



SCHEDULE A

ANNUAL BUDGET OF MHLONTLO MUNICIPALITY AND SUPPORTING DOCUMENTATION

**2013/14 TO 2015/16
MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS**

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Abbreviations and Acronyms

AMR	Automated Meter Reading	MPRA	Municipal Properties Rates Act
ASGISA	Accelerated and Shared Growth Initiative	MPAC	Municipal Public Accounts Committee
BSC	Budget Steering Committee	MSA	Municipal Systems Act
BTO	Budget and Treasury Office	MSIG	Municipal Systems Improvement Grant
CBD	Central Business District	MTREF	Medium-term Revenue and Expenditure Framework
CFO	Chief Financial Officer	MTREF	Medium-term Revenue and Expenditure Framework
CRRF	Capital Replacement Reserve Fund	NERSA	National Electricity Regulator of South Africa
DBSA	Development Bank of South Africa	NGO	Non-Governmental organisations
DoRA	Division of Revenue Act	NKPIs	National Key Performance Indicators
DWA	Department of Water Affairs	NT	National Treasury
EE	Employment Equity	OHS	Occupational Health and Safety
EM	Executive Mayor	OPMS	Organisational Performance Management System
FBS	Free basic services	PBO	Public Benefit Organisations
FMG	Financial Management Grant	PGDS	Provincial Growth and Development Strategy
GAMAP	Generally Accepted Municipal Accounting Practice	PMS	Performance Management System
GDP	Gross domestic product Strategy	PPE	Property Plant and Equipment
GFS	Government Financial Statistics	PPP	Public Private Partnership
GRAP	General Recognised Accounting Practice	PT	Provincial Treasury
HR	Human Resources	RSC	Regional Services Council
IDP	Integrated Development Plan	SALGA	South African Local Government Association
INEP	Integrated National Electrification Program	SAPS	South African Police Service
IT	Information Technology	SDBIP	Service Delivery Budget Implementation Plan
HOD	Head of Department	SMME	Small Micro and Medium Enterprises
kℓ	kilolitre		
km	kilometre		
KPA	Key Performance Area		
KPI	Key Performance Indicator		
kWh	kilowatt		
ℓ	litre		
LED	Local Economic Development		
MBRR	Municipal Budget Reporting Regulations		
MEC	Member of the Executive Committee		
MFMA	Municipal Financial Management Act		
MIG	Municipal Infrastructure Grant		
MMC	Member of Mayoral Committee		

1.1 MHLONTLO LOCAL MUNICIPALITY : MAYORS BUDGET SPEECH

Honourable Speaker
Executive members
Councillors
Traditional Leaders
Council of Churches
Community at Large
Officials

I greet you all in the name of service delivery. The functions of the Council centres around promoting the interests of its ratepayers, employees, residents and customers by striving to render the highest quality of services, advancing the interests of its employees by providing safe, secure and satisfying working environments.

A further important challenge facing Council is to improve the financial position of Mhlontlo Local Municipality. In particular, an improvement in the collection of long outstanding debtor's balances is critical, if the Council is to achieve its goals. The unfortunate part is that the unemployment rate in the area has worsened causing many residents not to be able to pay for services. Our ability to render services will be threatened by our financial status and we hope that workable solutions will be found soon.

As we strive towards impacting on rural livelihood for the better in the local Municipality of Mhlontlo, amongst the compliance issues is the submission of the Medium Term Revenue and Expenditure Framework (MTREF) budget as prescribed in section 22 (b) of the Local Government: Municipal Finance Management Act (MFMA) 56 of 2003.

I therefore submit the 2013/14 Budget. The Council remains committed in improving its service delivery even though our budget is limited as the municipality is solely depending on grants and hoping to meeting the challenges it faces and hopefully in future, I will be able to report positively on the progress we have made in this regard.

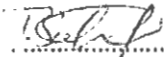
Following are the major activities that the municipality will be engaged in, in the 2013/2014 financial year.

- Electrification of the households without electricity;
- Ensuring the construction of roads;
- Construction of Municipality Town Hall (it has been committed but will be finished in the next coming year);
- Alleviation of poverty through: Free Basic Services to the Indigent communities;
- LED projects and Co-operative Development Centres; and
- EPWP projects.

As much as some of other services are under the OR Tambo District Municipality, Mhlontlo will ensure that working relations are improved so as to improve service delivery for water services and sanitation.

In conclusion I would like to assure our community that though the budget is limited, Mhlontlo Municipality remains committed to improving its service delivery. I also would like to express my appreciation to my fellow Council members, the management, and all other staff for their support, co-operation and hard work during the preparation of the budget as well as the IDP.

MAYOR



Mr T.N. Sabisa

1.2 COUNCIL RESOLUTIONS

On 7 June 2013 the Council of Mhlontlo Local Municipality met in the Council Chambers to consider the annual budget of the municipality for the financial year 2013/14. The Council approved and adopted the following resolutions:

- 1. The Council of Mhlontlo Local Municipality, acting in terms of section 16 and 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:**
 - 1.1. The annual budget of the municipality for the financial year 2013/14 and the multi-year and single-year capital appropriations as set out in the following tables:**
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 11 on page 17;**
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 12 on page 19;**
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 13 on page 20; and**
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 14 on page 21.**
 - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:**
 - 1.2.1. Budgeted Financial Position as contained in Table 15 on page 22;**
 - 1.2.2. Budgeted Cash Flows as contained in Table 16 on page 23;**
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table 17 on page 24;**
 - 1.2.4. Asset management as contained in Table 18 on page 25; and**
 - 1.2.5. Basic service delivery measurement as contained in Table 19 on page 27.**
- 2. The Council of Mhlontlo Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2013**
 - 2.1. the tariffs for property rates – as set out in**

2.2. the tariffs for refuse removal – as set out in

3. To give proper effect to the municipality's annual budget, that the Council of Mhlontlo Local Municipality approves:

3.1. Cash backing is implemented through the utilisation of a portion of the revenue generated from property rates to ensure that all capital reserves and provisions, unspent long-term loans and unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.

1.3 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.

The Municipality, as required by section 23, 24 and 25 of Municipal Systems act (act 32 of 2000) undertook a strategic planning session with a sole mandate of developmental oriented planning so as to have an Integrated Developmental plan with implementable strategies and prioritisation of projects in compliance with section 29 of Municipal Systems act (34 of 2000). Alignment of strategic objectives, priorities and budget was undertaken. The draft IDP has been tabled to the council and further consultations with community, IGR structures and other stakeholders will be undertaken.

National Treasury's MFMA Circulars 66 and 67 were used to guide the compilation of the 2013/14 MTREF. The main challenges experienced during the compilation of the 2013/14 MTREF can be summarised as follows :

- The continuing poor performance of both the local and national economy
- The ever increasing number of indigents within our communities
- The need to re-prioritise projects and expenditure within the existing within the existing resource envelope and the worsening cashflows
- Increasing debtors' book resulting in reduced generation of own revenue

In view of the aforementioned, the following table is a consolidated overview of the proposed 2013/14 Medium-Term Revenue and Expenditure Framework:

Table 1

EC 156 Mhlontlo Consolidated Overview of the 2013/14 MTREF

Description	Adjusted Budget	2013/14 Medium Term Revenue & Expenditure Framework		
		Budget Year 2013/14	Budget Year +1 2014/15	Budget Year 2015/16
High Level Outcome of Funding Compliance				
Total Operating Revenue	138 865	158 388	170 126	213 538
Total Operating Expenditure	128 736	181 750	190183	200 755
Surplus/(Deficit) Budgeted Operating Statement	10 129	(23 187)	(20 057)	12 95
Total Capital Funding	42 217	37 221	40 703	43 528

Total operating revenue has increased by 14 % or R19.5 million for the 2013/14 financial year when compared to the 2012/13 Budget.

This was a result of the non-cash items that we have budgeted for in the current financial year and they were not included in our budget in the previous years, these being , Debtors impairment, and depreciation on assets.

Total operating expenditure for the 2013/14 financial year has been appropriated at R182 million and translates into a budgeted deficit of R23 million.

Total Capital Budget for 2013/14 totals R37 million. The Capital Program is funded through National Government grants in the form of Municipal Infrastructure Grant (MIG). No external borrowings were deemed necessary to fund the capital program.

1.4 OPERATING REVENUE FRAMEWORK

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

The municipality’s revenue strategy is underpinned by the following key

components :

- National Treasury’s guidelines and macro-economic policy;
- Economic growth within the municipality
- Efficient revenue management, which aims to ensure a 95% collection rate for property rates and other key service charges;
- Determining a correct tariff escalation rate;
- The municipality’s Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality

The following table indicates the proposed tariff increase for the 2013/14 budget year.

TABLE 2
EC 156 Mhlontlo Rates and Tariff increases

	2013-14	2014-15	2015-16
Rates	4%	4%	4%
Refuse	0%	0%	0%

In the 2011/12 financial year the municipality achieved a collection rate of 80% on the revenue billed in the year. This has to be maintained in the 2012/13 financial period, with still some challenges from household revenue collections. The projected collection rate is at 95%, as measures are currently being implemented to collect old household debt and all currently billed revenue.

The rate for refuse removal has not been increased in the 2013/14 budget year. This is due to the challenges that we are experiencing as the Municipality in implementing strategies around refuse collection. These are expected to have an impact in future years.

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

MHLONTLO MUNICIPALITY 2013/2014 MTREF

TABLE 3

EC156 Mhlontlo - 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
Revenue By Source											
Property rates	2	8,667	3,129	6,919	8,327	-	8,327	-	7,967	8,374	8,717
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	700	551	552	541	-	541	-	173	181	180
Service charges - other											
Rental of facilities and equipment		37	48	35	39		39		71	75	78
Interest earned - external investments		1,182	897	1,940	751		751		1,085	1,140	1,187
Interest earned - outstanding debtors											
Dividends received											
Fines		52	92	81	104		104		79	83	87
Licences and permits		45	1,678	1,784	1,616		1,616		1,104	1,160	1,207
Agency services					430		430		547	575	599
Transfers recognised - operational		132,714	129,591	126,855	125,771		125,771		134,838	145,993	188,600
Other revenue	2	3,235	8,295	1,833	1,285	-	1,285	-	12,699	12,545	13,059
Gains on disposal of PPE				42							
Total Revenue (excluding capital transfers and contributions)		146,633	144,281	140,042	138,865	-	138,865	-	158,563	170,126	213,713

TABLE 4

EC 156 Mhlontlo : Percentage growth in revenue by main revenue source

Description	Current Year 2012/13			2013/14 MTREF			% GROWTH RATES		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Yr 2013/14	Budget Yr +1 2014/15	Budget Yr +2 2015/16	2012/13 - 2013/14	2013/14 - 2014/15	2014/15 - 2015/16
Property Rates	8,327		8,327	7,967	8,374	8,717	-4.32%	5.11%	4.10%
Service charges - refuse revenue	541		541	173	181	180	-68.02%	4.62%	-1.00%
Rental of facilities and equipment	39		39	71	75	78	82.05%	5.63%	4.00%
Interest earned - external investments	751		751	1,085	1,140	1,187	44.47%	5.07%	4.00%
Fines	104		104	79	83	87	-24.04%	5.06%	5.00%
Licences and permits	1,616		1,616	1,104	1,160	1,207	-31.68%	5.07%	4.00%
Agency services	430		430	547	575	599	27.21%	5.12%	4.00%
Transfers recognised - operational	125,771		125,771	134,838	145,993	188,600	7.07%	8.28%	29.00%
Other revenue	1,285		1,285	12,699	12,545	13,059	888.25%	-1.21%	4.10%
Gains on disposal of PPE									
Total Revenue (excluding capital transfers and contributions)	138,864		138,864	158,563	170,126	213,713	14.06%	7.30%	25.65%

MHLONTLO MUNICIPALITY 2013/2014 MTREF

Total Revenue from rates and services	13,093		13,093	23,725	24,133	25,114			
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Source: Municipal Budget 2013/14

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

Revenue generated from rates and services represents a minor percentage (15%) of the revenue basket of the municipality. This revenue increases to R 24m and R 25m respectively in the outer years of the MTREF. Other revenue represents the second largest revenue source made up largely by vat refunds. Property rates is the third largest revenue source totalling 5% or R 7.9m and increases to R 8.3m by 2013/14.

Operating grants and transfers totals R 134 million in the 2013/14 financial year and steadily increases to R 188 million by 2015/16. The following table gives a breakdown of the various operating grants that are allocated to the municipality, both nationally and provincially, over the medium term.

