

MHLONTLO LOCAL MUNICIPALITY



DRAFT ANNUAL BUDGET FOR 2014/15-2016/17 MTREF

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BACKGROUND

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). MFMA Section 17(1)(a) &(b) requires the municipality to prepare annual budget setting out realistically anticipated revenue for the budget year from each revenue source; setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year.

In addition to that MFMA sec 21(2)a & c; requires that IDP be taken into account when preparing the annual budget and also take into account **the national budget, the relevant provincial budget, the national government's fiscal and macro-economic policy, the annual Division of Revenue Act (DoRA) and any agreements reached in the Budget Forum.** Please note that so far we've used the Division of Revenue Bill, not DoRA. The (DoRA) annual Division of Revenue Act is not yet available; Division of revenue Bill is still under consultation process of which it will form, after consultation the final DoRA with few changes made where necessary.

Please see below the tables depicting the Budgeted Revenue & Cash flows. The municipality is required to consider the principle of accrual as the requirement of the standards of GRAP (Generally recognised accounting Practice) which governs the manner in which we account for municipal revenue and expenditure etc.; and the National Treasury guidelines. According to the National Treasury guidelines which are in line with GRAP; the municipality is required to budget for all the monies that will accrue to the municipality for the Medium Term and Revenue & Expenditure Framework (MTREF).

TOPIC: TOTAL BUDGETED REVENUE

GRANTS & SUBSIDIES

EC156 Mhlontlo - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		68 263	91 414	114 131	134 663	154 392	154 392	135 850	182 212	176 496
Local Government Equitable Share		67 972	87 213	95 773	110 614	125 743	125 743	127 895	159 395	158 578
Municipal Systems Improvement			790	800	890	890	890	934	967	1 018
Finance Management			1 450	1 500	1 650	1 650	1 650	1 800	1 850	1 900
EPWP Incentive		291	961	1 058	1 025	1 025	1 025	1 221	-	-
Integrated National Electrification Programme			1 000	15 000	20 484	25 084	25 084	4 000	20 000	15 000
Other transfers/grants [insert description]										
Provincial Government:		4 512	117	211	175	1 837	1 837	170	170	170
Other transfers/grants [insert description]										
Library & Subsidies		-	-	115	115	115	115	170	170	170
Traditional Leaders					60	60	60			
Gqunu Lots						764	764			
Housing Grant		99				898	898			
		4 413	117	96						
District Municipality:		445	-	-	-	-	-	-	-	-
[insert description]										
IDP Expense		445								
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	73 221	91 531	114 342	134 838	156 230	156 230	136 020	182 382	176 666
Capital Transfers and Grants										
National Government:		15 562	28 287	34 376	37 221	45 321	45 321	40 675	42 579	44 392
Municipal Infrastructure Grant (MIG)		15 562	28 287	34 376	37 221	45 321	45 321	40 675	42 579	44 392
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	15 562	28 287	34 376	37 221	45 321	45 321	40 675	42 579	44 392
TOTAL RECEIPTS OF TRANSFERS & GRANTS		88 783	119 818	148 718	172 059	201 551	201 551	176 695	224 961	221 058

TABLE: 1 (For Internal Use- Further analysis)

ANNEXURE B					
GOVERNMENT GRANTS & SUBSIDIES - ALLOCATIONS					
	Current Year 2013/14		Medium Term Revenue and Expenditure Framework		
			Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
GOVERNMENT GRANTS & SUBSIDIES - ALLOCATIONS	Original Budget R'000 B	Adjusted Budget R'000 C	Budget R'000 E	Budget R'000 F	Budget R'000 G
National Grant Allocations					
Operating Transfers and Grants					
1. Equitable Shares	103 515 000	125 743 368	127 895 000	159 395 000	158 578 000
2. Finance Management Grant	1 650 000	1 650 000	1 800 000	1 850 000	1 900 000
3. Municipal Systems Improvement Grant	890 000	890 000	934 000	967 000	1 018 000
4. Special Contribution Towards Councillors	7 099 000	-	-	-	-
6. Electrification Program Direct	20 484 000	25 084 000	4 000 000	20 000 000	15 000 000
7. EPWP-	1 025 000	1 025 000	1 221 000	-	-
Capital Transfers and Grants					
5. Municipal Infrastructure Grant (MIG)	37 221 000	45 321 000	40 675 000	42 579 000	44 392 000
Sub Total - National Grant Allocations	171 884 000	199 713 368	176 525 000	224 791 000	220 888 000
Operating Transfers and Grants					
1. Library Support	115 000	115 000	170 000	170 000	170 000
Traditional leaders	60 000	60 000			
LED Capacity Building	-	-	-	-	-
Sub Total - Provincial Grant Allocations	175 000	175 000	170 000	170 000	170 000
TOTAL GRANTS	172 059 000	199 888 368	176 695 000	224 961 000	221 058 000

