still to be met - transferred to liabilities			-	-	-	-			
<b>Other grant providers:</b>									
Balance unspent at beginning of the year	261	1 022	609	5	5	5	-	-	-
Current year receipts	1 134	440	634	1 610	1 610	1 610	992	1 071	1 157
<b>Conditions met - transferred to revenue</b>	<b>373</b>	<b>854</b>	<b>1 238</b>	<b>1 615</b>	<b>1 615</b>	<b>1 615</b>	<b>992</b>	<b>1 071</b>	<b>1 157</b>
Conditions still to be met - transferred to liabilities	1 022	609	5	-	-	-			
<b>Total operating transfers and grants revenue</b>	<b>20 313</b>	<b>21 977</b>	<b>28 466</b>	<b>24 976</b>	<b>24 976</b>	<b>24 976</b>	<b>30 200</b>	<b>31 712</b>	<b>31 810</b>
<b>Total operating transfers and grants - CTBM</b>	<b>4 609</b>	<b>7 340</b>	<b>4 941</b>	<b>4 828</b>	<b>4 828</b>	<b>4 828</b>	<b>4 828</b>	<b>4 828</b>	<b>4 828</b>

## 1.3 Councillor and employee benefits

Table 29 MBRR SA 22: Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	1 636	1 917	1 962	2 035	2 255	2 255	2 608	2 765	2 931
Pension and UIF Contributions	284	149	60	172	185	185	222	235	250
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	447	386	409	429	416	416	445	472	501
Cellphone Allowance	133	135	145	158	156	156	167	177	188
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	17	-	-	-	43	43	-	-	-
<b>Sub Total - Councillors</b>	<b>2 517</b>	<b>2 586</b>	<b>2 576</b>	<b>2 795</b>	<b>3 056</b>	<b>3 056</b>	<b>3 443</b>	<b>3 650</b>	<b>3 869</b>
% increase		2.7%	(0.4%)	8.5%	9.3%	-	12.7%	6.0%	6.0%
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	2 698	2 284	2 323	3 079	2 286	2 286	2 479	2 603	2 733
Pension and UIF Contributions	97	124	181	215	131	131	159	167	175
Medical Aid Contributions	78	55	51	63	131	131	63	66	69
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	597	-	495	460	460	500	532	566
Motor Vehicle Allowance	775	620	638	702	644	644	669	703	738
Cellphone Allowance	70	61	61	66	56	56	56	59	62
Housing Allowances	104	33	35	36	36	36	36	38	40
Other benefits and allowances	56	451	563	49	757	757	832	873	917
<b>Sub Total - Senior Managers of Municipality</b>	<b>3 879</b>	<b>4 225</b>	<b>3 853</b>	<b>4 705</b>	<b>4 501</b>	<b>4 501</b>	<b>4 794</b>	<b>5 041</b>	<b>5 300</b>
% increase		8.9%	(8.8%)	22.1%	(4.3%)	-	6.5%	5.1%	5.1%
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	19 295	23 965	25 667	32 637	26 395	26 395	30 081	31 387	33 432
Pension and UIF Contributions	3 173	4 222	4 520	5 484	4 400	4 400	5 094	5 422	5 772
Medical Aid Contributions	1 090	1 193	1 101	1 754	1 445	1 445	1 628	1 733	1 845
Overtime	1 054	1 409	1 638	1 590	1 045	1 045	430	457	486
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	692	1 165	1 366	1 844	1 541	1 541	1 667	1 783	1 907
Cellphone Allowance	33	51	61	69	72	72	89	95	102
Housing Allowances	(40)	30	30	33	31	31	29	31	35
Other benefits and allowances	1 171	1 247	1 271	1 388	1 141	1 141	1 143	1 227	1 316
Payments in lieu of leave	1 246	410	809	769	574	574	617	656	698
Long service awards	265	304	335	255	198	198	183	194	207
Post-retirement benefit obligations	386	363	423	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>	<b>28 367</b>	<b>34 361</b>	<b>37 221</b>	<b>45 823</b>	<b>36 842</b>	<b>36 842</b>	<b>40 959</b>	<b>42 986</b>	<b>45 800</b>
% increase		21.1%	8.3%	23.1%	(19.6%)	-	11.2%	4.9%	6.5%
<b>Total Parent Municipality</b>	<b>34 762</b>	<b>41 171</b>	<b>43 650</b>	<b>53 322</b>	<b>44 398</b>	<b>44 398</b>	<b>49 196</b>	<b>51 676</b>	<b>54 969</b>
		18.4%	6.0%	22.2%	(16.7%)	-	10.8%	5.0%	6.4%
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>34 762</b>	<b>41 171</b>	<b>43 650</b>	<b>53 322</b>	<b>44 398</b>	<b>44 398</b>	<b>49 196</b>	<b>51 676</b>	<b>54 969</b>
% increase		18.4%	6.0%	22.2%	(16.7%)	-	10.8%	5.0%	6.4%
<b>TOTAL MANAGERS AND STAFF</b>	<b>32 246</b>	<b>38 586</b>	<b>41 075</b>	<b>50 527</b>	<b>41 343</b>	<b>41 343</b>	<b>45 753</b>	<b>48 027</b>	<b>51 100</b>

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

Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.				2.
<b>Councillors</b>							
Speaker							-
Chief Whip							-
Executive Mayor	1	404 610	71 402	236 207			712 219
Deputy Executive Mayor							-
Executive Committee	5	916 325	36 653	283 289			1 236 267
Total for all other councillors	6	1 092 171	89 373	93 132			1 274 676
<b>Total Councillors</b>	<b>12</b>	<b>2 413 106</b>	<b>197 429</b>	<b>612 627</b>			<b>3 223 162</b>
<b>Senior Managers of the Municipality</b>							
Municipal Manager (MM)	1	615 600	14 070	450 915	140 000		1 220 585
Chief Finance Officer	1	495 953	49 116	335 525	85 120		965 714
Manager Technical Services	1	495 953	100 079	251 157	95 000		942 189
Manager Corporate Services	1	450 835	48 364	270 872	90 000		860 072
Manager Community Services	1	420 948	9 959	284 481	90 000		805 388
							-
<b>Total Senior Managers of the Municipality</b>	<b>5</b>	<b>2 479 289</b>	<b>221 588</b>	<b>1 592 950</b>	<b>500 120</b>		<b>4 793 948</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	<b>17</b>	<b>4 892 395</b>	<b>419 017</b>	<b>2 205 578</b>	<b>500 120</b>		<b>8 017 110</b>