MHLONTLO MUNICIPALITY 2013/2014 MTREF

TABLE 5

EC156 Mhlontlo - Supporting Table SA18 Transfers and grant receipts

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
RECEIPTS:										
Operating Transfers and Grants										
National Government:		107,014	114,963	90,514	122,865	-	122,865	134,663	145,818	188,425
Local Government Equitable Share		55,687	67,972	37,213	99,507		99,507	110,614	128,084	160,508
Municipal Systems Improvement		-	7,500	790	800		800	890	934	937
Finance Management		1,000	1,200	1,450	1,500		1,500	1,650	1,800	1,930
EPWP Incentive		-	291	961	1,058		1,058	1,025	-	-
Integrated National Electrification Programme		50,327	38,000	103	20,000		20,000	20,484	15,000	25,000
Other transfers/grants [insert description]										
Provincial Government:		781	4,413	184	978	-	978	175	175	175
Library Subsidies		-	-		115		115	115	115	115
Devolution of Property Rates		-	-		775		775			
LED-Capacity Revitalisation of the Second Ec		781	4,413	184	88		88			
Traditional Leaders								60	60	-0
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	107,794	119,376	90,698	123,843	-	123,843	134,838	145,993	188,600

1.5 OPERATING EXPENDITURE FRAMEWORK

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
- Balanced budget constraint (operating expenditure exceed operating revenue)
This is due to non cash items that are included in the operating Expenditure budget.
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services.

The following table is a high level summary of the 2013/14 budget and MTREF (classified per main type of operating expenditure):

TABLE 6
EC 156 Mhlontlo : Summary of operating expenditure by standard classification

Description	2008/9	2009/10	2010/11	Current Year 2011/12				2012/13 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
Expenditure by Type										
Employee costs	26,128	31,956	47,836	51,681	-	51,681	-	59,704	62,175	66,046
Remuneration of councillors	8,583	9,602	-	12,421	-	12,421	-	13,975	14,883	15,851
Debt Impairment	15,766	-	17,784	863	-	863	-	16,000	16,816	17,640
Depreciation & asset impairment	-	-	12,876	-	-	-	-	12,630	13,274	13,925
Finance charges	35	30	-	-	-	-	-	-	-	-
Materials and bulk purchases	-	-	-	500	-	500	-	-	-	-
Contracted services	-	1,128	1,265	33,383	-	33,383	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	73,893	67,077	42,723	29,888	-	29,888	-	79,441	81,823	85,823
Total Expenditure	124,405	109,792	122,484	128,736	-	128,736	-	181,750	190,183	200,755

One of the major expenditure items are employee related costs at R 73 m, which equals 40% of the total operating expenditure. This represents an increase of 14 % from the 2012/13 figure of R 64 m. In keeping with good budget and accounting practices non-cash items such as the debt and depreciation/asset impairment have been provided for in the 2013/14 budget at a total amount R 28.6m. This figure gradually increases for the 2014/15 and 2015/16 outer years to R 30m and R 31.5m respectively.

Other expenses

1.5.1 Repairs and maintenance

The table below highlights the budget allocation toward repairs and maintenance.

TABLE 7

EC 156 Mhlontlo : Operational repairs and maintenance

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue and 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
Repairs and Maintenance by Expenditure Item										
Employee related costs										
Other materials										
Contracted Services				1,050		1,050				
Other Expenditure		1,893		2,115		2,115		5,063	5,321	5,582
Total Repairs and Maintenance Expenditure		1,893		3,165		3,165		5,063	5,321	5,582

During the compilation of the budget operational repairs and maintenance was identified as a strategic imperative owing to the increased plant that the municipality has recently acquired. An allocation of R 5,063m for the 2013/14 budget is made, thereafter increased to R 5,321m and R 5,582m for the two outer years respectively.

1.5.2 Free Basic Services: Basic Social Services Package

The social; package assists households that are poor or face other circumstances that limit their ability to pay for services. In terms of the municipality’s Indent Policy, ALL these households should be registered and reviewed annually.

The cost of the social package of these registered household is mainly funded by national government through local government equitable share received in terms of the Annual Division of Revenue Act.

The municipality currently provides and has budgeted for the following benefits to registered indigent households:

- Electricity: A subsidy of fifty (50) units of electricity per property per month to registered households will apply.
- Alternative energy (paraffin) which is 20L per house hold will be applied for the duration of 2013/2014 financial year.
- Refuse Removal: A subsidy, not more than the applicable tariff for the 2013/14 financial year, will be applied for the duration of the financial year.

1.6 CAPITAL EXPENDITURE

The following table reflects the capital budget of the municipality over the 2013/14 MTREF

TABLE 8

EC 156 Mhlontlo : Budget Summary – Capital expenditure

Description R thousands	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue and 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
Capital expenditure & funds sources										
Capital expenditure	96,009	342	30,113	42,217	–	42,217	–	68,046	37,984	39,846
Transfers recognised - capital	26,490	–	36,540	42,145	–	42,145	–	68,046	37,984	39,846
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing internally generated funds	–	–	–	72	–	72	–	–	–	–
Total sources of capital funds	26,490	–	36,540	42,217	–	42,217	–	68,046	37,984	39,846

For the 2013/14 budget period capital expenditure is projected at R 68 m, funded from government grants to the tune of R37m and R25m from own funds/equitable share.

ONGOING ISSUES REQUIRING MONITORING AND EVALUATION

The municipality is closely monitoring certain issues that could have a significant financial impact on future budgets. If one or more of them require substantial resources beyond what is included in the mid-term budget, the municipality will have to adjust its spending plans to maintain its financial position. Many of the

items listed below could have major and permanent impacts on the operating budget, and would therefore require permanent increases in revenue, or reductions in other services. Consequently, they should be carefully monitored and evaluated:

- Maintenance backlogs in roads and municipal properties
- Staffing requirements and the impact on the personnel expenditure targets;
- Acceptance and implementation of unfunded mandates; e.g. Disaster management and Library Services;
- Improving on current collection rates especially on household debt

1.7 Annual Budget Tables

The 13 following 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 2013/14 budget and MTREF as approved by the Council. Each table is accompanied by explanatory notes on the facing page.

MHLONTLO MUNICIPALITY 2013/2014 MTREF

TABLE 9

EC156 Mhlontlo - Table A1 Budget Summary

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
Financial Performance										
Property rates	8 667	3 129	6 919	8 327	-	8 327	-	7 967	8 374	8 717
Service charges	700	551	552	541	-	541	-	173	181	180
Investment revenue	1 182	897	1 940	751	-	751	-	1 085	1 140	1 187
Transfers recognised - operational	132 714	129 591	126 855	125 771	-	125 771	-	34 838	145 993	188 600
Other revenue	3 370	10 113	3 776	3 474	-	3 474	-	14 500	14 438	15 029
Total Revenue (excluding capital transfers and contributions)	146 633	144 281	140 042	138 856	-	138 856	-	58 563	170 126	213 713
Employee costs	26 128	31 956	47 836	51 531	-	51 681	-	59 704	63 387	67 507
Remuneration of councillors	8 583	9 602	-	12 421	-	12 421	-	13 975	14 863	15 851
Depreciation & asset impairment	-	-	12 876	-	-	-	-	12 630	13 274	13 925
Finance charges	35	30	-	-	-	-	-	-	-	-
Materials and bulk purchases	-	-	-	500	-	500	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-	-
Other expenditure	89 659	68 205	61 772	64 135	-	64 135	-	95 441	98 639	103 472
Total Expenditure	124 405	109 792	122 484	128 736	-	128 736	-	181 750	190 183	200 755
Surplus/(Deficit)	22 228	34 489	17 557	10 120	-	10 120	-	(23 187)	(20 057)	12 958
Transfers recognised - capital	-	-	-	32 448	-	32 448	-	37 221	40 703	43 528
Contributions recognised - capital & contributed	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	22 228	34 489	17 557	42 577	-	42 577	-	14 034	20 646	56 487
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	22 228	34 489	17 557	42 577	-	42 577	-	14 034	20 646	56 487
Capital expenditure & funds sources										
Capital expenditure	96 009	342	30 113	42 217	-	42 217	-	68 046	37 984	39 846
Transfers recognised - capital	26 490	-	36 540	42 145	-	42 145	-	37 221	40 703	43 528
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	72	-	72	-	25 000	-	-
Total sources of capital funds	26 490	-	36 540	42 217	-	42 217	-	62 221	40 703	43 528
Financial position										
Total current assets	23 969	37 592	44 651	22 932	45 947	50 175	45 947	7 880	8 374	8 717
Total non current assets	26 490	163 736	250 485	123 175	117 024	98 617	98 616	83 702	45 610	47 845
Total current liabilities	9 563	18 784	9 072	6 917	19 044	19 044	19 044	18 478	2 608	1 956
Total non current liabilities	-	3 262	2 857	-	-	-	-	-	-	-
Community wealth/Equity	30 361	61 816	130 282	53 430	-	53 430	-	42 062	24 541	60 771
Cash flows										
Net cash from (used) operating	25 171	28 691	39 837	42 645	-	42 645	-	42 664	50 736	88 051
Net cash from (used) investing	(29 361)	(22 749)	(32 420)	(38 411)	-	(38 417)	-	(43 046)	(37 984)	(39 846)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	(1 962)	3 980	11 397	4 228	-	4 228	-	3 846	16 597	64 803
Cash backing/surplus reconciliation										
Cash and investments available	1 480	15 633	27 340	4 228	38 923	43 151	38 923	-	-	-
Application of cash and investments	(229 945)	14 489	(5 857)	(10 630)	19 044	12 472	19 044	10 598	(5 766)	(6 761)
Balance - surplus (shortfall)	231 424	1 144	33 197	14 858	19 879	30 679	19 879	(10 596)	5 766	6 761
Asset management										
Asset register summary (WDV)	-	-	21 885	351	-	-	-	-	-	-
Depreciation & asset impairment	-	-	12 876	-	-	-	12 630	12 630	13 274	13 925
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	3 155	-	3 165	5 063	5 063	5 321	5 582
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	10	10	10	11
Revenue cost of free services provided	-	-	-	596	1 048	1 100	2 479	2 479	2 606	2 733
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the 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 negative in the first two years, and becomes positive in the 2015/16 budget year. Capital expenditure in the 2013/14 year is funded by grant transfers of which
 - (i) R 37 m is MIG
 - (ii) R 25 m is internally generated funds

MHLONTLO MUNICIPALITY 2013/2014 MTREF

TABLE 10

EC156 Mhlontlo - 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 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
Revenue - Standard										
<i>Governance and administration</i>		67,310	54,744	63,976	59,536	-	59,536	94,830	102,417	101,799
Executive and council		-	21,821	23,830	28,425	-	28,425	23,934	23,925	26,535
Budget and treasury office		67,310	24,447	24,167	18,649	-	18,649	57,534	60,604	58,739
Corporate services		-	8,476	3,974	12,462	-	12,462	13,362	17,888	16,525
<i>Community and public safety</i>		2,758	7,834	8,310	22,842	-	22,842	15,259	16,167	24,120
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		2,758	7,834	8,310	22,842	-	22,842	15,259	16,167	24,120
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		75,734	74,623	62,397	78,788	-	78,788	73,321	83,221	120,701
Planning and development		331	7,792	12,460	9,751	-	9,751	14,443	14,263	22,610
Road transport		75,403	66,831	48,936	69,037	-	69,037	58,878	68,958	98,091
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		830	7,081	7,359	10,147	-	10,147	12,375	9,023	10,622
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		830	7,081	7,359	10,147	-	10,147	12,375	9,023	10,622
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	146,633	144,281	140,042	171,313	-	171,313	195,784	210,829	257,241
Expenditure - Standard										
<i>Governance and administration</i>		60,907	52,110	77,648	56,263	-	56,263	106,845	111,658	117,847
Executive and council		13,265	16,546	26,231	27,562	-	27,562	31,973	32,654	34,590
Budget and treasury office		47,642	25,824	37,753	16,446	-	16,446	58,367	61,479	64,656
Corporate services		-	9,740	13,664	12,255	-	12,255	16,505	17,526	18,602
<i>Community and public safety</i>		5,320	6,227	7,978	19,635	-	19,635	15,608	16,556	17,553
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		5,320	6,227	7,978	19,635	-	19,635	15,608	16,556	17,553
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		55,138	47,884	30,575	43,490	-	43,490	49,722	52,261	55,063
Planning and development		3,205	9,038	5,921	7,151	-	7,151	14,684	15,327	16,186
Road transport		51,933	38,846	24,554	36,340	-	36,340	35,039	36,935	38,877
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		3,010	3,572	6,283	9,347	-	9,347	9,575	9,708	10,291
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		3,010	3,572	6,283	9,347	-	9,347	9,575	9,708	10,291
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	124,375	109,792	122,484	128,736	-	128,736	181,750	190,183	200,755
Surplus/(Deficit) for the year		22,258	34,489	17,557	42,577	-	42,577	14,034	20,646	56,487