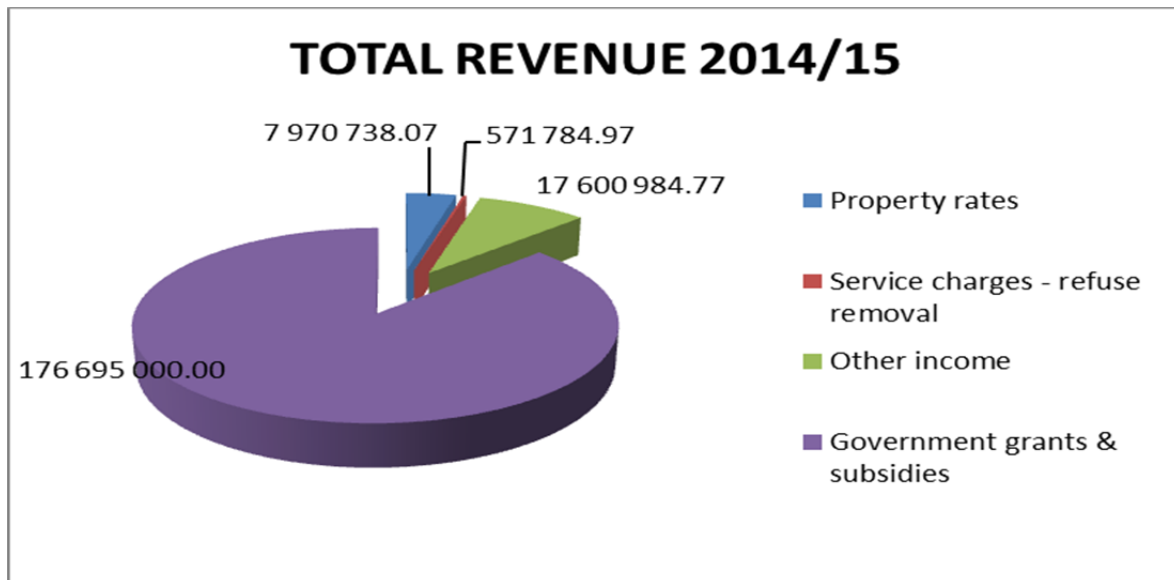
BUDGET SUMMARY

EC156 Mhlontlo - Table A1 Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousands										
Financial Performance										
Property rates	3 129	6 919	7 270	7 967	9 970	9 970	9 970	7 971	8 401	8 855
Service charges	551	552	566	173	285	285	380	572	603	635
Investment revenue	897	1 940	2 314	1 085	1 177	1 177	1 229	1 817	1 916	2 019
Transfers recognised - operational	129 592	126 855	109 996	134 838	156 929	156 929	88 325	136 020	182 382	176 666
Other own revenue	10 113	3 776	3 558	14 500	39 242	39 242	2 596	15 784	16 341	16 638
Total Revenue (excluding capital transfers and contributions)	144 281	140 042	123 703	158 563	207 603	207 603	102 500	162 164	209 642	204 813
Employee costs	31 486	36 616	51 307	59 704	52 482	52 482	35 395	64 876	69 028	73 446
Remuneration of councillors	9 602	11 220	13 316	13 975	12 518	12 518	9 108	15 355	16 261	17 155
Depreciation & asset impairment	-	12 876	10 844	12 630	10 080	10 080	-	10 570	10 844	10 844
Finance charges	30	-	-	-	-	-	-	-	-	-
Materials and bulk purchases	1 834	-	-	-	-	-	-	-	-	-
Transfers and grants	37 748	-	-	-	-	-	-	-	-	-
Other expenditure	30 035	61 772	61 493	95 441	101 794	101 794	50 293	51 156	60 828	58 119
Total Expenditure	110 734	122 484	136 961	181 750	176 874	176 874	94 796	141 957	156 961	159 564
Surplus/(Deficit)	33 547	17 557	(13 257)	(23 187)	30 729	30 729	7 703	20 207	52 682	45 250
Transfers recognised - capital	-	-	24 670	37 221	45 321	45 321	13 833	40 675	42 579	44 392
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	33 547	17 557	11 413	14 034	76 050	76 050	21 537	60 882	95 261	89 642
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	33 547	17 557	11 413	14 034	76 050	76 050	21 537	60 882	95 261	89 642
Capital expenditure & funds sources										
Capital expenditure	27 911	36 540	20 554	68 046	71 753	71 753	29 433	57 363	65 326	57 816
Transfers recognised - capital	19 584	36 540	20 554	37 221	45 321	45 321	29 433	57 363	65 326	57 816
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	8 327	-	-	25 000	26 432	26 432	-	-	-	-
Total sources of capital funds	27 911	36 540	20 554	62 221	71 753	71 753	29 433	57 363	65 326	57 816
Financial position										
Total current assets	32 043	25 577	43 346	7 880	23 487	23 487	36 736	74 472	141 708	210 259
Total non current assets	95 323	116 751	127 245	83 702	62 941	62 941	153 466	193 214	239 674	279 546
Total current liabilities	20 564	9 819	22 995	18 478	4 564	4 564	25 467	25 467	25 467	25 467
Total non current liabilities	2 681	2 248	5 032	-	-	-	-	-	-	-
Community wealth/Equity	104 120	130 262	142 564	42 062	81 864	81 864	164 735	242 219	355 915	464 338
Cash flows										
Net cash from (used) operating	28 691	39 837	41 027	42 664	34 323	34 323	16 099	57 379	89 902	83 857
Net cash from (used) investing	(22 749)	(32 420)	(19 957)	(43 046)	(25 124)	(25 124)	(17 087)	(45 993)	(53 639)	(46 084)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	12 595	20 012	41 083	3 846	10 566	10 566	379	11 386	47 649	85 422
Cash backing/surplus reconciliation										
Cash and investments available	6 654	14 071	35 141	-	9 199	9 199	21 496	32 882	69 145	106 919
Application of cash and investments	16 554	(309)	14 983	35 598	4 517	4 517	6 147	1 793	(10 574)	(23 403)
Balance - surplus (shortfall)	(9 900)	14 379	20 158	(35 598)	4 682	4 682	15 349	31 089	79 719	130 322
Asset management										
Asset register summary (WDV)	95 323	116 751	121 450	-	-	-	193 214	193 214	239 673	279 544
Depreciation & asset impairment	-	12 876	10 844	12 630	10 080	10 080	10 570	10 570	10 844	10 844
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	3 240	2 423	5 063	9 287	9 287	5 147	5 147	4 224	4 457
Free services										
Cost of Free Basic Services provided	-	-	-	10	10	10	10	10	10	11
Revenue cost of free services provided	-	-	-	996	1 048	1 100	2 479	2 479	2 606	2 733
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

TABLE: 2 OVERALL SUMMARY(For Internal Use- Further analysis)