Table 31 MBRR SA24: Summary of personnel numbers

Summary of Personnel Numbers Number	2011/12			Current Year 2012/13			Budget Year 2013/14		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>									
Councillors (Political Office Bearers plus C	12	-	12	12	-	12	12	-	12
Board Members of municipal entities	-	-	-	-	-	-	-	-	-
<b>Municipal employees</b>									
Municipal Manager and Senior Managers	5	-	5	5	-	5	5	-	5
Other Managers	-	-	-	-	-	-	-	-	-
Professionals	8	3	5	8	3	5	8	3	5
<i>Finance</i>	1	-	1	1	-	1	1	-	1
<i>Spatial/town planning</i>	-	-	-	-	-	-	-	-	-
<i>Information Technology</i>	-	-	-	-	-	-	-	-	-
<i>Roads</i>	4	3	1	4	3	1	4	3	1
<i>Electricity</i>	1	-	1	1	-	1	1	-	1
<i>Water</i>	-	-	-	-	-	-	-	-	-
<i>Sanitation</i>	-	-	-	-	-	-	-	-	-
<i>Refuse</i>	-	-	-	-	-	-	-	-	-
<i>Other</i>	2	-	2	2	-	2	2	-	2
Technicians	15	15	-	15	15	-	17	17	-
<i>Finance</i>	3	3	-	3	3	-	3	3	-
<i>Spatial/town planning</i>	1	1	-	1	1	-	1	1	-
<i>Information Technology</i>	-	-	-	-	-	-	1	1	-
<i>Roads</i>	5	5	-	5	5	-	5	5	-
<i>Electricity</i>	4	4	-	4	4	-	4	4	-
<i>Water</i>	1	1	-	1	1	-	1	1	-
<i>Sanitation</i>	-	-	-	-	-	-	1	1	-
<i>Refuse</i>	1	1	-	1	1	-	1	1	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
Clerks (Clerical and administrative)	71	71	-	71	71	-	71	71	-
Service and sales workers	6	6	-	6	6	-	6	6	-
Skilled agricultural and fishery workers	-	-	-	-	-	-	-	-	-
Craft and related trades	-	-	-	-	-	-	-	-	-
Plant and Machine Operators	11	11	-	11	11	-	11	11	-
Elementary Occupations	179	179	-	179	179	-	179	179	-
<b>TOTAL PERSONNEL NUMBERS</b>	<b>307</b>	<b>285</b>	<b>22</b>	<b>307</b>	<b>285</b>	<b>22</b>	<b>309</b>	<b>287</b>	<b>22</b>
% increase				-	-	-	0.7%	0.7%	-
<b>Total municipal employees headcount</b>	<b>307</b>	<b>285</b>	<b>22</b>	<b>307</b>	<b>285</b>	<b>22</b>	<b>309</b>	<b>287</b>	<b>22</b>
Finance personnel headcount	26	20	6	26	20	6	26	20	6
Human Resources personnel headcount	3	3		3	3		3	3	

## 1.4 Monthly targets for revenue, expenditure and cash flow

Table 32 MBRR SA 25: Budgeted Monthly revenue and expenditure

EC143 Maletswai - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
<b>Revenue By Source</b>																	
Property rates		638	638	6,655	638	638	638	638	638	638	638	638	638	13,675	14,427	15,220	
Service charges - electricity revenue		5,251	5,328	5,432	5,749	4,793	5,365	4,628	4,431	4,117	4,206	4,088	3,920	57,307	63,261	68,453	
Service charges - refuse revenue		298	296	297	291	293	299	297	299	298	300	300	323	3,591	3,135	5,872	
Rental of facilities and equipment		100	108	120	90	133	154	122	190	216	125	196	153	1,709	2,442	3,612	
Interest earned - external investments		8	11	8	6	4	28	6	6	5	8	6	64	160	168	178	
Interest earned - outstanding debtors		245	276	268	323	336	276	281	222	140	311	312	317	3,307	4,619	4,995	
Fines		2	3	7	2	77	2	2	0	43	35	0	24	198	213	229	
Licences and permits		218	193	202	240	212	211	239	201	194	191	165	285	2,551	2,755	2,976	
Agency services		48	40	53	46	42	528	66	54	32	38	528	1,530	1,652	1,784		
Transfers recognised - operational		10,162	671	527	748	8,329	1,802	117	66	6,124	533	136	907	30,142	31,428	31,489	
Other revenue		535	738	282	313	256	796	442	726	481	597	524	1,523	7,213	7,705	7,490	
Gains on disposal of PPE		0	15	4	0	4	5	8	2	2	14	-	10	65	70	76	
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>17,527</b>	<b>8,318</b>	<b>13,854</b>	<b>8,445</b>	<b>15,116</b>	<b>10,106</b>	<b>6,845</b>	<b>6,836</b>	<b>12,313</b>	<b>6,990</b>	<b>6,405</b>	<b>8,692</b>	<b>121,448</b>	<b>131,876</b>	<b>142,372</b>	
<b>Expenditure By Type</b>																	
Employee related costs		3,707	3,896	3,698	3,748	3,875	3,698	3,957	3,943	3,926	3,543	3,552	4,368	45,913	48,027	51,100	
Remuneration of councillors		258	254	227	247	223	269	453	269	277	249	257	460	3,443	3,650	3,869	
Debt impairment													325	325	343	361	
Depreciation & asset impairment													3,468	3,468	5,905	6,286	
Finance charges		22	22	201	20	20	19	19	29	27	78	78	81	614	607	675	
Bulk purchases		5,592	6,676	5,610	3,014	3,141	1,068	671	3,168	2,834	2,661	2,686	4,137	41,258	45,503	49,143	
Other expenditure		823	1,947	2,551	1,798	1,775	2,295	1,946	2,102	1,963	1,361	1,827	5,126	25,513	27,675	30,081	
<b>Total Expenditure</b>		<b>10,402</b>	<b>12,795</b>	<b>12,288</b>	<b>8,827</b>	<b>9,033</b>	<b>7,348</b>	<b>7,046</b>	<b>9,512</b>	<b>9,026</b>	<b>7,892</b>	<b>8,399</b>	<b>17,966</b>	<b>120,533</b>	<b>131,709</b>	<b>141,515</b>	
<b>Surplus/(Deficit)</b>		<b>7,125</b>	<b>(4,477)</b>	<b>1,566</b>	<b>(381)</b>	<b>6,083</b>	<b>2,758</b>	<b>(201)</b>	<b>(2,675)</b>	<b>3,287</b>	<b>(902)</b>	<b>(1,995)</b>	<b>(9,274)</b>	<b>914</b>	<b>167</b>	<b>857</b>	
Transfers recognised - capital													17,676	17,676	13,431	11,816	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>7,125</b>	<b>(4,477)</b>	<b>1,566</b>	<b>(381)</b>	<b>6,083</b>	<b>2,758</b>	<b>(201)</b>	<b>(2,675)</b>	<b>3,287</b>	<b>(902)</b>	<b>(1,995)</b>	<b>8,402</b>	<b>18,590</b>	<b>13,598</b>	<b>12,673</b>	
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>7,125</b>	<b>(4,477)</b>	<b>1,566</b>	<b>(381)</b>	<b>6,083</b>	<b>2,758</b>	<b>(201)</b>	<b>(2,675)</b>	<b>3,287</b>	<b>(902)</b>	<b>(1,995)</b>	<b>8,402</b>	<b>18,590</b>	<b>13,598</b>	<b>12,673</b>	