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 12 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. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

MHLONTLO MUNICIPALITY 2013/2014 MTREF

TABLE 11

EC 156 Mhlonlo - 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 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
Revenue by Vote										
Vote 1 - MAYOR'S OFFICE	1	-	8,562	-	2,111	-	2,111	2,146	2,266	3,389
Vote 2 - COUNCIL		-	8,562	20,302	16,219	-	16,219	11,163	10,407	11,238
Vote 3 - MUNICIPAL MANAGER'S OFFICE		-	4,698	6,534	10,094	-	10,094	10,625	11,253	11,908
Vote 4 - BUDGET & TREASURY OFFICE		67,310	24,447	24,167	18,649	-	18,649	57,534	60,604	58,739
Vote 5 - CORPORATE SERVICES		-	8,476	9,974	12,462	-	12,462	13,362	17,888	16,525
Vote 6 - LOCAL ECONOMIC DEVELOPMENT		331	7,792	12,460	9,751	-	9,751	12,556	13,263	13,994
Vote 7 - COMMUNITY SERVICES		3,588	14,915	16,669	32,989	-	32,989	27,634	25,191	34,742
Vote 8 - INFRASTRUCTURAL PLANNING & DEVELOPMENT		75,403	66,831	49,936	69,037	-	69,037	60,765	69,958	106,706
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	146,633	144,281	140,042	171,313	-	171,313	195,784	210,829	257,241
Expenditure by Vote to be appropriated										
Vote 1 - MAYOR'S OFFICE	1	-	6,114	-	1,811	-	1,811	2,490	2,452	2,584
Vote 2 - COUNCIL		10,994	6,114	18,351	16,219	-	16,219	19,225	19,340	20,514
Vote 3 - MUNICIPAL MANAGER'S OFFICE		2,271	4,319	7,380	9,531	-	9,531	10,258	10,861	11,491
Vote 4 - BUDGET & TREASURY OFFICE		47,642	25,824	37,753	16,446	-	16,446	58,367	61,479	64,656
Vote 5 - CORPORATE SERVICES		-	9,740	13,364	12,255	-	12,255	16,505	17,526	18,602
Vote 6 - LOCAL ECONOMIC DEVELOPMENT		3,205	9,038	5,321	7,151	-	7,151	9,261	9,594	10,133
Vote 7 - COMMUNITY SERVICES		8,330	9,799	14,261	28,983	-	28,983	25,183	26,264	27,844
Vote 8 - INFRASTRUCTURAL PLANNING & DEVELOPMENT		51,933	38,846	24,354	36,340	-	36,340	40,462	42,667	44,930
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	124,375	109,792	122,484	128,736	-	128,736	181,750	190,183	200,755
Surplus/(Deficit) for the year	2	22,258	34,489	17,557	42,577	-	42,577	14,034	20,646	56,487

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

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

MHLONTLO MUNICIPALITY 2013/2014 MTREF

TABLE 12

EC156 Mhlontlo - 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
Revenue By Source											
Property rates	2	8,667	3,129	6,919	8,327	-	8,327	-	7,967	8,374	8,717
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	700	551	552	541	-	541	-	173	181	180
Service charges - other											
Grant of facilities and equipment		37	48	35	39		39		71	75	78
Interest earned - external investments		1,182	897	1,940	751		751		1,085	1,140	1,187
Interest earned - outstanding debtors											
Dividends received											
Fines		52	92	81	104		104		79	83	87
Licences and permits		45	1,678	1,784	1,616		1,616		1,104	1,160	1,207
Agency services					430		430		547	575	599
Transfers recognised - operational		132,714	129,591	126,855	125,771		125,771		134,838	145,993	188,600
Other revenue	2	3,235	8,295	1,833	1,285	-	1,285	-	12,699	12,545	13,059
Gains on disposal of PPE				42							
Total Revenue (excluding capital transfers and contributions)		146,633	144,281	140,042	138,665	-	138,665	-	158,563	170,126	213,713
Expenditure By Type											
Employee related costs	2	26,128	31,956	47,836	51,681	-	51,681	-	59,704	63,387	67,507
Remuneration of councillors		8,583	9,602		12,421		12,421		13,975	14,883	15,851
Debt impairment	3	15,766	-	17,784	863		863		16,000	16,816	17,640
Depreciation & asset impairment	2	-	-	12,876	-	-	-	-	12,630	13,274	13,925
Finance charges		35	30								
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8	-	-	-	500		500		-	-	-
Contracted services		-	1,128	1,265	33,383		33,383		-	-	-
Transfers and grants		-	-	-	-		-		-	-	-
Other expenditure	4, 5	73,893	67,077	42,723	29,888	-	29,888	-	79,441	81,823	85,832
Loss on disposal of PPE											
Total Expenditure		124,405	109,792	122,484	128,736	-	128,736	-	181,750	190,183	200,755
Surplus/(Deficit)		22,228	34,489	17,557	10,129	-	10,129	-	(23,187)	(20,057)	12,959
Transfers recognised - capital					32,448		32,448		37,221	40,703	43,528
Contributions recognised - capital											
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		22,228	34,489	17,557	42,577	-	42,577	-	14,034	20,646	56,487
Taxation											
Surplus/(Deficit) after taxation		22,228	34,489	17,557	42,577	-	42,577	-	14,034	20,646	56,487
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		22,228	34,489	17,557	42,577	-	42,577	-	14,034	20,646	56,487
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		22,228	34,489	17,557	42,577	-	42,577	-	14,034	20,646	56,487

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

Total operating revenue is R158 Million in 2013/14 and increase to R170 million by 2014/15. This represents an increase of 14 per cent for the 2013/14 financial year and another increase of 7 per cent for the 2014/15 financial year.

MHLONTLO MUNICIPALITY 2013/2014 MTREF

TABLE 13

EC156 Mhlontlo - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

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	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - MAYOR'S OFFICE		-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 3 - MUNICIPAL MANAGER'S OFFICE		-	-	-	-	-	-	-	-	-	-
Vote 4 - BUDGET & TREASURY OFFICE		-	-	-	-	-	-	-	-	-	-
Vote 5 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 6 - LOCAL ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 7 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 8 - INFRASTRUCTURAL PLANNING & DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - MAYOR'S OFFICE		-	-	-	300	-	300	-	-	-	-
Vote 2 - COUNCIL		-	-	-	-	-	-	-	-	-	-
Vote 3 - MUNICIPAL MANAGER'S OFFICE		21,945	197	-	563	-	563	-	-	-	-
Vote 4 - BUDGET & TREASURY OFFICE		1,597	850	4,317	-	-	-	100	105	110	
Vote 5 - CORPORATE SERVICES		1,118	342	354	206	-	206	815	857	899	
Vote 6 - LOCAL ECONOMIC DEVELOPMENT		10	1,724	6,485	2,600	-	2,600	4,738	665	698	
Vote 7 - COMMUNITY SERVICES		4,823	-	-	2,050	-	2,050	3,395	1,151	1,208	
Vote 8 - INFRASTRUCTURAL PLANNING & DEVELOPMENT		94,881	24,928	23,274	36,498	-	36,498	58,998	35,206	36,931	
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	
Capital single-year expenditure sub-total		124,375	28,041	34,430	42,217	-	42,217	68,046	37,984	39,846	
Total Capital Expenditure - Vote		124,375	28,041	34,430	42,217	-	42,217	68,046	37,984	39,846	
Capital Expenditure - Standard											
Governance and administration		1,118	342	354	1,070	-	1,070	915	962	1,009	
Executive and council		-	-	-	863	-	863	-	-	-	
Budget and treasury office		-	-	-	-	-	-	100	105	110	
Corporate services		1,118	342	354	206	-	206	815	857	899	
Community and public safety		-	-	-	1,250	-	1,250	1,095	1,151	1,208	
Community and social services		-	-	-	-	-	-	-	-	-	
Sport and recreation		-	-	-	-	-	-	-	-	-	
Public safety		-	-	-	1,250	-	1,250	1,095	1,151	1,208	
Housing		-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	
Economic and environmental services		94,890	-	29,758	39,098	-	39,098	63,736	35,871	37,629	
Planning and development		10	-	6,485	2,600	-	2,600	4,738	665	698	
Road transport		94,881	-	23,274	36,498	-	36,498	58,998	35,206	36,931	
Environmental protection		-	-	-	-	-	-	-	-	-	
Trading services		-	-	-	800	-	800	2,300	-	-	
Electricity		-	-	-	-	-	-	-	-	-	
Water		-	-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	-	
Waste management		-	-	-	800	-	800	2,300	-	-	
Other		-	-	-	-	-	-	-	-	-	
Total Capital Expenditure - Standard	3	96,009	342	30,113	42,217	-	42,217	68,046	37,984	39,846	
Funded by:											
National Government		26,490	-	36,540	42,145	-	42,145	37,221	40,703	43,528	
Provincial Government		-	-	-	-	-	-	-	-	-	
District Municipality		-	-	-	-	-	-	-	-	-	
Other transfers and grants		-	-	-	-	-	-	-	-	-	
Transfers recognised - capital	4	26,490	-	36,540	42,145	-	42,145	37,221	40,703	43,528	
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	
Borrowing	6	-	-	-	-	-	-	-	-	-	
Internally generated funds		-	-	-	72	-	72	25,000	-	-	
Total Capital Funding	7	26,490	-	36,540	42,217	-	42,217	62,221	40,703	43,528	

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

1. Table A5 is a breakdown of the capital program 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. Single-year capital expenditure has been appropriated at R68 million for the 2013/14 financial year and then decreases over the MTREF to levels of R38 million in the 2014/15 and then increases to R40 million in the 2015/16 budget year.

TABLE 14

EC156 Mhlonlo - Table A6 Budgeted Financial Position

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
ASSETS											
Current assets											
Cash		118	6,654	14,071	4,228		4,228				
Call investment deposits	1	3,442	8,979	13,269	-	38,923	38,923	38,923	-	-	-
Consumer debtors	1	9,047	4,967	5,805	7,024	7,024	7,024	7,024	7,880	8,374	8,717
Other debtors		11,363	16,961	11,507	11,730						
Current portion of long-term receivables											
Inventory	2										
Total current assets		23,969	37,592	44,651	22,582	45,947	50,175	45,947	7,880	8,374	8,717
Non current assets											
Long-term receivables											
Investments				21,401							
Investment property											
Investment in Associate											
Property, plant and equipment	3	26,490	163,736	228,601	117,024	117,024	98,617	98,616	83,702	45,610	47,845
Agricultural											
Biological				484	361						
Intangible					5,789						
Other non-current assets											
Total non current assets		26,490	163,736	250,485	123,175	117,024	98,617	98,616	83,702	45,610	47,845
TOTAL ASSETS		50,460	201,327	295,137	146,157	162,971	148,792	144,563	91,582	53,983	56,562
LIABILITIES											
Current liabilities											
Bank overdraft	1	2,080									
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits											
Trade and other payables	4	3,131	17,456	8,463	6,917	19,044	19,044	19,044	18,478	2,608	1,956
Provisions		4,352	1,329	609							
Total current liabilities		9,563	18,784	9,072	6,917	19,044	19,044	19,044	18,478	2,608	1,956
Non current liabilities											
Borrowing		-	-	-	-	-	-	-	-	-	-
Provisions		-	3,262	2,857	-	-	-	-	-	-	-
Total non current liabilities		-	3,262	2,857	-	-	-	-	-	-	-
TOTAL LIABILITIES		9,563	22,046	11,930	6,917	19,044	19,044	19,044	18,478	2,608	1,956
NET ASSETS	5	40,896	179,281	283,207	139,240	143,927	129,747	125,519	73,104	51,375	54,605
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		30,361	61,816	130,262	49,630		49,630		17,062	24,541	60,771
Reserves	4	-	-	-	3,800	-	3,800	-	25,000	-	-
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	30,361	61,816	130,262	53,430	-	53,430	-	42,062	24,541	60,771