REVENUE BY SOURCE	Current Year : 2013/14	Medium Term Revenue and Expenditure Framework		
		Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
REVENUE BY SOURCE	Full Year Forecast	Budget	Budget	Budget
Property rates	6 236 772.83	7 970 738.07	8 401 157.92	8 854 820.45
Service charges - refuse removal	172 668.91	571 784.97	602 661.36	635 205.07
Other income	40 668 218.03	17 600 984.77	16 589 234.64	16 809 860.70
Government grants & subsidies	201 550 813.70	176 695 000.00	224 961 000.00	221 058 000.00
	248 628 473.47	202 838 507.81	250 554 053.92	247 357 886.23



GRAPH INFORMATION

Budget Year 2014/15 : TOTAL REVENUE	AMOUNT	PERC. %
Property rates	7 970 738.07	3.93
Service charges - refuse removal	571 784.97	0.28
Other income	17 600 984.77	8.68
Government grants & subsidies	176 695 000.00	87.11
	202 838 507.81	

ANALYSIS OF TOTAL BUDGETED REVENUE

This is the analysis of budgeted revenue as reflected in tables 1 & 2. The pie chart graph shown above reflects the total revenue budgeted by source which amounts to R 202 838 507.81. Please be advised that when preparing the budget; we've considered **the principle of accrual** as the requirement of the standards of GRAP (Generally recognised accounting Practice) which governs the manner in which we account for municipal revenue and expenditure etc.; and the National Treasury guidelines. According to the National Treasury guidelines which are in line with GRAP; the municipality is required to budget for all the monies that will **accrue** to the municipality for the Medium Term and Revenue & Expenditure Framework (MTREF). However the total budgeted revenue of R 202 838 507.81 does not necessarily mean we should have total expenditure of that amount.

When budgeting for expenditure we should consider the budgeted cash flows of total revenue, non-cash items and the minimum amount of surplus we are required to have as per the guidance provided in the MFMA Circular 72. When budgeting for expenditure or appropriating revenue; we are required to consider the amount of rates & refuse (billings) that will remain unpaid by the municipal debtors hence we cannot allocate the whole amount to expenditure.

Property Rates

- Property rates constitute 4.17% of the total revenue which amounts to R 7 970 738.07.
- Rates had been steadily increasing as compared to the previous years. Out of the R 7m;
- R 1 346 685 is the assessment rates for businesses R 533 757; Residential R 533 757; Assessment Rates – Government R 5 764 472; Assessment rates- Farms R 325 824.
- The revenue is based on the valuation roll and the tariffs have been increased by 5.6% 2014/15, 2015/16 5.4%, 2016/17 5.4% as per the MFMA Circular 70, however the latest circular(70) provided further guidelines to increase up to 6.2 % (CPIX) as the maximum.
- The MFMA circular 70 stressed out the importance of considering the affordability of the consumers. This means if the consumers do not afford (high levels of poverty); the municipality need not to increase the tariffs up to the maximum. This information is further illustrated in table 2. Please see annexure A & B.

Refuse Removal

Refuse removal constitutes 0.30% of the total revenue which amounts to R 571 784.97.

The methodology used when budgeting for rates is incremental budgeting after working out the number of households to collect refuse removal. This is illustrated by looking at the previous years and the budget for current year. Service debtors for refuse removal are grouped into these different categories.

The breakdown for the budget for 2014/15 is as follows;

- Government R 52 853.26,
- Households R 390 077.61,
- Businesses R 126 527.51 &
- Hospital R 2 326.58.

Please see annexure B for the next two years (2015/16 & 2016/17 Financial years).

Other Revenue

Other revenue (based on table: 2) comprises of all the incomes in which we anticipate will accrue to municipality but; which are not **Property rates and or refuse removal (main incomes due to the municipality as the results of the main basic municipal services offered; these are the types of income which the community members can expect to see in their municipal monthly billing statements).**

The examples of other incomes are;

- halls hire,
- pound fees,
- pound sales,
- wood sales,
- business licences,
- interest on investments,
- rates clearance certificate charges & operating reserves etc.

The percentage of other income in relation to the revenue in total is 8.68 %; R 17 600 984.77 for 2014/15 and R 16 589 234.64; R16 809 860.70 for 2015/16; 2016/17 financial years respectively. Please see annexure A for further details.

Government grants & subsidies

Government grants and subsidies are allocations to be received from national and provincial government in terms of the Division of revenue Act for that specific year. Please note that this is the draft budget and is tabled based on the Division of the Revenue Bill (subject to change) as per the guideline of MFMA Circular 72. **See the background paragraph for further explanation on page 2.**

In terms of terms of the bill; it is anticipated that we'll receive a total of R 176 695 000.00 for grants and subsidies. Out of the total; R 47 409 000; 26.83% is conditional (to be returned back if not spent); the types are MIG, FMG, INEP & MSIG.

The remainder is R 129 286 000; 73.17% unconditional grants; categories are Equitable share, EPWP, Library support. Please see table: 1. These are unconditional in the sense that if the municipality did not spend the whole amount we need not to return them back to the revenue fund (NATIONAL TREASURY). However this does not mean we should not spend them or have slow spending; that would trigger poor levels of service delivery. These grants are given to municipalities for valid reasons and to achieve certain objectives as per the conditions of a particular grant.

The budget for special contributions towards councillors has been removed as the figure belongs to the Equitable share and should not be budgeted separately

The Integrated National Electrification Programme Budget has decreased in the 2014/15 financial based on the expenditure Trends in 2013/14. It is clear that the allocation for 2013/14 will be rolled over to 2014/15 then the R4 Million allocation by National Treasury will be added on the roll over. It has increased again in 2015/16 and 2016/17

The EPWP subsidy has not been budgeted for in 2015/16 as it is the principle adopted by National Treasury not to budget for it in the outer years as it is based on the performance of the municipality for each financial year.

The Budget revenue for traditional leaders is not available for 2014/15, 2015/16 & 2016/17 as the National Treasury made a mistake last financial and mistakenly budgeted the money for awards that the municipality received under traditional leaders subsidy.