**Table 33 MBRR SA 26: Budgeted monthly revenue and expenditure (by municipal vote)**

EC143 Maletswai - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
<b>R thousand</b>																	
<b>Revenue by Vote</b>																	
Vote 1 - Executive and council		-	169	-	-	-	1,312	-	-	-	-	-	666	2,148	2,493	2,493	
Vote 2 - Budget and Treasury Office		11,555	1,297	7,624	1,077	9,440	3,107	1,191	1,154	7,995	1,415	1,176	2,801	49,232	54,455	56,477	
Vote 3 - Community and Social Services		9	15	13	14	20	641	19	70	19	8	118	57	1,003	1,026	1,051	
Vote 4 - Sport and Recreation		1	103	2	1	14	24	3	85	14	45	2	19	313	330	349	
Vote 5 - Public Safety		342	296	333	356	415	320	392	343	385	349	266	436	4,234	4,573	4,939	
Vote 8 - Planning and Development		-	39	-	-	-	-	-	-	105	-	-	2	146	157	170	
Vote 9 - Road Transport		1,157	453	1	3	2	1,359	1,462	980	1,690	1,565	1,120	5,747	15,541	12,050	12,456	
Vote 10 - Electricity		4,861	5,050	5,083	5,381	4,501	5,581	5,528	4,943	5,663	5,888	5,089	5,096	62,664	66,824	70,102	
Vote 13 - Waste Management		311	291	311	291	291	311	291	311	291	311	291	294	3,593	3,136	5,874	
Vote 14 - Other		21	35	18	14	14	11	14	19	14	14	14	61	249	263	277	
<b>Total Revenue by Vote</b>		<b>18,257</b>	<b>7,748</b>	<b>13,385</b>	<b>7,136</b>	<b>14,697</b>	<b>12,667</b>	<b>8,900</b>	<b>7,906</b>	<b>15,575</b>	<b>9,575</b>	<b>8,096</b>	<b>15,180</b>	<b>139,123</b>	<b>145,307</b>	<b>154,188</b>	
<b>Expenditure by Vote to be appropriated</b>																	
Vote 1 - Executive and council		587	867	1,463	836	950	1,196	1,353	856	1,214	1,010	1,009	2,166	13,507	14,330	15,206	
Vote 2 - Budget and Treasury Office		1,438	1,438	1,801	1,811	1,894	4,225	1,961	1,994	1,702	1,573	1,524	2,213	23,575	27,562	29,975	
Vote 3 - Community and Social Services		222	118	369	312	259	336	310	341	306	210	359	362	3,503	3,689	3,937	
Vote 4 - Sport and Recreation		178	246	225	248	237	211	276	248	278	192	258	554	3,151	3,284	3,488	
Vote 5 - Public Safety		292	336	322	310	341	288	352	393	341	303	328	419	4,025	4,227	4,505	
Vote 6 - Housing		107	108	133	126	92	116	98	104	107	82	97	124	1,294	1,350	1,437	
Vote 8 - Planning and Development		158	126	90	153	136	180	131	153	110	103	111	244	1,695	1,795	1,914	
Vote 9 - Road Transport		561	711	1,323	911	676	895	593	1,088	704	649	714	2,582	11,406	12,019	12,827	
Vote 10 - Electricity		5,777	6,969	5,884	3,418	3,557	1,470	3,707	3,574	3,365	2,997	3,208	4,555	48,482	53,100	57,214	
Vote 13 - Waste Management		667	905	849	792	888	929	857	14	893	676	819	1,481	9,769	10,222	10,872	
Vote 14 - Other		7	22	13	16	7	7	4	10	6	8	12	12	125	132	140	
<b>Total Expenditure by Vote</b>		<b>9,994</b>	<b>11,848</b>	<b>12,473</b>	<b>8,932</b>	<b>9,038</b>	<b>9,852</b>	<b>9,643</b>	<b>8,775</b>	<b>9,026</b>	<b>7,803</b>	<b>8,438</b>	<b>14,712</b>	<b>120,533</b>	<b>131,709</b>	<b>141,515</b>	
<b>Surplus(Deficit) before assoc.</b>		<b>8,262</b>	<b>(4,099)</b>	<b>912</b>	<b>(1,796)</b>	<b>5,659</b>	<b>2,815</b>	<b>(742)</b>	<b>(869)</b>	<b>6,549</b>	<b>1,772</b>	<b>(342)</b>	<b>469</b>	<b>18,590</b>	<b>13,598</b>	<b>12,673</b>	
<b>Surplus(Deficit)</b>	<b>1</b>	<b>8,262</b>	<b>(4,099)</b>	<b>912</b>	<b>(1,796)</b>	<b>5,659</b>	<b>2,815</b>	<b>(742)</b>	<b>(869)</b>	<b>6,549</b>	<b>1,772</b>	<b>(342)</b>	<b>469</b>	<b>18,590</b>	<b>13,598</b>	<b>12,673</b>	