Explanatory notes to Table A6 - Budgeted Financial Position

MHLONTLO MUNICIPALITY 2013/2014 MTREF

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councillors 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. 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.
4. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

TABLE 15

EC156 Mhlontlo - Table A7 Budgeted Cash Flows

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
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Payables and other		145,451	1,663	9,268	11,548		11,548		22,640	22,993	23,926
Government - operating	1		130,272	92,354	123,843		123,843		134,838	145,993	188,600
Government - capital	1			28,287	14,376		34,376		37,221	40,703	43,528
Interest		1,182	697	1,158	751		751		1,085	1,140	1,187
Dividends											
Payments											
Suppliers and employees		(121,427)	(104,312)	(91,193)	(127,873)		(127,873)		(153,120)	(160,093)	(169,190)
Finance charges		(35)	(30)	(37)							
Transfers and Grants	1										
NET CASH FROM/(USED) OPERATING ACTIVITIES		25,171	28,691	39,837	42,645	-	42,645	-	42,664	50,736	88,051
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE				1,225							
Decrease (increase) in non-current debtors		(2,870)									
Decrease (increase) other non-current receivables					3,800		3,800		25,000		
Decrease (increase) in non-current investments											
Payments											
Capital assets		(26,490)	(22,749)	(33,645)	(42,217)		(42,217)		(68,046)	(37,984)	(39,846)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(29,361)	(22,749)	(32,420)	(38,417)	-	(38,417)	-	(43,046)	(37,984)	(39,846)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing											
Increase (decrease) in consumer deposits											
Payments											
Repayment of borrowing											
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(4,190)	5,942	7,417	4,228	-	4,228	-	(382)	12,751	48,206
Cash/cash equivalents at the year begin:	2	2,228	(1,962)	3,980					4,228	3,846	16,597
Cash/cash equivalents at the year end:	2	(1,962)	3,980	11,397	4,228	-	4,228	-	3,846	16,597	64,803

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.

The tabled 2013/14 MTREF indicates a cash surplus at the end of the 2013/14 budget year, and increases to a cash surplus of R16m in the 2014/15, and further grows to around R 64m in the 2015/16 outer year.

TABLE 16

EC156 Mhlontlo - 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 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 and investments available											
Cash/cash equivalents at the year end	1	(1,962)	3,980	11,397	4,228	-	4,228	-	(6,154)	6,597	54,803
Other current investments > 90 days		3,442	11,863	15,943	-	38,923	38,923	38,923	6,154	(6,597)	(54,803)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		1,480	15,633	27,340	4,228	38,923	43,151	38,923	-	-	-
Application of cash and investments											
Unspent conditional transfers		-	8,979	2,280	2,280	14,407	14,407	14,407	15,000	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(229,945)	5,509	(6,138)	(12,910)	4,637	(1,935)	4,637	(4,402)	(5,766)	(6,761)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		(229,945)	14,489	(5,857)	(10,630)	19,044	12,472	19,044	10,598	(5,766)	(6,761)
Surplus(shortfall)		231,424	1,144	33,197	14,858	19,879	30,679	19,879	(10,598)	5,766	6,761

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 2012/13 to 2013/14 the position worsened from a surplus of R19 m to a deficit of R10m . This situation further deteriorates to R 6.7m in the 2015/16 financial year.

TABLE 17

EC156 Mhlontlo –MBRR Table A9 Asset Management (BELOW)

MHLONTLO MUNICIPALITY 2013/2014 MTREF

EC156 Mhlontlo - Table A9 Asset Management

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
R1 thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	124,375	28,041	34,430	42,217	-	51,617	78,046	37,984	39,846
Infrastructure - Road transport		67,729	21,667	22,869	19,948	-	19,948	26,498	26,798	28,111
Infrastructure - Electricity		-	-	-	8,000	-	8,000	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	800	-	800	800	-	-
Infrastructure		67,729	21,667	22,869	28,748	-	28,748	27,298	26,798	28,111
Community		4,833	43	-	6,600	-	16,000	38,738	665	698
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		21,401	-	-	-	-	-	-	-	-
Other assets	6	30,280	6,202	11,218	6,458	-	6,458	11,517	10,003	10,493
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		130	130	343	412	-	412	493	518	544
Total Renewal of Existing Assets	2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	67,729	21,667	22,869	19,948	-	19,948	26,498	26,798	28,111
Infrastructure - Road transport		-	-	-	8,000	-	8,000	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	800	-	800	800	-	-
Infrastructure		67,729	21,667	22,869	28,748	-	28,748	27,298	26,798	28,111
Community		4,833	43	-	6,600	-	16,000	38,738	665	698
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		21,401	-	-	-	-	-	-	-	-
Other assets	6	30,280	6,202	11,218	6,458	-	6,458	11,517	10,003	10,493
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		130	130	343	412	-	412	493	518	544
TOTAL CAPITAL EXPENDITURE - Asset class	2	124,375	28,041	34,430	42,217	-	51,617	78,046	37,984	39,846
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	21,401	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	484	361	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	-	-	21,885	361	-	-	-	-	-
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment	3	-	-	12,876	-	-	-	12,630	13,274	13,925
Repairs and Maintenance by Asset Class					3,165	-	3,165	5,063	5,321	5,582
Infrastructure - Road transport		-	-	-	-	-	-	317	333	349
Infrastructure - Electricity		-	-	-	800	-	800	1,055	1,109	1,163
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	500	-	500	-	-	-
Infrastructure		-	-	-	1,300	-	1,300	1,372	1,441	1,512
Community		-	-	-	50	-	50	475	499	523
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	-	-	-	1,815	-	1,815	3,217	3,381	3,547
TOTAL EXPENDITURE OTHER ITEMS		-	-	12,876	3,165	-	3,165	17,693	18,596	19,507
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal as % of PPE		0.0%	0.0%	0.0%	2.7%	0.0%	3.2%	6.0%	11.7%	11.7%
Renewal and R&M as a % of PPE		0.0%	0.0%	0.0%	376.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The municipality does not meet these recommendations as the municipality is still having a huge backlog in construction of infrastructure in the rural communities. Bulk of the budget is for construction of new infrastructure (Roads) .

TABLE 18

EC156 Mhlontlo – MBRR Table A10 Basic service delivery measurement

MHLONTLO MUNICIPALITY 2013/2014 MTREF

EC156 Mhlontlo - Table A10 Basic service delivery measurement

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Household service targets	1									
Water:										
Piped water inside dwelling										
Piped water inside yard (but not in dwelling)	2									
Using public tap (at least min. service level)	4									
Other water supply (at least min. service level)	4									
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min. service level)	3									
Other water supply (< min. service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5									
Sanitation/sewerage:										
Flush toilet (connected to sewerage)										
Flush toilet (with septic tank)										
Chemical toilet										
Pit toilet (ventilated)										
Other toilet provisions (> min. service level)										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet										
Other toilet provisions (< min. service level)										
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5									
Energy:										
Electricity (at least min. service level)										
Electricity - prepaid (min. service level)										
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min. service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5									
Refuse:										
Removed at least once a week					1,135	1,135	1,135	1,135	1,135	1,135
<i>Minimum Service Level and Above sub-total</i>		-	-	-	1,135	1,135	1,135	1,135	1,135	1,135
Removed less frequently than once a week										
Using communal refuse dump										
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal										
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5				1,135	1,135	1,135	1,135	1,135	1,135
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)										
Sanitation (free minimum level service)										
Electricity/other energy (50kwh per household per month)										
Refuse (removed at least once a week)					265	265	265	265	265	265
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)										
Sanitation (free sanitation service)										
Electricity/other energy (50kwh per household per month)										
Refuse (removed once a week)							10	10	11	
Total cost of FBS provided (minimum social packa							10	10	11	
Highest level of free service provided										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebates)					900	948	994	2,383	2,505	2,628
Property rates (other exemptions, reductions and rebates)										
Water										
Sanitation										
Electricity/other energy										
Refuse					96	101	106	96	101	106
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of free services provided (total social package)					996	1,048	1,100	2,479	2,606	2,733

Explanatory notes to Table 18

1. Table 18 provides an overview of the service levels, including backlogs (below minimum service level), for each of the main services
2. The municipality continues to make progress in the eradication of backlogs:

Part 2 – Supporting Documentation

2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS

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

The Budget Steering Committee consists of the 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.

2.1.1 Budget Process Overview (Plan)

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 2012) a time schedule that sets out the budget process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required IDP and the following budget time schedule

Budget Time Schedule for 2013/14

PROCESS	ACTIVITY	TIME FRAME	RESPONSIBILITY
JULY 2012 (PREPARATION PHASE)			
IDP	<ul style="list-style-type: none"> Development of the IDP Framework and Budget Process Plan 	02 Jul – 31 Aug 2012	IDP Manager
AUGUST 2012 (PREPARATION – ANALYSIS PHASE)			
IDP	<ul style="list-style-type: none"> Approval/Adoption of the IDP Framework and Process Plan 	31 August 2012	Mayor
Budget	<ul style="list-style-type: none"> Preparation of Annual Financial Statements Annual Financial Statement submitted to AG 	10 August 2012 31 August 2012	BTO
PMS	<ul style="list-style-type: none"> Finalise 2012/13 performance agreements Make public Annual Performance Agreements – submit to Council & MEC DLGTA Submission of Draft Annual Report 2011/12 to AG 	15 August 2012 31 August 2012 31 August 2012	Strategic Manager & All Senior Managers Strategic Manager
SEPTEMBER 2012 (ANALYSIS PHASE)			
IDP	<ul style="list-style-type: none"> Circulation of IDP Framework and Process Plan Launch of the IDP Representative Forum Ward Based planning (data collection) Service delivery coordination Izimbizo and 	07 Sept 2012 07 Sept 2012 10 Sept – 17 Oct 2012 17 -28 Sept 2012 21 Sept 2012	IDP Manager Strategic Manager/Mayor IDP Manager IDP Manager Strat. & All Managers

MHLONTLO MUNICIPALITY 2013/2014 MTREF

PROCESS	ACTIVITY	TIME FRAME	RESPONSIBILITY
	IGR Road shows <ul style="list-style-type: none"> Evaluate outstanding sector plan requirements and additional analysis where necessary 		
Budget	<ul style="list-style-type: none"> Establish institutional budget committee consisting of HOD's Circulate budget schedules to all departments. Preparation of consolidated AFS Submission of consolidated AFS to AG 	07 Sept 2012 14 Sept 2012 21 Sept 2012 28 Sept 2012	All Managers BTO BTO BTO
PMS	<ul style="list-style-type: none"> Final Performance reviews for Senior Managers for 2011/12 Circulation of first quarter report template to all departments 	24 Sept 2012	MM & Senior Managers
OCTOBER 2012 (ANALYSIS – STRATEGIES PHASE)			
IDP	<ul style="list-style-type: none"> Data Analysis and Interpretation Inputs by various departments and structures. 	22-25 Oct 2012 12 October 2012	IDP Manager All Departments
Budget	<ul style="list-style-type: none"> Tariff review by departments Preparation of MFMA Implementation Plan Submit section 52(d) report to council. 	26 October 2012 29 October 2012	All Departments EXCO
PMS	<ul style="list-style-type: none"> Consolidation of 1st Quarter Report Discussion of 1st Quarter Report by management First Quarter Report to Council 	4-5 October 2012 08 October 2012 30 October 2012	Strategic Manager All Manager Mayor
NOVEMBER 2012 (OBJECTIVES & STRATEGIES PHASE)			
IDP	<ul style="list-style-type: none"> IDP Steering Committee sits to discuss issues identified during Analysis Phase Strategic Planning session on the Situational Analysis (Prioritisation of needs and draft strategic objectives) IDP Rep Forum (Analysis, priority programmes and draft strategic objectives: Draft Situational Analysis 	08 November 2012 29 -30 November 2012 14 November 2012 19 – 23 November 2012	Strategic & IDP Manager IDP Manager All Managers