TOTAL REVENUE(ACCRUAL)			
<u>Revenue By Source</u>	2014/15	2015/16	2016/17
Property rates	7 970 738	8 401 158	8 854 820
Property rates - penalties & collection charges	-	-	-
Service charges - electricity revenue	-	-	-
Service charges - water revenue	-	-	-
Service charges - sanitation revenue	-	-	-
Service charges - refuse revenue	571 785	602 661	635 205
Service charges - other	-	-	-
Rental of facilities and equipment	44 352	46 747	49 271
Interest earned - external investments	1 817 376	1 915 514	2 018 952
Interest earned - outstanding debtors	791 238	833 964	878 998
Dividends received	-	-	-
Fines	163 680	172 519	181 835
Licences and permits	1 330 560	1 402 410	1 478 140
Agency services	792 000	834 768	879 845
Transfers recognised - operational	136 020 000	182 382 000	176 666 000
Other revenue	12 661 779	13 050 736	13 170 324
Gains on disposal of PPE	-	-	-
Total Revenue (excluding capital transfers and contributions)	162 163 508	209 642 478	204 813 392
<u>Expenditure By Type</u>			
Employee related costs	64 875 922	69 027 981	73 445 772
Remuneration of councillors	15 355 106	16 261 057	17 155 415
Debt impairment	800 000	843 200	888 733
Depreciation & asset impairment	10 569 987	10 843 987	10 843 987
Finance charges	-	-	-
Bulk purchases	-	-	-
Other materials	-	-	-
Contracted services	9 623 220	23 889 940	19 104 395
Transfers and grants	-	-	-
Other expenditure	40 732 286	36 094 479	38 125 402
Loss on disposal of PPE	-	-	-
Total Expenditure	141 956 521	156 960 644	159 563 704
Surplus/(Deficit)	20 206 987	52 681 834	45 249 688
Transfers recognised - capital	40 675 000	42 579 000	44 392 000
Contributions recognised - capital	-	-	-
Contributed assets	-	-	-
Surplus/(Deficit) after capital transfers & contributions	60 881 987	95 260 834	89 641 688

BUDGETED REVENUE PER DEPARTMENT (MUNICIPAL STRUCTURE)

EC156 Mhlontlo - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote										
Vote 1 - MAYOR'S OFFICE	1	5 294	2 790	2 032	2 146	2 607	2 607	1 441	2 568	2 870
Vote 2 - COUNCIL		20 624	17 512	15 641	11 163	13 356	13 356	18 378	20 506	21 794
Vote 3 - MUNICIPAL MANAGER'S OFFICE		12 959	6 534	9 716	10 625	12 907	12 907	2 977	3 975	4 618
Vote 4 - STRATEGIC SERVICES		-	-	-	-	-	-	6 753	8 212	8 871
Vote 5 - BUDGET AND TREASURY OFFICE		24 289	24 167	18 145	57 534	58 899	58 899	39 109	43 485	46 560
Vote 6 - CORPORATE SERVICES		13 008	9 974	11 923	13 362	16 570	16 570	17 188	19 440	20 629
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		12 959	12 460	9 574	12 556	15 470	15 470	14 742	17 353	19 192
Vote 8 - COMMUNITY SERVICES		42 101	16 669	32 022	27 634	31 379	31 379	34 375	42 912	35 364
Vote 9 - INFRASTRUCTURE, PLANNING& DEVELO		13 046	49 936	49 321	60 765	101 738	101 738	67 876	93 771	89 308
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	144 281	140 042	148 373	195 784	252 924	252 924	202 839	252 221	249 205

BUDGETED REVENUE PER DEPARTMENT (STANDARD CLASSIFICATION)

EC156 Mhlontlo - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard										
<i>Governance and administration</i>		76 175	60 976	57 456	94 830	104 338	104 338	79 093	89 973	96 470
Executive and council		38 877	26 836	27 388	23 934	28 870	28 870	22 796	27 049	29 281
Budget and treasury office		24 289	24 167	18 145	57 534	58 899	58 899	39 109	43 485	46 560
Corporate services		13 008	9 974	11 923	13 362	16 570	16 570	17 188	19 440	20 629
<i>Community and public safety</i>		28 587	9 310	22 200	15 259	18 275	18 275	17 017	25 542	16 776
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		28 587	9 310	22 200	15 259	18 275	18 275	17 017	25 542	16 776
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		26 005	62 397	58 895	73 321	117 207	117 207	89 370	119 336	117 371
Planning and development		12 959	12 460	9 574	14 443	18 731	18 731	25 573	29 465	32 231
Road transport		13 046	49 936	49 321	58 878	98 476	98 476	63 798	89 872	85 140
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		13 514	7 359	9 822	12 375	13 104	13 104	17 358	17 370	18 588
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		13 514	7 359	9 822	12 375	13 104	13 104	17 358	17 370	18 588
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	144 281	140 042	148 373	195 784	252 924	252 924	202 839	252 221	249 205