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

EC143 Maletswai - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
<b>Revenue - Standard</b>																	
<i>Governance and administration</i>		1,438	1,607	1,801	1,811	1,894	5,537	1,961	1,994	1,702	1,573	1,524	28,537	51,380	56,948	58,970	
Executive and council		-	169	-	-	-	1,312	-	-	-	-	-	666	2,148	2,493	2,493	
Budget and treasury office		1,213	1,309	1,671	1,714	1,626	4,080	1,753	1,849	1,592	1,442	1,355	27,845	47,448	51,907	52,743	
Corporate services		225	129	130	97	268	145	209	146	111	131	168	26	1,784	2,547	3,735	
<i>Community and public safety</i>		352	414	347	371	449	986	415	498	417	402	387	512	5,550	5,929	6,338	
Community and social services		9	15	13	14	20	641	19	70	19	8	118	57	1,003	1,026	1,051	
Sport and recreation		1	103	2	1	14	24	3	85	14	45	2	19	313	330	349	
Public safety		342	296	333	356	415	320	392	343	385	349	266	436	4,234	4,573	4,939	
<i>Economic and environmental services</i>		1,157	492	1	3	2	1,359	1,462	980	1,795	1,565	1,120	5,749	15,687	12,207	12,628	
Planning and development		-	39	-	-	-	-	-	-	105	-	-	2	146	157	170	
Road transport		1,157	453	1	3	2	1,359	1,462	980	1,690	1,565	1,120	5,747	15,541	12,050	12,456	
<i>Trading services</i>		5,672	5,841	5,894	6,172	4,792	4,892	5,118	5,254	4,454	4,678	4,599	8,891	66,257	69,960	75,976	
Electricity		5,361	5,550	5,583	5,881	4,501	4,581	4,828	4,943	4,163	4,388	4,289	8,596	62,664	66,824	70,102	
Waste management		311	291	311	291	291	311	291	311	291	291	311	294	3,593	3,136	5,874	
<i>Other</i>		21	35	18	14	14	11	14	19	14	14	14	61	249	263	277	
<b>Total Revenue - Standard</b>		8,640	8,389	8,062	8,370	7,151	12,785	8,970	8,746	8,383	8,233	7,644	43,750	139,123	145,307	154,188	
<b>Expenditure - Standard</b>																	
<i>Governance and administration</i>		2,024	2,305	3,265	2,646	2,844	5,421	3,314	2,850	2,917	2,583	2,533	4,380	37,082	41,892	45,181	
Executive and council		587	867	1,463	836	950	1,196	1,353	856	1,214	1,010	1,009	2,146	13,507	14,330	15,206	
Budget and treasury office		833	560	1,165	1,061	1,183	3,649	1,231	1,219	1,095	962	832	383	14,173	15,516	17,219	
Corporate services		605	878	637	750	711	576	730	775	608	611	692	1,830	9,402	12,046	12,757	
<i>Community and public safety</i>		799	808	1,049	996	930	950	1,037	1,086	1,032	787	1,042	1,458	11,973	12,549	13,367	
Community and social services		222	118	369	312	259	336	310	341	306	210	359	362	3,503	3,689	3,937	
Sport and recreation		178	246	225	248	237	211	276	248	278	192	258	554	3,151	3,284	3,488	
Public safety		292	336	322	310	341	288	352	393	341	303	328	419	4,025	4,227	4,505	
Housing		107	108	133	126	92	116	98	104	107	82	97	124	1,294	1,350	1,437	
<i>Economic and environmental services</i>		719	837	1,413	1,064	812	1,075	724	1,240	814	751	825	2,826	13,101	13,814	14,741	
Planning and development		158	126	90	153	136	180	131	153	110	103	111	244	1,695	1,795	1,914	
Road transport		561	711	1,323	911	676	895	593	1,088	704	649	714	2,582	11,406	12,019	12,827	
<i>Trading services</i>		6,444	7,875	6,733	4,210	4,446	2,399	4,564	3,587	4,258	3,674	4,027	6,036	58,252	63,322	68,086	
Electricity		5,777	6,969	5,884	3,418	3,557	1,470	3,707	3,574	3,365	2,997	3,208	4,555	48,482	53,100	57,214	
Waste management		667	905	849	792	888	929	857	14	893	676	819	1,481	9,769	10,222	10,872	
<i>Other</i>		7	22	13	16	7	7	4	10	6	8	12	12	125	132	140	
<b>Total Expenditure - Standard</b>		9,994	11,848	12,473	8,932	9,038	9,852	9,643	8,775	9,026	7,803	8,438	14,712	120,533	131,709	141,515	
<b>Surplus/(Deficit) before assoc.</b>		(1,354)	(3,459)	(4,411)	(562)	(1,887)	2,933	(673)	(29)	(643)	430	(794)	29,038	18,590	13,598	12,673	
<b>Surplus/(Deficit)</b>	1	(1,354)	(3,459)	(4,411)	(562)	(1,887)	2,933	(673)	(29)	(643)	430	(794)	29,038	18,590	13,598	12,673	