MHLONTLO MUNICIPALITY 2013/2014 MTREF

PROCESS	ACTIVITY	TIME FRAME	RESPONSIBILITY
	Report) <ul style="list-style-type: none"> Finalisation of Strategic Planning Report and dissemination to other relevant stakeholders. 		
Budget	<ul style="list-style-type: none"> Departmental budget inputs for 2013/16 with projected cash flows for the 2013/14 	09 November 2012	All departments
PMS	<ul style="list-style-type: none"> Place 1st Quarter Report on the municipal website Submission of 1st Quarter Report to the MEC 	5 November 2012	Municipal Manager
DECEMBER 2012 (STRATEGIES – PROJECT PHASE)			
IDP	<ul style="list-style-type: none"> IDP Steering Committee (Strategies) Consolidation of Report 	12 December 2012 15 December 2012	MM IDP Manager
Budget	<ul style="list-style-type: none"> Finalise Departmental budget inputs for 2012/5. Submission of budget inputs with projected cash flows Inputs on capital budget with cash flows (MIG) 	06 December 2012 12 December 2012 06 December 2012	All Departments
PMS	<ul style="list-style-type: none"> Finalise the draft 2011/12 annual report incorporating financial and non financial on performance, audit reports and annual financial statements. 	12 December 2012	Strategic Manager
JANUARY 2013 (PROJECT – INTEGRATION PHASE)			
IDP	<ul style="list-style-type: none"> IDP Rep Forum to align projects and programmes of LMs, sector departments and parastatals. 	31 January 2013	Mayor
Budget	<ul style="list-style-type: none"> Preparation of mid- year performance assessment. Assess the performance of the LM & submit section 72 report on the assessment to the Mayor, Provincial Treasury and National Treasury. 	07 – 08 January 2013 07 – 08 January 2013 30 January 2013 30 January 2013 31 January 2013 31 January 2013	BTO & All Managers All Departments Mayor Mayor All Depart & Managers

MHLONTLO MUNICIPALITY 2013/2014 MTREF

PROCESS	ACTIVITY	TIME FRAME	RESPONSIBILITY
	<ul style="list-style-type: none"> Submit section 72 report to council in terms of section 54 (1) (f). Submit section 52(d) report to council. Final departmental budget submission with the projected cash-flows and all supporting documents Submission of inputs on adjustment budget Review proposed national and provincial allocations to the municipality for incorporation into the draft IDP 	31 January 2013	
PMS	<ul style="list-style-type: none"> Submission of mid-term report by all departments Present Draft Annual report & Mid-term report to Management. Mayor tables Annual Report (2011/12) & Mid Term assessment report for 2012/13 to Council 	07 January 2013 08 January 2013 30 January 2013	All Managers All Managers Mayor
FEBRUARY 2013 (INTEGRATION PHASE)			
IDP	<ul style="list-style-type: none"> IDP Steering Committee – Draft IDP 	21 February 2013	Strategic Manager
Budget	<ul style="list-style-type: none"> Adjustment Budget and revised SDBIP to Council Structures Consolidation of the 2013/4-2015/16 detailed operational and capital budgets Finalise budget policies and tariff policy. The Mayor presents the adjustment budget to council for approval 	28 February 2013	BTO Council
PMS	<ul style="list-style-type: none"> Publicise the 2011/12 Annual report and invite comments from communities. Submit tabled report to AG, National & Provincial Treasury and DLGTA. Mid- year performance reviews (top management) 	05 February 2013 14 February 2013 28 February 2013	Strategic Manager Strategic Manager MM
MARCH 2013 (APPROVAL PHASE)			
IDP	<ul style="list-style-type: none"> IDP Rep Forum – presentation of Draft 	14 March 2013	Portfolio Head

MHLONTLO MUNICIPALITY 2013/2014 MTREF

PROCESS	ACTIVITY	TIME FRAME	RESPONSIBILITY
	IDP & Budget. <ul style="list-style-type: none"> • Draft IDP& Budget presented to the EXCO. • Draft IDP& Budget tabled to Council 	18 March 2013 27 March 2013	IDP Manager Mayor
Budget	<ul style="list-style-type: none"> • Finalise draft budget with related policies – budget, tariff, indigent etc • Standing Committee considers the draft budget for 2012/13 – 2014/15 • Executive Committee considers the draft budget for 2012/13 – 2014/15 • The Mayor table in Council the annual budget for 2013/14 – 2015/16 and all supporting documents. 	01 March 2013 12 March 2013 13 March 2013 27 March 2013	BTO Portfolio head Mayor Council
PMS	<ul style="list-style-type: none"> • Approval of 2011/12 Oversight report on the Annual Report • Adopt the 2011/12 Annual report with the comments of the Oversight Committee. • Circulation of Third Term Report template to all departments 	27 March 2013	Council All departments
APRIL 2013 (APPROVAL PHASE)			
IDP	<ul style="list-style-type: none"> • Draft IDP advertised for comments • Submission of Draft IDP to AG, PT, DLGTA • Publicise/Advertise the IDP& Budget Road shows schedule. • IDP & Budget Road shows 	02-23 April 2013 11 April 2013 09 April 2013 16 – 19 April 2013	Communications IDP Manager Communications Speakers Office
Budget	<ul style="list-style-type: none"> • Publicise the 2012/15 tabled budget for communities to submit representations. • Submit to the Provincial and National Treasury and other affected organs of state. • Consultations on the tabled budget 	02 – 23 April 2013 11 April 2013 16 – 19 April 2013	Communications BTO Speakers office
PMS	<ul style="list-style-type: none"> • Submit Annual report to AG, National & Provincial Treasury, Legislature and DLGTA. 	08 April 2013 30 April 2013	Strategic Manager Mayor

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PROCESS	ACTIVITY	TIME FRAME	RESPONSIBILITY
	<ul style="list-style-type: none"> Submission of Third Quarter Performance Report to Council 		
MAY 2013 (APPROVAL PHASE – FINAL IDP & BUDGET)			
IDP	<ul style="list-style-type: none"> Incorporation of community inputs into the IDP. Mayor tables 2013/14 IDP and Budget to Council for final adoption. 	06 – 10 May 2013 31 May 2013	IDP Manager Council
Budget	<ul style="list-style-type: none"> Finalise budget for adoption incorporating all inputs received Submit section 52(d) report to council The Mayor table in Council the annual budget for 2012/13 – 2014/15 and all supporting documents for approval 	06 – 10 May 2013 31 May 2013	BTO Council
PMS	<ul style="list-style-type: none"> Drafting of the 2013 - 14 SDBIP & Performance Agreements 	20 – 24 May 2013	All Managers
JUNE 2013 (POST APPROVAL PHASE)			
	Notice publicising the adoption of IDP and Budget	07 June 2013	Communications
	Submission of the Final IDP and Budget to the MEC, NT, PT, And AG	11 June 2013	MM

2.1.2 IDP and SDBIP

This the Second review of the IDP as adopted by Council in 2010/11. It started in September 2012 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2013/2014 MTREF. The IDP review process is in progress and a draft 2013/14 IDP has been developed. The IDP includes specific deliverables that forms the basis for the Budget and SDBIP.

The process followed during the review included these key IDP processes:-

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting;
- Public participation process; and
- Compilation of the SDBIP

2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP

The Integrated Development Plan (IDP) determines and prioritises the needs of the community. All the plans for Mhlontlo Local Municipality forms the basis of the 5 year IDP and is particularly strong on integration, consultation and public participation. The plan provides a comprehensive Spatial Development Framework, which sets a basis for integrated implementation in a system approach

The 2013/14 to 2015/16 Operating and Capital Budgets were prepared in accordance with the IDP. The key strategic focus areas of the IDP are as follows:

- Service delivery under conditions of good governance
- Financial planning and Viability
- Institutional Development and Transformation
- Local Economic Development
- Good governance and public participation

The above-mentioned strategic focus areas have informed the preparation of the Budget.

After the tabling of the budget, a series of meetings will be held throughout the municipal area to consult with the elected public representatives. The feedback flowing from these meetings will be referred to the relevant departments for their attention.

The 2013/14 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

TABLE 19
EC156 Mhlontlo -MBRR Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

MHLONTLO MUNICIPALITY 2013/2014 MTREF

EC156 Mhlontlo - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ret	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
FINANCIAL VIABILITY	Provide proper revenue collection services and effective debt collection strategies and mechanisms To ensure an integrated budget planning process and Proper Financial reporting in line with relevant Legislation			67,310	24,447	24,167	18,649		18,849	57,534	60,604	58,739
Infrastructure Development, Farming and Basic Services Delivery	To ensure universal access to basic household, community and social services			75,403	66,831	49,336	69,037		69,337	60,765	69,958	106,706
INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT	HUMAN RESOURCES DEVELOPMENT AND ADMINISTRATION				8,562	20,302	16,219		16,219	11,163	10,407	11,238
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	HUMAN RESOURCES DEVELOPMENT AND ADMINISTRATION			-	8,472	9,974	12,462		12,462	13,362	17,868	16,525
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	To ensure an integrated development planning in line with relevant legislation				4,692	6,534	10,094		10,394	10,625	11,253	11,908
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	improve effectiveness and efficiency of special programme				8,562		2,111		2,111	2,146	2,266	3,389
Infrastructure Development, Farming and Basic Services Delivery	To maintain a safe and healthy environment			39	1,262	1,910	3,913		3,913	4,151	4,408	11,679
	To maintain a safe and healthy environment			830	7,082	7,359	10,147		10,147	12,375	9,023	10,622
	To ensure safety on our roads			2,719	6,562	7,399	18,929		18,929	11,108	11,760	12,441
Local Economic Development and Rural Development	To promote growth and development of the Tourism Sector as one of the anchor industries for the economy of Mhlontlo			331	7,792	12,460	9,751		9,751	12,556	13,283	13,994
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	146,633	144,281	140,042	171,313	-	171,313	195,784	210,829	257,241

MHLONTLO MUNICIPALITY 2013/2014 MTREF

TABLE 20

**EC156 Mhlontlo - MBRR 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	
FINANCIAL VIABILITY	Provide proper revenue collection services and effective debt collection			47,642	25,824	37,753	16,446		16,446	58,367	61,479	64,656	
Infrastructure Development, Planning and Basic Services Delivery	To ensure an integrated budget planning process and Proper Financial reporting in			51,933	38,840	24,654	36,340	-	36,340	40,462	42,667	44,930	
INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT	HUMAN RESOURCES DEVELOPMENT AND ADMINISTRATION			-	9,740	13,664	12,255	-	12,255	16,505	17,526	18,602	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	To ensure an integrated development planning in line with relevant legislation			2,271	4,319	7,880	9,531		9,531	10,258	10,861	11,491	
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Improve effectiveness and efficiency of special programme				6,114		1,811		1,811	2,490	2,452	2,584	
Infrastructure Development, Planning and Basic Services Delivery	To maintain a safe and healthy environment			3,010	3,572	6,283	9,347		9,347	9,575	9,708	10,291	
	To maintain a safe and healthy environment			328	1,108	2,051	1,956		1,956	3,989	4,235	4,495	
	To ensure safety on our roads			4,992	5,119	5,927	17,679		17,679	11,619	12,321	13,058	
INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT	HUMAN RESOURCES DEVELOPMENT AND ADMINISTRATION			10,994	6,114	18,351	16,219		16,219	19,225	19,340	20,514	
Local Economic Development and Rural Development	To promote growth and development of the Tourism Sector as one of the anchor			3,205	9,018	5,921	7,151		7,151	9,261	9,594	10,133	
Allocations to other priorities													
Total Expenditure				1	124,375	109,792	122,484	128,736	-	128,736	181,750	190,183	200,755

MHLONTLO MUNICIPALITY 2013/2014 MTREF

TABLE 21
EC156 Mhlontlo - MBRR Table SA6 Reconciliation of IDP strategic objectives and budget (capital 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
R thousand												
FINANCIAL VIABILITY	Provide proper revenue collection services and effective debt collection	A		1,597	850	4,317				100	105	110
	To ensure an integrated budget planning process and Proper Financial reporting in	B										
Infrastructure Development, Planning and Basic Services Delivery	To ensure universal access to basic household, community and social services	C		94,881	24,921	23,274	36,498	-	36,498	68,998	35,206	36,931
INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT	HUMAN RESOURCES DEVELOPMENT AND ADMINISTRATION	D		1,118	342	354	206	-	206	815	857	899
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	HUMAN RESOURCES DEVELOPMENT AND ADMINISTRATION	E					-	-				
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	To ensure an integrated development planning in line with relevant legislation	F		21,945	167		563		563	-	-	-
GOOD GOVERNANCE AND PUBLIC PARTICIPATION	Improve effectiveness and efficiency of special programme	G					300		300			
Infrastructure Development, Planning and Basic Services Delivery	To maintain a safe and healthy environment	H					800		800	2,300	-	-
	To maintain a safe and healthy environment	I		4,823			1,250		1,250			
	To ensure safety on our roads	J								1,095	1,151	1,208
Local Economic Development and Rural Development	To promote growth and development of the Tourism Sector as one of the anchor	K		10	1,714	5,485	2,600	-	2,600	4,738	665	698
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	124,375	28,141	34,430	42,217	-	42,217	78,046	37,984	39,846

2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information and in terms of the Municipal Systems Act, municipalities are required to prepare organisational performance management system (OPMS) that is linked to the IDP. Mhlontlo Municipality is currently in the process of finalising the OPMS and this has been incorporated into this IDP Process Plan. The PMS process will address the following issues:

- Alignment of the PMS, Budget and IDP processes;
- Implementation of individual performance management system at managerial level.
 -
 - The IDP, OPMS and budget are all components of one overall development planning and management system. The IDP sets out what the municipality aims to accomplish, and how it will do this. The PMS enables the municipality to check the extent to which it is achieving its aims. The budget provides the resources that the municipality will use to achieve its aims.