TOPIC: BUDGETED TOTAL OPERATING EXPENDITURE

EC156 Mhlontlo - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Expenditure By Type											
Employee related costs	2	31 486	36 616	51 307	59 704	52 482	52 482	35 395	64 876	69 028	73 446
Remuneration of councillors		9 602	11 220	13 316	13 975	12 518	12 518	9 108	15 355	16 261	17 155
Debt impairment	3	-	17 784	989	16 000	6 980	6 980	-	800	843	889
Depreciation & asset impairment	2	-	12 876	10 844	12 630	10 080	10 080	-	10 570	10 844	10 844
Finance charges		30	-	-	-	-	-	-	-	-	-
Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8	1 834	-	-	-	-	-	-	-	-	-
Contracted services		-	1 265	1 896	-	-	-	-	9 623	23 890	19 104
Transfers and grants		37 748	-	-	-	-	-	-	-	-	-
Other expenditure	4, 5	30 035	42 723	58 561	79 441	94 814	94 814	50 293	40 732	36 094	38 125
Loss on disposal of PPE		-	-	47	-	-	-	-	-	-	-
Total Expenditure		110 734	122 484	136 961	181 750	176 874	176 874	94 796	141 957	156 961	159 564
Surplus/(Deficit)		33 547	17 557	(13 257)	(23 187)	30 729	30 729	7 703	20 207	52 682	45 250
Transfers recognised - capital		-	-	24 670	37 221	45 321	45 321	13 833	40 675	42 579	44 392
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		33 547	17 557	11 413	14 034	76 050	76 050	21 537	60 882	95 261	89 642
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		33 547	17 557	11 413	14 034	76 050	76 050	21 537	60 882	95 261	89 642
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		33 547	17 557	11 413	14 034	76 050	76 050	21 537	60 882	95 261	89 642
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		33 547	17 557	11 413	14 034	76 050	76 050	21 537	60 882	95 261	89 642

BUDGETED TOTAL OPERATING EXPENDITURE PER DEPARTMENT (MUNICIPAL STRUCTURE)

EC156 Mhlontlo - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
Expenditure by Vote to be appropriated											
Vote 1 - MAYOR'S OFFICE	1	10 996	1 897	2 653	2 490	2 657	2 657	1 841	1 949	2 056	
Vote 2 - COUNCIL		42 841	16 454	16 959	19 225	18 107	18 107	18 378	19 463	20 533	
Vote 3 - MUNICIPAL MANAGER'S OFFICE		2 367	7 880	8 830	10 258	9 889	9 889	8 458	3 444	3 690	
Vote 4 - STRATEGIC SERVICES		-	-	-	-	-	-	6 083	6 460	6 859	
Vote 5 - BUDGET AND TREASURY OFFICE		16 214	37 753	23 966	58 367	50 064	50 064	30 745	32 065	33 314	
Vote 6 - CORPORATE SERVICES		6 948	13 664	14 664	16 505	13 131	13 131	18 876	20 066	21 314	
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		9 959	5 921	6 483	9 261	9 426	9 426	7 872	8 356	8 853	
Vote 8 - COMMUNITY SERVICES		10 787	14 261	27 515	25 183	26 123	26 123	29 231	28 931	30 726	
Vote 9 - INFRASTRUCTURE, PLANNING & DEVELOPMENT		10 622	24 654	35 891	40 462	47 478	47 478	20 473	36 227	32 218	
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	110 734	122 484	136 961	181 750	176 874	176 874	141 957	156 961	159 564	
Surplus/(Deficit) for the year	2	33 547	17 557	11 413	14 034	76 050	76 050	60 882	95 261	89 642	

BUDGETED TOTAL OPEARATING EXPENDITURE PER DEPARTMENT (STANDARD CLASSIFICATION)

EC156 Mhlontlo - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
Expenditure - Standard										
<i>Governance and administration</i>		79 366	77 648	67 072	106 845	93 847	93 847	78 298	76 986	80 907
Executive and council		56 204	26 231	28 442	31 973	30 652	30 652	28 677	24 856	26 280
Budget and treasury office		16 214	37 753	23 966	58 367	50 064	50 064	30 745	32 065	33 314
Corporate services		6 948	13 664	14 664	16 505	13 131	13 131	18 876	20 066	21 314
<i>Community and public safety</i>		4 875	7 978	12 471	15 608	15 706	15 706	14 945	13 755	14 624
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		4 875	7 978	12 471	15 608	15 706	15 706	14 945	13 755	14 624
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		20 581	30 575	42 374	49 722	56 904	56 904	34 427	51 043	47 930
Planning and development		9 959	5 921	6 483	14 684	19 132	19 132	17 533	17 345	18 397
Road transport		10 622	24 654	35 891	35 039	37 772	37 772	16 895	33 698	29 533
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		5 912	6 283	15 043	9 575	10 417	10 417	14 286	15 176	16 102
Electricity		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		5 912	6 283	15 043	9 575	10 417	10 417	14 286	15 176	16 102
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	110 734	122 484	136 961	181 750	176 874	176 874	141 957	156 961	159 564
Surplus/(Deficit) for the year		33 547	17 557	11 413	14 034	76 050	76 050	60 882	95 261	89 642

TOTAL BUDGETED EXPENDITURE (CAPEX & OPEX) BY TYPE & DEPARTMENT (FOR INTERNAL USE)

EXPENDITURE BUDGET BY TYPE & DEPT.	SALARIES	GENERAL EXPENSES	REPAIRS	TOTAL OPEX	CAPITAL EXPENSES	TOTAL EXPENDITURE	% PERC.
DEPARTMENTS							
MAYOR'S OFFICE	775 075	1 005 462	60 000	1 840 537	0	1 840 537	1
SPEAKER'S OFFICE	14 580 031	3 778 462	20 000	18 378 493	700 000	19 078 493	10
MM	2 101 789	6 355 907	0	8 457 696	0	8 457 696	4
STRATEGIC SERV	3 585 350	2 477 462	20 000	6 082 812	0	6 082 812	3
BTO	8 647 291	22 037 445	60 000	30 744 735	0	30 744 735	15
CORPORATE SERV	15 089 361	3 727 024	60 000	18 876 385	1 590 000	20 466 385	10
HR	13 507 617	3 461 512	0	16 969 129	1 200 000	18 169 129	
IT	1 581 743	265 512	60 000	1 907 255	390 000	2 297 255	
LED	3 946 271	3 865 462	60 000	7 871 733	5 370 000	13 241 733	7
COMM SERV	21 246 928	7 303 304	681 000	29 231 232	2 900 000	32 131 232	16
Traffic	8 764 134	2 951 962	110 000	11 826 096	1 200 000	13 026 096	
Pound	2 942 311	107 000	70 000	3 119 311	0	3 119 311	
Solid Waste	9 540 483	4 244 342	501 000	14 285 825	1 700 000	15 985 825	
INFRA, PLAN & DEV	10 258 933	6 027 900	4 186 065	20 472 898	46 803 000	67 275 898	34
Director's OFFICE	5 509 373	4 781 900	2 986 065	13 277 338	6 100 000	19 377 338	
Planing & Dev	1 724 203	654 000	1 200 000	3 578 203	0	3 578 203	
PMU	3 025 357	592 000	0	3 617 357	40 703 000	44 320 357	
	80 231 028	56 578 428	5 147 065	141 956 521	57 363 000	199 319 521	100