**Table 35 MBRR SA 28: Budgeted monthly capital expenditure (municipal vote)**

EC143 Maletswai - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
<b>Single-year expenditure to be appropriated</b>																	
Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Office		-	200	-	-	-	-	-	-	-	-	-	-	200	200	200	200
Vote 3 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Sport and Recreation		-	-	-	-	40	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Road Transport		750	850	935	1,029	1,205	1,155	1,542	1,205	1,145	1,244	1,366	1,373	13,800	11,431	11,816	
Vote 10 - Electricity		323	323	323	323	323	323	323	323	323	323	323	323	3,876	2,000	285	
Vote 13 - Waste Management		-	-	35	-	-	-	-	-	-	-	-	-	35	35	35	35
Vote 14 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	1,073	1,373	1,293	1,352	1,568	1,478	1,865	1,528	1,468	1,567	1,689	1,696	17,951	13,666	12,336	
<b>Total Capital Expenditure</b>	2	1,073	1,373	1,293	1,352	1,568	1,478	1,865	1,528	1,468	1,567	1,689	1,696	17,951	13,666	12,336	

**Table 36 MBRR SA 29: Budgeted monthly capital expenditure (standard classification)**

EC143 Maletswai - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
<b>Capital Expenditure - Standard</b>	1																
<i>Governance and administration</i>		-	200	-	-	-	-	-	-	-	-	-	-	200	200	200	200
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		-	200	-	-	-	-	-	-	-	-	-	-	200	200	200	200
Corporate services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	40	-	-	-	-	-	-	-	40	40	40	40
Community and social services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	40	-	-	-	-	-	-	-	40	40	40	40
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		750	850	935	1,029	1,205	1,155	1,542	1,205	1,145	1,244	1,366	1,373	13,800	11,431	11,816	
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		750	850	935	1,029	1,205	1,155	1,542	1,205	1,145	1,244	1,366	1,373	13,800	11,431	11,816	
<i>Trading services</i>		323	323	323	323	323	323	323	323	323	323	323	323	3,911	2,005	320	
Electricity		323	323	323	323	323	323	323	323	323	323	323	323	3,876	2,000	285	
Waste management		-	-	35	-	-	-	-	-	-	-	-	-	35	35	35	35
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	2	1,073	1,373	1,293	1,352	1,568	1,478	1,865	1,528	1,468	1,567	1,689	1,696	17,951	13,666	12,336	



Table 37 MBRR SA30: Monthly budgeted cash flows

EC143 Maletswai - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2013/14												Medium Term Revenue and			
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
<b>Cash Receipts By Source</b>																
Property rates	638	638	6,655	638	638	638	638	638	638	638	638	638	13,675	14,427	15,220	
Service charges - electricity revenue	4,751	4,828	4,932	5,249	4,293	4,865	4,128	4,131	3,417	4,206	4,088	8,420	57,307	63,261	68,453	
Service charges - refuse revenue	228	166	167	161	163	159	157	159	178	150	230	1,673	3,591	3,135	5,872	
Rental of facilities and equipment	100	108	120	90	133	154	122	190	216	125	196	153	1,709	2,442	3,612	
Interest earned - external investments	8	11	8	6	4	28	6	6	5	8	6	64	160	168	178	
Interest earned - outstanding debtors	245	276	268	323	336	276	281	222	140	311	312	317	3,307	4,619	4,995	
Fines	2	3	7	2	77	2	2	0	43	35	0	24	198	213	229	
Licences and permits	218	193	202	240	212	211	239	201	194	191	165	285	2,551	2,755	2,976	
Agency services	48	40	53	46	42	528	66	54	54	32	38	528	1,530	1,652	1,784	
Transfer receipts - operational	10,182	671	527	748	8,329	1,802	117	66	6,124	533	136	907	30,142	31,428	31,489	
Other revenue	535	738	282	313	256	796	442	726	481	597	524	1,523	7,213	7,705	7,490	
<b>Cash Receipts by Source</b>	<b>16,956</b>	<b>7,673</b>	<b>13,220</b>	<b>7,815</b>	<b>14,482</b>	<b>9,461</b>	<b>6,198</b>	<b>6,394</b>	<b>11,491</b>	<b>6,826</b>	<b>6,335</b>	<b>14,532</b>	<b>121,383</b>	<b>131,806</b>	<b>142,296</b>	
<b>Other Cash Flows by Source</b>																
Transfer receipts - capital	984	1,364	2,326	2,516	1,077	1,566	1,202	1,471	1,222	1,405	1,090	1,453	17,676	13,431	11,816	
Proceeds on disposal of PPE	0	15	4	0	4	5	8	2	2	14	-	10	65	70	76	
<b>Total Cash Receipts by Source</b>	<b>17,940</b>	<b>9,052</b>	<b>15,550</b>	<b>10,331</b>	<b>15,563</b>	<b>11,032</b>	<b>7,407</b>	<b>7,867</b>	<b>12,715</b>	<b>8,245</b>	<b>7,425</b>	<b>15,995</b>	<b>139,123</b>	<b>145,307</b>	<b>154,188</b>	
<b>Cash Payments by Type</b>																
Employee related costs	3,807	3,996	3,798	3,848	3,975	3,698	3,957	3,943	3,926	3,543	3,552	3,868	45,913	48,027	51,100	
Remuneration of councillors	288	284	287	287	263	269	453	269	277	249	257	260	3,443	3,650	3,869	
Finance charges	22	22	201	20	20	19	19	29	27	78	78	81	614	607	675	
Bulk purchases - Electricity	5,592	6,676	5,610	3,014	3,141	1,068	2,371	3,168	2,834	2,661	2,686	2,437	41,258	45,503	49,143	
Other expenditure	823	1,947	2,551	1,798	1,775	2,295	1,946	2,102	1,963	1,361	1,827	5,126	25,513	27,675	30,081	
<b>Cash Payments by Type</b>	<b>10,532</b>	<b>12,925</b>	<b>12,448</b>	<b>8,967</b>	<b>9,173</b>	<b>7,348</b>	<b>8,746</b>	<b>9,512</b>	<b>9,026</b>	<b>7,892</b>	<b>8,399</b>	<b>11,773</b>	<b>116,741</b>	<b>125,461</b>	<b>134,868</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	999	1,386	2,362	2,555	1,094	1,590	1,221	1,494	1,241	1,427	1,107	1,475	17,951	13,666	12,336	
<b>Total Cash Payments by Type</b>	<b>11,531</b>	<b>14,311</b>	<b>14,810</b>	<b>11,522</b>	<b>10,267</b>	<b>8,938</b>	<b>9,967</b>	<b>11,005</b>	<b>10,267</b>	<b>9,318</b>	<b>9,507</b>	<b>13,249</b>	<b>134,692</b>	<b>139,127</b>	<b>147,204</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>6,410</b>	<b>(5,258)</b>	<b>740</b>	<b>(1,190)</b>	<b>5,296</b>	<b>2,094</b>	<b>(2,560)</b>	<b>(3,138)</b>	<b>2,448</b>	<b>(1,073)</b>	<b>(2,082)</b>	<b>2,746</b>	<b>4,432</b>	<b>6,180</b>	<b>6,984</b>	
Cash/cash equivalents at the month/year begin:		6,410	1,151	1,891	701	5,997	8,091	5,531	2,393	4,841	3,767	1,686	-	4,432	10,611	
Cash/cash equivalents at the month/year end:	6,410	1,151	1,891	701	5,997	8,091	5,531	2,393	4,841	3,767	1,686	4,432	10,611	17,595		