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

TABLE 22
EC156 Mhlontlo - MBRR Table SA7 Measurable Performance Indicators

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
Vote 1 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 2 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 3 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
And so on for the rest of the Votes										

2.3.1 Performance indicators and benchmarks

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

MHLONTLO MUNICIPALITY 2013/2014 MTREF

TABLE 23
EC156 Mhlontlo - MBRR 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
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid / Operating Expenditure	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing / Own Revenue	0.2%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of own capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	2.5	2.0	4.9	3.3	2.4	2.6	2.4	0.4	3.2	4.5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 day /current liabilities	2.5	2.0	4.9	3.3	2.4	2.6	2.4	0.4	3.2	4.5
Liquidity Ratio	Monetary Assets/Current Liabilities	0.4	0.8	3.0	0.8	2.0	2.3	2.0	-	-	-
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		1119.5%	13.5%	82.7%	93.6%	0.0%	93.6%	0.0%	100.0%	100.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			1142.0%	13.5%	82.7%	93.6%	0.0%	93.6%	0.0%	100.0%	100.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	13.9%	15.2%	12.4%	13.5%	0.0%	5.1%	0.0%	5.0%	4.9%	4.1%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))										
Creditors to Cash and Investments		-159.6%	213.0%	54.2%	109.7%	0.0%	109.7%	0.0%	-56.6%	39.5%	3.6%
Other Indicators											
Electricity Distribution Losses (2)											
	Total Volume Losses (kWh)										
	Total Cost of Losses (Rand '000)										
	Total Volume Losses (kI)										
Water Distribution Losses (2)											
	Total Cost of Losses (Rand '000)										
Employee costs	Employee costs/(Total Revenue - capital revenue)	17.6%	22.1%	34.2%	37.2%	0.0%	37.2%	0.0%	37.7%	37.3%	31.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	29.5%	35.3%	46.2%	0.0%	46.2%		46.5%	46.0%	39.0%
Repairs & Maintenance	RAM/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	2.3%	0.0%	2.3%		3.2%	3.1%	2.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.0%	0.0%	9.2%	0.0%	0.0%	0.0%		8.0%	7.8%	6.5%
IDP regulation financial viability indicators											
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	15.5	12.7	17.6	-	-	-	-	20.8	20.3	21.2
O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	217.0%	589.1%	230.6%	210.5%	0.0%	78.9%	0.0%	96.0%	97.0%	97.1%
Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(0.3)	0.7	1.6	0.5	-	0.5	-	(0.6)	0.6	4.9

Borrowing Management : Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. Mhlontlo has limited the funding of its capital program to capital grants receivable and use of own revenue in the 2013/2014 MTREF, hence no external borrowings.

2.4 OVERVIEW OF BUDGET RELATED POLICIES

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

The following budget related policies exist :-

- (a) Credit control and debt collection policy
- (b) Property rates policy
- (c) Tariff policy
- (d) Supply Chain Management policy
- (e) Asset Management Policy
- (f) Revenue Management Policy.
- (g) Cash Management Policy
- (h) Fleet Policy

These were reviewed and proposed changes for the 2013/2014 budget year were tabled and adopted by council.

2.5 OVERVIEW OF BUDGET ASSUMPTIONS

Budget assumptions/parameters are determined in advance of the budget process to allow budgets to be constructed to support the achievement of the longer-term financial and strategic targets.

The following principles and guidelines directly informed the compilation of the Budget:

- The priorities and targets in relation to the key strategic focus areas as determined in the IDP.
- The level of property rates and tariff increases to take into account the need to address maintenance and infrastructural backlogs, including the expansion of services.
- An assessment of the relative capacity to implement the Budget.
- No budget allocation has been made to programmes and projects, unless the respective programme and project plans have been submitted by the relevant Directors.
- The need to enhance the municipality's revenue base.

The assumptions and principles applied in the development of this Budget are based upon guidelines received from National and Provincial Treasury, regulatory institutions such as the National Electricity Regulator of South Africa (NERSA), the South African Local Government Bargaining Council SALGA and National Treasury's

MFMA Circular No 66 and 67. The IDP’s strategic focus areas informed the development of the Budget, in addition to assessing the relative capacity to implement the Budget, taking affordability considerations into account. The aforementioned guidelines were considered appropriate to inform the development of the Budget.

2.6 OVERVIEW OF BUDGET FUNDING

The budget is funded from two major sources:

- Realistic expected revenue from operations (Property rates and service charges)
- Grants and subsidies (cash backed allocations from government)

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

TABLE 24

EC156 Mhlontlo - Table A1 Budget Summary

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
Financial Performance										
Property rates	8 867	3 129	6 919	7 327	-	8 327	-	7 967	8 374	8 717
Service charges	700	551	552	54	-	541	-	173	181	180
Investment revenue	1 182	897	1 940	751	-	751	-	1 085	1 140	1 187
Transfers recognised - operational	132 714	129 591	126 855	125 771	-	125 771	-	134 838	145 993	188 600
Other own revenue	3 370	10 113	3 776	3 474	-	3 474	-	14 500	14 438	15 029
Total Revenue (excluding capital transfers and contributions)	146 633	144 281	140 042	133 985	-	138 855	-	158 563	170 126	213 713

The municipality’s own revenue base is very limited. The growth in the property market is stunted as a large proportion of the municipal area is rural, with very limited infrastructure that is ageing and dilapidating. Our current operating budget cannot handle the need to address infrastructure maintenance and backlogs. This requires substantial cash resources. The presidential intervention is the current solution at this point. In relation to staffing requirements, budget provisions are set aside on an annual basis, in order to fill vacant positions critical to service delivery. The 2013/14 Budget has provisions for repairing plant and machinery; this fleet will be operational and will assist in improving infrastructure maintenance levels

2.7 EXPENDITURE ON GRANTS AND RECONCILIATIONS

TABLE 25

EC156 Mhlonlo - Supporting Table SA19 Expenditure on transfers and grant programme

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
EXPENDITURE:										
Operating expenditure of Transfers and Grants										
National Government:		107,014	93,795	4,896	124,793	-	124,793	134,663	145,618	188,425
Local Government Equitable Share		55,687	57,198		99,507		59,507	110,614	128,084	160,508
Municipal Systems Improvement		-	750	790	800		800	890	934	967
Finance Management		1,000	751	451	1,500		1,500	1,650	1,800	1,950
EPWP Incentive		-	382	790	1,058		1,058	1,025	-	-
Integrated National Electrification Programme		50,327	34,715	3,271	20,000		20,000	20,484	15,000	25,000
Municipal Infrastructure grant(MIG)					1,928		1,928			
Provincial Government:		57	1,079	2,664	978	-	978	175	175	175
#REF!										
Library Subsidies					115		115	115	115	115
Devolution of Property Rates					775		775			
LED-Capacity Revitalisation of the Second Economy		57	1,079	2,664	88		88	60	60	60
Traditional Leaders										
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants		107,071	94,874	7,580	125,771	-	125,771	134,838	145,993	188,600
Capital expenditure of Transfers and Grants										
National Government:		24,450	19,584	28,338	32,448	-	32,448	37,221	40,703	43,528
Municipal Infrastructure Grant (MIG)		24,450	19,584	28,338	32,448		32,448	37,221	40,703	43,528
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality: [insert description]		-	-	-	-	-	-	-	-	-
Other grant providers: [insert description]		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		24,450	19,584	28,338	32,448	-	32,448	37,221	40,703	43,528
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		131,521	114,458	35,918	158,219	-	158,219	172,059	186,696	232,128

MHLONTLO MUNICIPALITY 2013/2014 MTREF

TABLE 26

EC156 Mhlonlto - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

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
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year				449						
Current year receipts				89,463	122,865		122,865	134,663	145,818	188,425
Conditions met - transferred to revenue		-	-	89,902	122,865	-	122,865	134,663	145,818	188,425
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year				3,960						
Current year receipts				817	978		978	175	175	175
Conditions met - transferred to revenue		-	-	4,777	978	-	978	175	175	175
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		-	-	94,679	123,843	-	123,843	134,838	145,993	188,600
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year				3,285						
Current year receipts				30,504	34,376		34,376	37,221	40,703	43,528
Conditions met - transferred to revenue		-	-	33,589	34,376	-	34,376	37,221	40,703	43,528
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		-	-	33,539	34,376	-	34,376	37,221	40,703	43,528
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		-	-	128,258	158,219	-	158,219	172,059	186,696	232,128
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

2.8 COUNCILLOR AND EMPLOYEE RELATED COST

TABLE 27

EC156 Mhlontlo - MBRR Table SA22 Summary councillor and staff benefits

MHLONTLO MUNICIPALITY 2013/2014 MTREF

EC156 Mhlontlo - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	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
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages			9,602	4,951	5,140		5,140	10,065	10,720	11,416
Pension and UIF Contributions			-	3,296	2,590		2,860	-	-	-
Medical Aid Contributions			-	-	399		899	-	-	-
Motor Vehicle Allowance			-	-	2,915		2,875	3,020	3,216	3,425
Cellphone Allowance			-	-	547		647	765	814	867
Housing Allowances			-	-	-		-	-	-	-
Other benefits and allowances			-	2,972	-		-	175	133	142
Sub Total - Councillors			9,602	11,220	12,421		12,421	13,975	14,883	15,851
% increase	4			16.9%	10.7%		(100.0%)	12.5%	6.5%	6.5%
Senior Managers of the Municipality	2									
Basic Salaries and Wages			3,343	2,899	3,306		3,686	3,766	4,011	4,272
Pension and UIF Contributions			202	560	263		263	600	639	681
Medical Aid Contributions			-	-	310		310	249	265	283
Overtime			-	-	-		-	-	-	-
Performance Bonus			-	-	-		-	-	-	-
Motor Vehicle Allowance	3		733	708	714		714	788	839	894
Cellphone Allowance	3		1,522	1,720	1,612		462	220	235	250
Housing Allowances	3		-	-	201		201	333	355	378
Other benefits and allowances	3		354	392	-		-	65	69	73
Payments in lieu of leave			-	-	-		-	-	-	-
Long service awards			-	-	-		-	-	-	-
Post-retirement benefit obligations	6		-	-	-		-	-	-	-
Sub Total - Senior Managers of Municipality			6,153	6,279	5,936		5,636	6,023	6,414	6,831
% increase	4			2.0%	(10.2%)		(100.0%)	6.9%	6.5%	6.5%
Other Municipal Staff										
Basic Salaries and Wages			11,842	18,698	23,051		23,691	31,057	33,076	35,226
Pension and UIF Contributions			2,798	2,691	4,166		4,486	5,106	5,438	5,791
Medical Aid Contributions			2,460	2,338	6,300		6,600	3,461	3,686	3,925
Overtime			445	820	245		245	1,769	1,884	2,006
Performance Bonus			-	-	-		-	-	-	-
Motor Vehicle Allowance	3		4,563	2,557	3,767		3,767	4,810	5,122	5,455
Cellphone Allowance	3		-	-	577		577	530	565	602
Housing Allowances	3		1,453	1,334	1,918		1,918	1,942	2,068	2,203
Other benefits and allowances	3		3,214	2,971	4,363		4,563	4,686	5,005	5,331
Payments in lieu of leave			-	513	200		200	-	-	-
Long service awards			80	17	-		-	122	130	138
Post-retirement benefit obligations	6		-	-	-		-	-	-	-
Sub Total - Other Municipal Staff			26,855	31,939	46,045		46,045	53,662	56,973	60,877
% increase	4			18.9%	44.2%		(100.0%)	16.8%	6.1%	4.5%
Total Parent Municipality			42,610	49,438	64,102		64,102	73,679	78,270	83,358
% increase				16.6%	29.7%		(100.0%)	14.9%	6.2%	6.5%
Board Members of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Board Fees										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Board Members of Entities										
% increase	4									
Senior Managers of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Entities										
% increase	4									
Other Staff of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Staff of Entities										
% increase	4									
Total Municipal Entities										
TOTAL SALARY, ALLOWANCES & BENEFITS			42,610	49,438	64,102		64,102	73,679	78,270	83,358
% increase	4			16.0%	29.7%		(100.0%)	14.9%	6.2%	6.5%
TOTAL MANAGERS AND STAFF	5,7		33,008	38,218	51,681		51,681	59,704	63,387	67,507