TOPIC: CAPITAL EXPENDITURE

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

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1										
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 - STRATEGIC SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - BUDGET AND TREASURY OFFICE		-	-	-	-	-	-	-	-	-	-
Vote 6 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-
Vote 8 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 9 - INFRASTRUCTURE, PLANNING& DEVELO		-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	366	-	-	-	-
Vote 2 - COUNCIL		-	-	-	-	400	400	700	-	-	-
Vote 3 - MUNICIPAL MANAGER'S OFFICE		197	-	267	-	525	525	304	-	-	-
Vote 4 - STRATEGIC SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 5 - BUDGET AND TREASURY OFFICE		850	-	174	100	171	171	194	-	-	-
Vote 6 - CORPORATE SERVICES		342	10 813	232	815	1 222	1 222	555	1 590	791	782
Vote 7 - LOCAL ECONOMIC DEVELOPMENT		1 724	-	-	4 738	3 533	3 533	2 111	5 370	5 687	6 000
Vote 8 - COMMUNITY SERVICES		-	2 857	551	3 395	2 991	2 991	370	2 900	10 212	323
Vote 9 - INFRASTRUCTURE, PLANNING& DEVELO		24 798	22 869	19 330	58 998	62 912	62 912	25 534	46 803	48 636	50 711
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		27 911	36 540	20 554	68 046	71 753	71 753	29 433	57 363	65 326	57 816
Total Capital Expenditure - Vote		27 911	36 540	20 554	68 046	71 753	71 753	29 433	57 363	65 326	57 816
Capital Expenditure - Standard											
Governance and administration		1 389	10 813	673	915	2 318	2 318	1 419	2 290	791	782
Executive and council		197	-	267	-	925	925	670	700	-	-
Budget and treasury office		850	-	174	100	171	171	194	-	-	-
Corporate services		342	10 813	232	815	1 222	1 222	555	1 590	791	782
Community and public safety		-	-	460	1 095	945	945	-	1 200	10 000	100
Community and social services		-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-
Public safety		-	-	460	1 095	945	945	-	1 200	10 000	100
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		26 522	22 869	19 330	63 736	66 445	66 445	27 645	52 173	54 323	56 711
Planning and development		1 724	-	-	4 738	3 894	3 894	2 111	5 370	5 687	6 000
Road transport		24 798	22 869	19 330	58 998	62 551	62 551	25 534	46 803	48 636	50 711
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	2 857	91	2 300	2 046	2 046	370	1 700	212	223
Electricity		-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Waste water management		-	2 857	91	2 300	2 046	2 046	370	1 700	212	223
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	27 911	36 540	20 554	68 046	71 753	71 753	29 433	57 363	65 326	57 816
Funded by:											
National Government		19 584	36 540	20 554	37 221	45 321	45 321	29 433	57 363	65 326	57 816
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	19 584	36 540	20 554	37 221	45 321	45 321	29 433	57 363	65 326	57 816
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		8 327	-	-	25 000	26 432	26 432	-	-	-	-
Total Capital Funding	7	27 911	36 540	20 554	62 221	71 753	71 753	29 433	57 363	65 326	57 816

ANALYSIS OF CAPITAL EXPENDITURE

Capital expenditure amounted to R57 363 000 which is 28.8% of the total budgeted expenditure.

- Construction of roads amounts to R14 809 054
- Construction of sport fields R11 518 727
- Community Halls R3 000 000
- Plant & Equipment R3 300 000
- Furniture & Office Equipment R 860 000
- Other Buildings R21 875 216
- IT infrastructure R 300 000
- Other Assets e.g. Refuse bins and Movable office R1 700 00

TOPIC: TOTAL BUDGETED CASHFLOW			
TABLE 3: CASH FLOWS	2014/15	2015/16	2016/17
Cash Receipts By Source			
Revenue By Source			
Property rates	5 080 000	5 354 320	5 643 453
Property rates - penalties & collection charges	-	-	-
Service charges - electricity revenue	-	-	-
Service charges - water revenue	-	-	-
Service charges - sanitation revenue	-	-	-
Service charges- refuse	321 229	338 575	356 858
Service charges - other	-	-	-
Rental of facilities and equipment	50 561	53 292	56 169
Interest earned - external investments	1 817 376	248 090	171 446
Interest earned - outstanding debtors	1 850	1 950	2 055
Dividends received	-	-	-
Fines	163 680	172 519	181 835
Licences and permits	1 516 838	1 598 748	1 685 080
Agency services	902 880	951 636	1 003 024
Transfer receipts - operational	136 020 000	182 382 000	176 666 000
Other revenue	1 416 377	1 494 861	1 530 474
Cash Receipts by Source	147 290 791	192 595 990	187 296 396
Other Cash Flows by Source			
Transfer receipts - capital	40 675 000	42 579 000	44 392 000
Contributions recognised - capital & Contributed assets	-	-	-
Proceeds on disposal of PPE	-	-	-
Short term loans	-	-	-
Borrowing long term/refinancing	-	-	-
Increase (decrease) in consumer deposits	-	-	-
Decrease (Increase) in non-current debtors	-	-	-
Decrease (increase) other non-current receivables	-	-	-
Decrease (increase) in non-current investments	11 369 987	11 687 187	11 732 720
Total Cash Receipts by Source	199 335 779	246 862 177	243 421 116
Cash Payments by Type			
Employee related costs	64 875 922	69 027 981	73 445 772
Remuneration of councillors	15 355 106	16 261 057	17 155 415
Finance charges	-	-	-
Bulk purchases - Electricity	-	-	-
Bulk purchases - Water & Sewer	-	-	-
Other materials	-	-	-
Contracted services	9 623 220	23 889 940	19 104 395
Transfers and grants - other municipalities	-	-	-
Transfers and grants - other	-	-	-
Other expenditure	40 732 286	36 094 479	38 125 402
Cash Payments by Type	130 586 534	145 273 457	147 830 984
Other Cash Flows/Payments by Type			
Capital assets	57 363 000	65 326 330	57 816 291
Repayment of borrowing			
Other Cash Flows/Payments			
Total Cash Payments by Type	187 949 534	210 599 787	205 647 275
NET INCREASE/(DECREASE) IN CASH HELD	11 386 245	36 262 390	37 773 840
Cash/cash equivalents at the month/year begin:	-	-	-
Cash/cash equivalents at the month/year end:	11 386 245	36 262 390	37 773 840