## Annual budgets and service delivery and budget implementation plans – internal departments

Refer to table SA 7 for service delivery and budget implementation plans.

The full service delivery budget plan is available on [www.maletswai.gov.za](http://www.maletswai.gov.za).

## PART 10 - Annual budgets and service delivery agreements – municipal entities and other external mechanisms

### PART 11 - ENTITIES

The municipality does not have any entities.

### **PART 12 - Other Service Delivery Mechanisms.**

The municipality has no other service delivery agreements with external parties for the delivery of the Municipality's services.

The municipality provides signed a service level agreement with Joe Gqabi District Municipality with regards to the take-over by the District Municipality of the water and sanitation function.

### **PART 13 - Contracts having future budgetary implications**

The municipality does not have any roll – over contracts with budget implications.

## 1. 5Capital expenditure details

Capital expenditure details are listed in Supporting Table SA 34 to SA 37.

Table 38: MBRR SA 34a: Capital expenditure on new assets by asset class

EC143 Maletswai - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		15,028	17,036	8,844	17,672	16,362	16,362	17,676	13,431	12,101
Infrastructure - Road transport		6,337	8,818	7,486	13,739	11,429	11,429	13,800	11,431	11,816
<i>Roads, Pavements &amp; Bridges</i>		6,337	8,818	7,486	13,739	11,429	11,429	13,800	11,431	11,816
Infrastructure - Electricity		8,691	8,217	1,192	240	1,240	1,240	3,876	2,000	285
<i>Transmission &amp; Reticulation</i>		8,691	8,217	1,192	240	1,240	1,240	3,876	2,000	285
Infrastructure - Other		-	-	166	3,693	3,693	3,693	-	-	-
<i>Waste Management</i>		-	-	166	3,693	3,693	3,693	-	-	-
<b>Community</b>		10	222	3,453	300	1,610	1,610	-	-	-
Recreational facilities		10	222	3,453	300	1,610	1,610	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		1,336	4,088	3,810	3,736	3,606	3,606	75	35	35
General vehicles		-	1,380	90	3,080	2,890	2,890	-	-	-
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment		30	143	901	226	286	286	75	35	35
Furniture and other office equipment		196	444	2,239	340	410	410	-	-	-
Civic Land and Buildings		1,109	2,120	580	90	20	20	-	-	-
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
<b>Intangibles</b>		425	-	-	600	340	340	200	200	200
Computers - software & programming		425	-	-	600	340	340	200	200	200
<b>Total Capital Expenditure on new assets</b>	1	16,799	21,346	16,107	22,307	21,917	21,917	17,951	13,666	12,336

Table 39 MBRR SA34c: Repairs and Maintenance by asset class

EC143 Maletswai - Supporting Table SA34c Repairs and maintenance expenditure by asset class

R thousand	Description	Ref	2009/10			2010/11			2011/12			Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure			
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16							
	<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>																	
	<b>Infrastructure</b>		1,697	2,017	3,176	4,832	3,942	3,942				5,589	5,906	6,246				
	Infrastructure - Road transport		399	840	1,810	2,682	2,582	2,582				4,250	4,493	4,755				
	<i>Roads, Pavements &amp; Bridges</i>		267	840	1,810	2,682	2,582	2,582				3,930	4,148	4,382				
	<i>Storm water</i>		132									320	346	373				
	Infrastructure - Electricity		1,038	410	825	1,090	1,120	1,120				1,199	1,264	1,334				
	<i>Transmission &amp; Reticulation</i>		925	384	437	810	840	840				1,063	1,122	1,183				
	<i>Street Lighting</i>		112	26	388	280	280	280				135	143	151				
	Infrastructure - Water		-	322	346	519	-	-				-	-	-				
	<i>Reticulation</i>		-	322	346	519	-	-				-	-	-				
	Infrastructure - Sanitation		-	138	93	301	-	-				-	-	-				
	<i>Reticulation</i>		-	138	93	301	-	-				-	-	-				
	Infrastructure - Other		261	307	103	240	240	240				141	149	157				
	<i>Waste Management</i>		160	283	102	240	240	240				141	149	157				
	<i>Transportation</i>	2	101															
	<i>Other</i>	3	-	24	1													
	<b>Community</b>		37	-	-	101	101	101				20	21	23				
	Swimming pools		0			100	100	100				20	21	23				
	Recreational facilities		36															
	Fire, safety & emergency		-			1	1	1										
	<b>Heritage assets</b>		-	-	-	-	-	-				-	-	-				
	<b>Investment properties</b>		-	-	-	-	-	-				-	-	-				
	<b>Other assets</b>		1,321	1,886	2,274	2,556	2,645	2,645				1,738	1,857	1,991				
	General vehicles		659	946	823	908	1,037	1,037				595	630	667				
	Specialised vehicles		-	-	-	-	-	-				-	-	-				
	Plant & equipment		82	108	135	199	149	149				126	135	145				
	Furniture and other office equipment		138	186	204	135	133	133				98	119	150				
	Civic Land and Buildings		333	646	1,111	877	889	889				919	973	1,029				
	Other Land		110			437	437	437										
	<b>Agricultural assets</b>		-	-	-	-	-	-				-	-	-				
	<b>Biological assets</b>		-	-	-	-	-	-				-	-	-				
	<b>Intangibles</b>		-	-	-	-	-	-				-	-	-				
	<b>Total Repairs and Maintenance Expenditure</b>	1	3,056	3,904	5,450	7,489	6,688	6,688				7,347	7,784	8,260				