TABLE 29

EC156 Mhlontlo - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers Number	Ref	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
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		52		52	52		52	52		52
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	7		7	7		7	7		7
Other Managers	7	10	4	6	10	4	6	10	4	6
Professionals		42	37	5	42	37	5	42	37	5
<i>Finance</i>		5		5	5		5	5		5
<i>Spatial/town planning</i>		2	2		2	2		2	2	
<i>Information Technology</i>		1	1		1	1		1	1	
<i>Roads</i>										
<i>Electricity</i>										
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>		1	1		1	1		1	1	
<i>Other</i>		33	33		33	33		33	33	
Technicians		79	79	-	79	79	-	79	79	-
<i>Finance</i>		5	5		5	5		5	5	
<i>Spatial/town planning</i>		1	1		1	1		1	1	
<i>Information Technology</i>										
<i>Roads</i>		4	4		4	4		4	4	
<i>Electricity</i>		1	1		1	1		1	1	
<i>Water</i>										
<i>Sanitation</i>										
<i>Refuse</i>		28	28		28	28		28	28	
<i>Other</i>		40	40		40	40		40	40	
Clerks (Clerical and administrative)		35	30	5	35	30	5	35	30	5
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		20	20		20	20		20	20	
Elementary Occupations		8	8		8	8		8	8	
TOTAL PERSONNEL NUMBERS	9	253	178	75	253	178	75	253	178	75
% increase										
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

2.9 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASHFLOW

TABLE 30

EC156 Mhlontlo - 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	
Revenue By Source																	
Property rates		7 967												7 967	5 374	5 117	
Property rates - penalties & collector charges																	
Service charges - electricity revenue																	
Service charges - water revenue																	
Service charges - sanitation revenue																	
Service charges - refuse revenue	14	14	14	14	14	14	14	14	14	14	14	14	14	173	221	180	
Service charges - other																	
Interest on for-fee and equipment	6	6	6	6	6	6	6	6	6	6	6	6	6	71	75	78	
Interest earned - external investments	90	90	90	90	90	90	90	90	90	90	90	90	90	1 045	1 142	1 147	
Interest earned - outstanding debtors																	
Dividends received																	
Fines	7	7	7	7	7	7	7	7	7	7	7	7	7	79	83	87	
Licences and permits	92	92	92	92	92	92	92	92	92	92	92	92	92	1 104	1 160	1 207	
Agency services	46	46	46	46	46	46	46	46	46	46	46	46	46	547	575	569	
Transfers recognised - operational	11 237	11 237	11 237	11 237	11 237	11 237	11 237	11 237	11 237	11 237	11 237	11 237	11 237	154 636	145 993	188 600	
Other revenue	1 058	1 058	1 058	1 058	1 058	1 058	1 058	1 058	1 058	1 058	1 058	1 058	1 058	12 859	12 545	13 052	
Gifts on disposal of PPE																	
Total Revenue (excluding capital transfers and contributions)		20 517	12 550	12 550	12 550	12 550	12 550	12 550	12 550	12 550	12 550	12 550	12 550	158 563	170 126	213 713	
Expenditure By Type																	
Employee related costs	4 975	4 975	4 975	4 975	4 975	4 975	4 975	4 975	4 975	4 975	4 975	4 975	4 975	59 704	63 987	67 907	
Remuneration of councillors	1 165	1 165	1 165	1 165	1 165	1 165	1 165	1 165	1 165	1 165	1 165	1 165	1 165	13 975	14 993	15 261	
Debt impairment	1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	1 333	15 000	15 816	17 400	
Depreciation & asset impairment	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	1 053	12 830	13 274	13 925	
Finance charges																	
Bulk purchases																	
Other materials																	
Contracted services																	
Transfers and grants																	
Other expenditure	6 620	6 620	6 620	6 620	6 620	6 620	6 620	6 620	6 620	6 620	6 620	6 620	6 620	79 441	91 823	95 412	
Loss on disposal of PPE																	
Total Expenditure		15 148	15 148	15 148	15 148	15 148	15 148	15 148	15 148	15 148	15 148	15 148	15 148	181 750	190 183	200 755	
Surplus/(Deficit)																	
Transfers recognised - capital		5 371	(2 598)	(2 598)	(2 598)	(2 598)	(2 598)	(2 598)	(2 598)	(2 598)	(2 598)	(2 598)	(2 598)	(2 598)	(23 167)	(20 057)	12 859
Contributions recognised - capital															37 221	40 709	43 528
Contributed assets																	
Surplus/(Deficit) after capital transfers & contributions		5 371	(2 598)	(2 598)	(2 598)	(2 598)	(2 598)	(2 598)	(2 598)	(2 598)	(2 598)	(2 598)	(2 598)	14 034	20 646	56 487	
Taxation																	
Attributable to minorities																	
Share of surplus/ (deficit) of associate																	
Surplus/(Deficit)	1	5 371	(2 598)	(2 598)	(2 598)	(2 598)	(2 598)	(2 598)	(2 598)	(2 598)	(2 598)	(2 598)	(2 598)	14 034	20 646	56 487	

TABLE 31

EC156 Mhlontlo - 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	
Revenue by Vote																	
Vote 1 - MAYOR'S OFFICE		1 288				429			429						2 146	2 276	3 369
Vote 2 - COUNCIL		6 696				2 233			2 233						11 163	10 407	11 238
Vote 3 - MUNICIPAL MANAGER'S OFFICE		6 375				2 125			2 125						10 825	11 253	11 908
Vote 4 - BUDGET & TREASURY OFFICE		12 096	4 131	4 131	4 131	4 131	4 131	4 131	4 131	4 131	4 131	4 131	4 131	57 534	60 664	58 739	
Vote 5 - CORPORATE SERVICES		8 017				2 672			2 672						13 362	17 866	16 505
Vote 6 - LOCAL ECONOMIC DEVELOPMENT		7 534				2 511			2 511						12 556	13 263	13 964
Vote 7 - COMMUNITY SERVICES		2 303	2 303	2 303	2 303	2 303	2 303	2 303	2 303	2 303	2 303	2 303	2 303	27 634	25 191	34 742	
Vote 8 - INFRASTRUCTURAL PLANNING & DEVELOPMENT		5 064	5 064	5 064	5 064	5 064	5 064	5 064	5 064	5 064	5 064	5 064	5 064	60 765	69 558	106 706	
Vote 9 - [NAME OF VOTE 9]																	
Vote 10 - [NAME OF VOTE 10]																	
Vote 11 - [NAME OF VOTE 11]																	
Vote 12 - [NAME OF VOTE 12]																	
Vote 13 - [NAME OF VOTE 13]																	
Vote 14 - [NAME OF VOTE 14]																	
Vote 15 - [NAME OF VOTE 15]																	
Total Revenue by Vote		49 378	11 487	11 487	11 487	21 468	11 467	11 467	11 467	21 468	11 487	11 487	11 487	195 784	210 829	257 241	
Expenditure by Vote to be appropriated																	
Vote 1 - MAYOR'S OFFICE		208	208	208	208	208	208	208	208	208	208	208	208	2 450	2 452	2 484	
Vote 2 - COUNCIL		1 802	1 802	1 802	1 802	1 802	1 802	1 802	1 802	1 802	1 802	1 802	1 802	19 275	19 340	20 514	
Vote 3 - MUNICIPAL MANAGER'S OFFICE		865	865	865	865	865	865	865	865	865	865	865	865	10 258	10 861	11 491	
Vote 4 - BUDGET & TREASURY OFFICE		4 864	4 864	4 864	4 864	4 864	4 864	4 864	4 864	4 864	4 864	4 864	4 864	58 397	61 475	64 055	
Vote 5 - CORPORATE SERVICES		1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	1 375	16 595	17 526	18 009	
Vote 6 - LOCAL ECONOMIC DEVELOPMENT		772	772	772	772	772	772	772	772	772	772	772	772	9 261	9 594	10 133	
Vote 7 - COMMUNITY SERVICES		2 059	2 059	2 059	2 059	2 059	2 059	2 059	2 059	2 059	2 059	2 059	2 059	25 153	25 214	27 444	
Vote 8 - INFRASTRUCTURAL PLANNING & DEVELOPMENT		3 372	3 372	3 372	3 372	3 372	3 372	3 372	3 372	3 372	3 372	3 372	3 372	40 462	42 657	44 931	
Vote 9 - [NAME OF VOTE 9]																	
Vote 10 - [NAME OF VOTE 10]																	
Vote 11 - [NAME OF VOTE 11]																	
Vote 12 - [NAME OF VOTE 12]																	
Vote 13 - [NAME OF VOTE 13]																	
Vote 14 - [NAME OF VOTE 14]																	
Vote 15 - [NAME OF VOTE 15]																	
Total Expenditure by Vote		15 148	15 148	15 148	15 148	15 148	15 148	15 148	15 148	15 148	15 148	15 148	15 148	181 750	190 183	200 755	
Surplus/(Deficit) before assoc.																	
Taxation		34 230	(3 649)	(3 649)	(3 649)	8 322	(3 649)	(3 649)	(3 649)	8 322	(3 649)	(3 649)	(3 649)	(3 649)	14 034	20 646	56 487
Attributable to minorities																	
Share of surplus/ (deficit) of associate																	
Surplus/(Deficit)	1	34 230	(3 649)	(3 649)	(3 649)	8 322	(3 649)	(3 649)	(3 649)	8 322	(3 649)	(3 649)	(3 649)	(3 649)	14 034	20 646	56 487

MHLONTLO MUNICIPALITY 2013/2014 MTREF

TABLE 32

FC156 Mhlonlo - 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	
Revenue - Standard																	
<i>Governance and administration</i>		34,476	4,131	4,131	4,131	11,590	4,131	4,131	4,131	11,590	4,131	4,131	4,131	84,830	102,417	101,799	
<i>Executive and council</i>		4,960	-	-	-	4,767	-	-	-	4,767	-	-	-	23,934	22,526	26,535	
<i>Budget and treasury office</i>		12,096	4,131	4,131	4,131	4,131	4,131	4,131	4,131	4,131	4,131	4,131	4,131	57,534	60,604	59,730	
<i>Corporate services</i>		8,017	-	-	-	2,672	-	-	-	2,672	-	-	-	13,362	17,588	16,525	
<i>Community and public safety</i>		1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	1,301	952	15,259	16,167	24,120	
<i>Community and social services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Sport and recreation</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Public safety</i>		1,301	1,301	1,301	1,301	1,301	1,311	1,301	1,301	1,301	1,301	1,301	952	15,259	16,167	24,120	
<i>Housing</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Health</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Economic and environmental services</i>		12,597	5,064	5,064	5,064	7,575	5,064	5,064	5,064	7,575	5,064	5,064	5,064	73,321	83,221	129,701	
<i>Planning and development</i>		7,534	-	-	-	2,511	-	-	-	2,511	-	-	-	14,443	14,202	22,611	
<i>Road transport</i>		5,064	5,064	5,064	5,064	5,064	5,064	5,064	5,064	5,064	5,064	5,064	3,177	58,878	66,398	96,301	
<i>Environmental protection</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Trading services</i>		1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	12,375	9,023	18,622	
<i>Electricity</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Water</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Waste water management</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Waste management</i>		1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	12,375	9,023	18,622	
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue - Standard		48,405	11,526	11,526	11,526	21,497	11,526	11,526	11,526	21,497	11,526	11,526	11,177	196,784	210,828	257,241	
Expenditure - Standard																	
<i>Governance and administration</i>		8,904	8,904	8,904	8,904	8,904	8,904	8,904	8,904	8,904	8,904	8,904	8,904	106,845	111,658	117,847	
<i>Executive and council</i>		2,864	2,864	2,864	2,864	2,864	2,864	2,864	2,864	2,864	2,864	2,864	2,864	31,573	32,554	34,550	
<i>Budget and treasury office</i>		4,864	4,864	4,864	4,864	4,864	4,864	4,864	4,864	4,864	4,864	4,864	4,864	58,367	61,475	59,826	
<i>Corporate services</i>		1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	1,375	16,926	17,629	18,622	
<i>Community and public safety</i>		1,301	1,301	1,301	1,301	1,301	1,311	1,301	1,301	1,301	1,301	1,301	1,301	15,608	16,556	17,553	
<i>Community and social services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Sport and recreation</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Public safety</i>		1,301	1,301	1,301	1,301	1,301	1,311	1,301	1,301	1,301	1,301	1,301	1,301	15,608	16,556	17,553	
<i>Housing</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Health</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Economic and environmental services</i>		4,144	4,144	4,144	4,144	4,144	4,144	4,144	4,144	4,144	4,144	4,144	4,144	49,722	52,261	55,063	
<i>Planning and development</i>		1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	14,664	15,327	16,166	
<i>Road transport</i>		2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	2,920	35,039	36,935	38,877	
<i>Environmental protection</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Trading services</i>		798	798	798	798	798	798	798	798	798	798	798	798	9,575	9,708	10,291	
<i>Electricity</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Water</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Waste water management</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Waste management</i>		798	798	798	798	798	798	798	798	798	798	798	798	9,575	9,708	10,291	
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure - Standard		15,148	15,148	15,148	15,148	15,148	15,148	15,148	15,148	15,148	15,148	15,148	15,148	181,750	190,183	200,755	
Surplus/(Deficit) before assoc.		34,259	(3,622)	(3,622)	(3,622)	6,351	(3,622)	(3,622)	(3,622)	6,351	(3,622)	(3,622)	(3,969)	14,034	20,646	56,487	
Share of surplus/(deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)	1	34,259	(3,622)	(3,622)	(3,622)	6,351	(3,622)	(3,622)	(3,622)	6,351	(3,622)	(3,622)	(3,969)	14,034	20,646	56,487	