ANALYSIS OF BUDGETED CASHFLOWS

Cash flows in overall

The table 3 shown above illustrate cash receipts by source which amounts to R 187 565 791.47 2014/15 and R234 751 390; R231 287 030 for 2015/16 & 2016/17 respectively. Total cash payments by type amounts to R179 441 539; for 2014/15; R 200 788 960; R 195 330 180 for 2015/16 & 2016/17 financial years respectively.

It is imperative to note that the amount of capital expenses corresponds to total budgeted Capital expenses;

R 57 363 000 (2014/15). The municipality is projecting to attain the net cash at the bank of R11 386 245 for the next financial year. The net cash at the bank indicates that the budget is properly funded. As explained in the background, we've considered GRAP and the guidelines from National Treasury, previous year's collections and our current situation when predicting cash flows. These are cash flow projections based on the budgeted revenue plus Input Vat we charge on the refuse, hall hire etc. Please see ANNEXURE: C DETAILS OF BUDGETED CASHFLOWS for further details. Payments by type are based on the budgeted expenditure which is explained below.

Cash flow Payments By Type & Department

The table 4 shown above depicts the total cash flows by type and per department. These are the payments we'll effect in the next financial year. As shown in the table infrastructure department has the highest percentage at 35.26%, Community services at 17.91% etc. This also indicates that we've tried to budget in line with the medium term budget policy statement (MTBPTS) which sets out national priorities to focus on when preparing the municipality's budget. One of those priorities is to upgrade or construct new infrastructure to create job opportunities (MFMA Circular 72).

OTHER A1 TABLES TO BE INCLUDED IN THE BUDGET DOCUMENT AS REQUIRED

EC156 Mhlontlo - Table A6 Budgeted Financial Position

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
ASSETS											
Current assets											
Cash		6 654	14 071	35 141		9 199	9 199	21 496	32 882	69 145	106 919
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	8 428	-	-	7 880	112	112	8 786	11 956	15 298	18 819
Other debtors		16 961	11 507	8 205		-	-	5 748	28 928	56 561	83 816
Current portion of long-term receivables						14 175	14 175				
Inventory	2							705	705	705	705
Total current assets		32 043	25 577	43 346	7 880	23 487	23 487	36 736	74 472	141 708	210 259
Non current assets											
Long-term receivables											
Investments											
Investment property		21 401	21 401	21 401				21 401	21 401	21 401	21 401
Investment in Associate											
Property, plant and equipment	3	73 744	94 867	104 693	83 702	62 941	62 941	130 468	169 954	216 137	255 718
Agricultural											
Biological											
Intangible		177	484	1 031				1 477	1 740	2 017	2 308
Other non-current assets				119				119	119	119	119
Total non current assets		95 323	116 751	127 245	83 702	62 941	62 941	153 466	193 214	239 674	279 546
TOTAL ASSETS		127 365	142 329	170 590	91 582	86 428	86 428	190 202	267 686	381 382	489 805
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	-	-	-	-	-	-	-	-	-	-
Consumer deposits											
Trade and other payables	4	19 984	9 209	22 995	18 478	4 564	4 564	17 681	17 681	17 681	17 681
Provisions		580	609					7 786	7 786	7 786	7 786
Total current liabilities		20 564	9 819	22 995	18 478	4 564	4 564	25 467	25 467	25 467	25 467
Non current liabilities											
Borrowing		-	-	-	-	-	-	-	-	-	-
Provisions		2 681	2 248	5 032	-	-	-	-	-	-	-
Total non current liabilities		2 681	2 248	5 032	-	-	-	-	-	-	-
TOTAL LIABILITIES		23 245	12 067	28 027	18 478	4 564	4 564	25 467	25 467	25 467	25 467
NET ASSETS	5	104 120	130 262	142 564	73 104	81 864	81 864	164 735	242 219	355 915	464 338
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		104 120	130 262	142 564	17 062	81 864	81 864	21 537	77 484	113 696	108 423
Reserves	4	-	-	-	25 000	-	-	143 198	164 735	242 219	355 915
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	104 120	130 262	142 564	42 062	81 864	81 864	164 735	242 219	355 915	464 338