**Table 40 MBRR SA 36: Detailed capital expenditure**

Municipal Vote/Capital project	Program/Project description	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2013/14 Medium Term Revenue & Expenditure Framework			Project information	
					Audited Outcome 2011/12	Current Year 2012/13 Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Ward location	New or renewal
Parent municipality:											
<i>List all capital projects grouped by Municipal Vote</i>											
COUNCIL	Furniture & Office Equipment	Other assets	Furniture and other office equipment	78	80	-	-	-	ALL	NEW	
MUNICIPAL MANAGER	Furniture & Office Equipment	Other assets	Furniture and other office equipment	-	0	-	-	-	ALL	NEW	
FINANCIAL SERVICES	Management System	Other assets	Computers - software & programming	148	380	200	200	200	ALL	NEW	
ADMINISTRATION AND LAND AFFAIRS	Office Building	Other assets	Civic Land and Buildings	279	5	-	-	-	ALL	NEW	
CORPORATE SERVICES	Furniture & Office Equipment	Other assets	Furniture and other office equipment	2 722	20	-	-	-	ALL	NEW	
SPORT GROUNDS	Upgrading of Sauer Park	Community	Recreational facilities	3 453	1 610	-	-	-	ALL	NEW	
LOCAL ECONOMIC DEVELOPMENT	Waste Recycle Project	Infrastructure - Other	Waste Management	167	3 693	-	-	-	ALL	NEW	
PUBLIC WORKS	MIG	Infrastructure - Road transport	Roads, Pavements & Bridges	7 576	12 179	13 438	13 538	13 838	ALL	NEW	
ELECTRICITY	Network	Infrastructure - Electricity	Transmission & Reticulation	1 251	1 285	3 876	2 000	-	ALL	NEW	
REFUSE REMOVAL	Refuse Truck	Other assets	General vehicles		1 410	-	-	-	ALL	NEW	
REFUSE REMOVAL	TLB	Other assets	General vehicles		600	-	-	-	ALL	NEW	
Various Department	Furniture & Office Equipment	Other assets	Furniture and other office equipment	197	434				ALL	NEW	
Various Department	Tools and Equipment	Other assets	Tools and Equipment	237	222	75	35	35	ALL	NEW	
Parent Capital expenditure						17 589	15 773	14 073			
Total Capital expenditure						16 107	21 917	17 589	15 773	14 073	

## **PART 14 - Legislation compliance status**

### **Municipal Finance Management Act - No 56 of 2003**

The MFMA became effective on 1<sup>st</sup> July 2004. The Act modernises budget and financial management practices within the overall objective of maximising the capacity of municipalities to deliver services.

The MFMA covers all aspects of municipal finance including budgeting, supply chain management and financial reporting.

The various sections of the Act are phased in according to the designated financial management capacity of municipalities. Maletswai has been designated as a low capacity municipality.

The MFMA is the foundation of the municipal financial management reforms which municipalities are implementing.

#### **The MFMA and the budget**

The following explains the budgeting process in terms of the requirements in the MFMA. It is based on National Treasury's guide to the MFMA.

##### The budget preparation process

*The Mayor must lead the budget preparation process through a co-ordinated cycle of events that commences at least ten months prior to the start of each financial year.*

##### Overview

The MFMA requires a Council to adopt three-year capital and operating budgets that take into account, and are linked to, the municipality's current and future development priorities and other finance-related policies (such as those relating to free basic service provision).

These budgets must clearly set out revenue by source and expenditure by vote over three years and must be accompanied by performance objectives for revenue and expenditure, a cash flow statement and any particulars on borrowings, investments, municipal entities, service delivery agreements, grant allocations and details of employment costs.

The budget may be funded only from reasonable estimates of revenue and cash-backed surplus funds from the previous year and borrowings (the latter for capital items only).

##### Budget preparation timetable

The first step in the budget preparation process is to develop a timetable of all key deadlines relating to the budget and to review the municipality's IDP and budget-related policies.

The budget preparation timetable is prepared by senior management and tabled by the Mayor for Council adoption by 31 August (ten months before the commencement of the next budget year).

### Budget preparation and review of IDP and policy

The Mayor must co-ordinate the budget preparation process and the review of Council's IDP and budget-related policy, with the assistance of the municipal manager.

The Mayor must ensure that the IDP review forms an integral part of the budget process and that any changes to strategic priorities as contained in the IDP document have realistic projections of revenue and expenditure. In developing the budget, the management must take into account national and provincial budgets, the national fiscal and macro-economic policy and other relevant agreements or Acts of Parliament. The Mayor must consult with the relevant district Council and all other local municipalities in that district as well as the relevant provincial treasury and the National Treasury when preparing the budget, and must provide the National Treasury and other government departments with certain information on request.