TABLE 33

EC156 Mhlonlo - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		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
Multi-year expenditure to be appropriated	1															
Vote 1 - MAYOR'S OFFICE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - MUNICIPAL MANAGER'S OFFICE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - BUDGET & TREASURY OFFICE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - LOCAL ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - INFRASTRUCTURAL PLANNING & DEVELOPMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - (NAME OF VOTE 9)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - (NAME OF VOTE 10)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - (NAME OF VOTE 11)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - (NAME OF VOTE 12)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - (NAME OF VOTE 13)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - (NAME OF VOTE 14)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - (NAME OF VOTE 15)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - MAYOR'S OFFICE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - COUNCIL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - MUNICIPAL MANAGER'S OFFICE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - BUDGET & TREASURY OFFICE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - CORPORATE SERVICES		-	200	100	-	228	100	287	806	-	539	-	-	615	857	869
Vote 6 - LOCAL ECONOMIC DEVELOPMENT		-	-	-	1 000	1 300	1 000	1 000	806	-	539	-	-	4 738	665	686
Vote 7 - COMMUNITY SERVICES		-	-	40	40	2 415	2 300	300	300	-	100	-	-	3 105	1 151	1 265
Vote 8 - INFRASTRUCTURAL PLANNING & DEVELOPMENT		-	8 000	9 000	6 800	13 500	6 800	5 700	6 000	5 000	5 150	-	-	62 498	76 205	36 951
Vote 9 - (NAME OF VOTE 9)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - (NAME OF VOTE 10)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - (NAME OF VOTE 11)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - (NAME OF VOTE 12)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - (NAME OF VOTE 13)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - (NAME OF VOTE 14)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - (NAME OF VOTE 15)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	-	8 200	9 240	7 840	17 444	7 830	6 287	7 106	5 000	3 358	633	100	78 048	37 984	38 848
Total Capital Expenditure	2															

MHLONTLO MUNICIPALITY 2013/2014 MTREF

TABLE 34

EC156 Mhlonlo - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	R thousand	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework			
		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	
Capital Expenditure - Standard																	
Governance and administration			200	200		228		287							915	962	1,009
Executive and council																	
Budget and treasury office				100										100	105	110	
Corporate services			200	100		228		287						815	857	899	
Community and public safety				40	40	115	230	300	300				100	1,095	1,151	1,208	
Community and social services																	
Spot and recreation																	
Public safety				40	40	115	230	300	300				100	1,095	1,151	1,208	
Housing																	
Health																	
Economic and environmental services			8,000	8,000	7,800	14,800	7,630	5,700	8,805	5,000	8,398	433		73,736	35,671	37,629	
Planning and development					1,000	1,300	1,030		805			630			4,738	665	
Road transport			8,000	8,000	6,800	13,500	6,600	5,700	8,000	5,000	8,368			68,998	36,206	36,964	
Environmental protection																	
Trading services						2,300								2,300			
Electricity																	
Water																	
Waste water management																	
Waste management						2,300								2,300			
Other																	
Total Capital Expenditure - Standard	2		8,200	9,240	7,840	17,444	7,630	8,287	7,105	5,000	8,398	633	100	78,046	37,684	39,846	

TABLE 35

EC156 Mhlonlo - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	R thousand	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	
Cash Receipts By Source																	
Property rates		664	55	5	4,825	402	41	205	397	319	268	226	190	7,967	8,374	8,717	
Property rates - penalties & collection charges																	
Service charges - electricity revenue																	
Service charges - water revenue																	
Service charges - sanitation revenue																	
Service charges - refuse revenue		14	14	14	14	14	14	14	14	14	14	14	14	173	181	180	
Service charges - other																	
Rental of facilities and equipment		6	6	6	6	6	6	6	6	6	6	6	6	71	75	78	
Interest earned - external investments		90	90	90	90	90	90	90	90	90	90	90	90	1,095	1,140	1,187	
Interest earned - outstanding debtors																	
Dividends received																	
Fines		7	7	7	7	7	7	7	7	7	7	7	7	79	83	87	
Licences and permits		92	92	92	92	92	92	92	92	92	92	92	92	1,104	1,160	1,207	
Agency services		46	46	46	46	46	46	46	46	46	46	46	46	547	575	599	
Transfer receipts - operational		80,903				26,968				26,968				134,838	145,953	189,600	
Other revenue		1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058	12,699	12,545	13,059	
Cash Receipts by Source		82,880	1,388	1,318	6,138	28,683	1,724	1,518	1,710	28,880	1,382	1,538	1,504	158,563	170,128	213,713	
Other Cash Flows by Source																	
Transfer receipts - capital		12,069				12,069				13,083				37,221	40,703	43,528	
Contributions recognised - capital & Contributed assets																	
Proceeds on disposal of PPE																	
Short term loans																	
Borrowing long term/financing																	
Increase (decrease) in consumer deposits																	
Decrease (increase) in non-current debtors																	
Decrease (increase) other non-current receivables																	
Decrease (increase) in non-current investments				25,000										25,000			
Total Cash Receipts by Source		84,948	1,388	18,318	6,138	40,752	1,724	1,518	1,710	41,963	1,382	1,538	1,504	228,764	210,831	257,241	
Cash Payments by Type																	
Employee related costs		4,975	4,975	4,975	4,975	4,975	4,975	4,975	4,975	4,975	4,975	4,975	4,975	59,704	63,387	67,507	
Remuneration of councillors		1,165	1,165	1,165	1,165	1,165	1,165	1,165	1,165	1,165	1,165	1,165	1,165	13,975	14,683	15,851	
Finance charges																	
Bulk purchases - Electricity																	
Bulk purchases - Water & Sewer																	
Other materials																	
Contracted services																	
Transfers and grants - other municipalities																	
Transfers and grants - other																	
Other expenditure		6,620	6,620	6,620	6,620	6,620	6,620	6,620	6,620	6,620	6,620	6,620	6,620	79,441	81,825	85,632	
Cash Payments by Type		12,760	12,760	12,760	12,760	12,760	12,760	12,760	12,760	12,760	12,760	12,760	12,760	153,120	160,083	169,190	
Other Cash Flows/Payments by Type																	
Capital assets			8,200	9,240	7,840	17,444	7,630	8,287	7,105	5,000	8,398	733		78,046	37,684	39,846	
Repayment of borrowing																	
Other Cash Flow s/Payments																	
NET INCREASE/(DECREASE) IN CASH HELD		82,189	(19,593)	4,318	(14,482)	10,548	(18,838)	(17,528)	(18,155)	23,823	(19,576)	(11,954)	(11,258)	(10,382)	12,751	48,208	
Cash/cash equivalents at the monthly end begin		82,189	82,186	82,597	66,915	52,483	53,181	44,196	26,837	8,482	32,442	12,228	874	-	(10,380)	2,389	
Cash/cash equivalents at the monthly end end		82,189	62,593	66,915	52,453	63,001	44,183	26,637	8,482	32,406	12,608	874	(10,382)	(10,382)	2,389	50,575	

2.10 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

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

The following is the list of contracts :-

TABLE 36

EC156 Mhlonlo - MBRR Table SA32 List of external mechanisms

EC156 Mhlonlo - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand

2.11 CAPITAL EXPENDITURE DETAILS

The following tables present details of the municipality's capital expenditure programme on ALL asset classification, i.e. new asset, renewal of existing asset or repairs and maintenance

TABLE 37

EC 156 Mhlontlo – Supporting Table SA 34a Capital expenditure on new assets by asset class

TABLE 38

EC 156 Mhlontlo Table 34b Capital expenditure on the renewal of existing assets

TABLE 39

EC 156 Mhlontlo Repairs and maintenance expenditure by asset class

MHLONTLO MUNICIPALITY 2013/2014 MTREF

EC156 Mhlontlo - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2009/10	2010/11	2111/12	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
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		-	-	-	1,300	-	1,300	1,372	1,441	1,512
Infrastructure - Road transport		-	-	-	-	-	-	317	333	349
Roads, Pavements & Bridges		-	-	-	-	-	-	317	333	349
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	800	-	800	1,055	1,109	1,163
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	800	-	800	1,055	1,109	1,163
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	500	-	500	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation	2	-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	-	-	-	500	-	500	-	-	-
Community		-	-	-	50	-	50	475	499	523
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	50	-	50	53	55	58
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	422	444	465
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	1,535	-	1,535	2,840	2,984	3,131
General vehicles		-	-	-	300	-	300	317	333	349
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	535	-	535	529	566	583
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	700	-	700	1,995	2,096	2,199
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	280	-	280	377	396	416
Computers - software & programming		-	-	-	280	-	280	377	396	416
Other (list sub-class)		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	-	-	-	3,165	-	3,165	5,063	5,321	5,582
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-
R&M as a % of PPE		0.0%	0.0%	0.0%	2.7%	0.0%	3.2%	6.0%	11.7%	11.7%
R&M as % Operating Expenditure		0.0%	0.0%	0.0%	2.5%	0.0%	2.5%	2.8%	2.8%	2.8%

2.12 LEGISLATION COMPLIANCE STATUS

1. Implementation of the MFMA

The municipality has been implementing the provisions of the MFMA in accordance with a documented Implementation Plan. The municipality monitors its implementation status on an on-going basis through reporting via its Committees, including the following:

- The Municipal Manager's Management Team includes all section 57 managers, which meets monthly and attends to MFMA issues requiring attention.
- The Finance and asset management committee a standing committee of the Council, which meets monthly. The committee considers specific MFMA implementation issues and reports via the Mayoral Committee to Council.
- Meetings between the Municipal Manager, CFO and section 57 managers to discuss MFMA implementation issues, as and when necessary, Issues requiring attention are monitored so that actions are taken to ensure compliance.

2. Internship programme

The municipality is participating in the Municipal Financial Management Internship Programme and has employed five(5) interns undergoing training in various sections within the Budget and Treasury Office.

3. In-Year Reporting

The municipality submits the various reports required in accordance with the MFMA to the Executive Mayor, Council, and National Treasury on an on-going basis

4. Budget and Treasury

A Budget and Treasury Office has been established in accordance with the MFMA and NT requirements, consisting of a CFO and municipal officials reporting to the CFO.

5. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

6. Oversight Report

The MPAC lead the oversight process for the 2011/12 financial year, which complies with the MFMA and NT guidance. Due to challenges that were experienced by the MPAC, the Oversight Report was only adopted on the 7th August 2013 even though it was ready for tabling in May 2013.