This process of development should ideally occur between August and November, so that draft consolidated three-year budget proposals, IDP amendments and policies can be made available during December and January. This allows time during January, February and March for preliminary consultation and discussion on the draft budget.

### Tabling of the draft budget

The initial draft budget must be tabled by the Mayor before Council for review by 31 March.

### Publication of the draft budget

Once tabled at Council, the Municipal Manager must make public the appropriate budget documentation and submit it to National Treasury and the relevant provincial treasury and any other government departments as required. At this time, the local community must be invited to submit representations on what is contained in the budget.

### Opportunity to comment on draft budget

When the draft budget is tabled, Council must consider the views of the local community, the National Treasury and the relevant provincial treasury and other municipalities and government departments that may have made submissions on the budget.

### Opportunity for revisions to draft budget

After considering all views and submissions, Council must provide an opportunity for the Mayor to respond to the submissions received and if necessary to revise the budget and table amendments for Council's consideration.

Following the tabling of the draft budget at the end of March, the months of April and May should be used to accommodate public and government comment and to make any revisions that may be necessary. This may take the form of public hearings, Council debates, formal or informal delegations to the National Treasury, provincial treasury and other municipalities, or any other consultative forums designed to address stakeholder priorities.

### Adoption of the annual budget

The Council must then consider the approval of the budget by 31 May and must formally adopt the budget by 30 June. This provides a 30-day window for Council to revise the budget several times before its final approval.

If a Council fails to approve its budget at its first meeting, it must reconsider it, or an amended draft, again within seven days and it must continue to do so until it is finally approved – before 1 July.

Once approved, the Municipal Manager must place the budget on the municipality's website within five days.

## **BUDGET IMPLEMENTATION**

### Implementation management – the Service Delivery and Budget Implementation Plan (SDBIP)

The Municipal Manager must within fourteen days of the approval of the annual budget (by 14 July at the latest) submit to the Mayor for approval a draft SDBIP and draft annual performance agreements for all pertinent senior staff.

An SDBIP is a detailed plan for implementing the delivery of municipal services contemplated in the annual budget and should indicate monthly revenue and expenditure projections and quarterly service delivery targets and performance indicators.

The Mayor must approve the draft SDBIP within 28 days of the approval of the annual budget (by 28 July at the latest).

This plan must then be monitored by the Mayor and reported on to Council on a regular basis.

### Managing the implementation process

The municipal manager is responsible for implementation of the budget and must take steps to ensure that all spending is in accordance with the budget and that revenue and expenditure are properly monitored.

### Variation from budget estimates

Generally, Councils may incur expenditure only if it is in terms of the budget, within the limits of the amounts appropriated against each budget vote – and in the case of capital expenditure, only if Council has approved the project.

Expenditure incurred outside of these parameters may be considered to be unauthorised or, in some cases, irregular or fruitless and wasteful. Unauthorised expenditure must be reported and may result in criminal proceedings.

### Revision of budget estimates – the adjustments budget

It may be necessary on occasion for a Council to consider a revision of its original budget, owing to material and significant changes in revenue collections, expenditure patterns, or forecasts thereof for the remainder of the financial year.

In such cases a municipality may adopt an adjustments budget, prepared by the municipal manager and submitted to the Mayor for consideration and tabling at Council for adoption.



The adjustments budget must contain certain prescribed information, it may not result in further increases in taxes and tariffs and it must contain appropriate justifications and supporting material when approved by Council.

### **Requirements of the MFMA relating to the contents of annual budgets and supporting documentation**

Section 17 of the MFMA stipulates that an annual budget of a municipality must be a schedule in the prescribed format and sets out what must be included in that format. In its MFMA circular 48, National Treasury set out detailed guidance on the contents of budget documentation and the supporting schedules. Maletswai Municipality has made every effort to comply with the circular.

### **Other Legislation**

In addition to the MFMA, the following legislation also influences Municipal budgeting;

#### The Division of Revenue Act (as amended) and Provincial Budget Announcements

Three year national allocations to local government are published per municipality each year in the Division of Revenue Act. The Act places duties on municipalities in addition to the requirements of the MFMA, specifically with regard to reporting obligations.

Allocations to the Municipality from Provincial Government are announced and published in the Provincial budget.

Section 18 of the MFMA states that annual budgets may only be funded from reasonably anticipated revenues to be collected. The provision in the budget for allocations from National and Provincial Government should reflect the allocations announced in the DORA or in the relevant Provincial Gazette.

#### The Municipal Systems Act - No 32 of 2000 and Municipal Systems Amendment Act no 44 of 2003

One of the key objectives of the Municipal Systems Act is to ensure financially and economically viable communities. The requirements of the Act link closely to those of the MFMA. In particular, the following requirements need to be taken into consideration in the budgeting process;

- Chapters 4 and 5 relating to community participation and the requirements for the Integrated Development Planning process.
- Chapter 6 relates to performance management which links with the requirements for the budget to contain measurable performance objectives and quarterly performance targets in the Service Delivery and Budget Implementation Plan.
- Chapter 8 relates to the requirement to produce a tariff policy.

## **PART 15 - Other supporting documents**


More details on the budget can be found in the supporting tables SA 1 – SA 37.

# Municipal Manager's quality certification

I, M.P. Nonjola, Municipal Manager of Maletswai Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

M.P. Nonjola

Municipal Manager of Maletswai Municipality (EC 143)

Signature .....  .....

Date 23 May2013

## Annexure 2 – Rates and tariffs 2013/14

Rates, tariffs and other charges

*Please see the separately attached tariff schedule (Annexure 2)*

The average increases for 2013/2014 are:

- Assessment rates - 10%
- Refuse - 14%
- Electricity – 10%
- Other (Sundry) – 10%

***All budget documents are available on the official website: [www.maletswai.gov.za](http://www.maletswai.gov.za)***

***These include:***

- ***Medium Term Revenue & Expenditure Framework 2013/2014- 2015/2016***
- ***Schedule of tariffs & charges 2013/14***  
***Budget related policies, including Rates & Tariff Policies***