EC156 Mhlontlo - Table A7 Budgeted Cash Flows

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		1 863	9 268	11 126	22 640	20 901	20 901	10 274	9 453	9 966	10 459
Government - operating	1		92 354	82 138	134 838	134 838	134 838	95 720	136 020	182 382	176 666
Government - capital	1	130 272	28 287	34 376	37 221	37 221	37 221	13 022	40 675	42 579	44 392
Interest		897	1 158	1 576	1 085	1 177	1 177	1 151	1 817	248	171
Dividends											
Payments											
Suppliers and employees		(104 312)	(91 193)	(88 188)	(153 120)	(159 814)	(159 814)	(104 068)	(130 587)	(145 273)	(147 831)
Finance charges		(30)	(37)								
Transfers and Grants	1										
NET CASH FROM/(USED) OPERATING ACTIVITIES		28 691	39 837	41 027	42 664	34 323	34 323	16 099	57 379	89 902	83 857
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			1 225	157							
Decrease (Increase) in non-current debtors											
Decrease (increase) other non-current receivables						21 630	21 630				
Decrease (increase) in non-current investments					25 000	25 000	25 000	12 655	11 370	11 687	11 733
Payments											
Capital assets		(22 749)	(33 645)	(20 113)	(68 046)	(71 753)	(71 753)	(29 742)	(57 363)	(65 326)	(57 816)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(22 749)	(32 420)	(19 957)	(43 046)	(25 124)	(25 124)	(17 087)	(45 993)	(53 639)	(46 084)
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		5 942	7 417	21 070	(382)	9 199	9 199	(988)	11 386	36 262	37 774
Cash/cash equivalents at the year begin:	2	6 654	12 595	20 012	4 228	1 366	1 366	1 366		11 386	47 649
Cash/cash equivalents at the year end:	2	12 595	20 012	41 083	3 846	10 566	10 566	379	11 386	47 649	85 422

EC156 Mhlontlo - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash and investments available											
Cash/cash equivalents at the year end	1	12 595	20 012	41 083	3 846	10 566	10 566	379	11 386	47 649	85 422
Other current investments > 90 days		(5 942)	(5 942)	(5 942)	(3 846)	(1 366)	(1 366)	21 117	21 496	21 496	21 496
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		6 654	14 071	35 141	-	9 199	9 199	21 496	32 882	69 145	106 919
Application of cash and investments											
Unspent conditional transfers		8 979	2 280	16 045	15 000	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	7 574	(2 589)	(1 062)	(4 402)	4 517	4 517	6 147	1 793	(10 574)	(23 403)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5				25 000						
Total Application of cash and investments:		16 554	(309)	14 983	35 598	4 517	4 517	6 147	1 793	(10 574)	(23 403)
Surplus(shortfall)		(9 900)	14 379	20 158	(35 598)	4 682	4 682	15 349	31 089	79 719	130 322

EC156 Mhlontlo - Table A9 Asset Management

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CAPITAL EXPENDITURE										
Total New Assets	1	27 911	36 540	20 554	68 046	71 753	71 753	57 363	65 326	57 816
Infrastructure - Road transport		24 798	22 869	17 423	26 498	47 199	47 199	14 809	31 003	32 323
Infrastructure - Electricity		-	-	-	-	4 600	4 600	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	2 857	-	800	546	546	-	-	-
Infrastructure		24 798	25 727	17 423	27 298	52 344	52 344	14 809	31 003	32 323
Community		-	-	2 105	28 738	7 533	7 533	14 519	15 235	15 923
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		3 113	10 813	586	11 517	11 377	11 377	27 735	18 771	9 235
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	441	493	499	499	300	318	335
Total Renewal of Existing Assets	2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	24 798	22 869	17 423	26 498	47 199	47 199	14 809	31 003	32 323
Infrastructure - Road transport		-	-	-	-	4 600	4 600	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	2 857	-	800	546	546	-	-	-
Infrastructure		24 798	25 727	17 423	27 298	52 344	52 344	14 809	31 003	32 323
Community		-	-	2 105	28 738	7 533	7 533	14 519	15 235	15 923
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		3 113	10 813	586	11 517	11 377	11 377	27 735	18 771	9 235
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	441	493	499	499	300	318	335
TOTAL CAPITAL EXPENDITURE - Asset class	2	27 911	36 540	20 554	68 046	71 753	71 753	57 363	65 326	57 816
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5	45 290	59 412	69 052	-	-	-	107 047	126 133	146 390
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		45 290	59 412	69 052	-	-	-	107 047	126 133	146 390
Community		5 815	5 408	7 418	-	-	-	18 046	30 864	44 276
Heritage assets		-	-	-	-	-	-	119	119	119
Investment properties		21 401	21 401	21 401	-	-	-	21 401	21 401	21 401
Other assets		22 639	30 046	22 548	-	-	-	44 861	59 140	65 050
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		177	484	1 031	-	-	-	1 740	2 017	2 308
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	95 323	116 751	121 450	-	-	-	193 214	239 673	279 544
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment	3	-	12 876	10 844	12 630	10 080	10 080	10 570	10 844	10 844
Repairs and Maintenance by Asset Class		-	3 240	2 423	5 063	9 287	9 287	5 147	4 224	4 457
Infrastructure - Road transport		-	599	-	317	2 464	2 464	1 200	1 271	1 341
Infrastructure - Electricity		-	979	966	1 055	1 805	1 805	1 226	1 298	1 370
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	263	-	-	200	200	250	265	279
Infrastructure		-	1 841	966	1 372	4 469	4 469	2 676	2 834	2 990
Community		-	5	33	475	409	409	131	139	146
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	-	1 394	1 424	3 217	4 408	4 408	2 340	1 252	1 321
TOTAL EXPENDITURE OTHER ITEMS		-	16 116	13 267	17 693	19 367	19 367	15 717	15 068	15 301
<i>Renewal of Existing Assets as % of total capex</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal of Existing Assets as % of deprecn*</i>		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>R&M as a % of PPE</i>		0.0%	3.4%	2.3%	6.0%	14.8%	14.8%	3.0%	2.0%	1.7%
<i>Renewal and R&M as a % of PPE</i>		0.0%	3.0%	2.0%	0.0%	0.0%	0.0%	3.0%	2.0%	2.0%

EC156 Mhlontlo - Table A10 Basic service delivery measurement

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
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)										
<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	10	10	10	11
Total cost of FBS provided (minimum social packa		-	-	-	10	10	10	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 rebate)					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)	6	-	-	-	996	1 048	1 100	2 479	2 606	2 733

OVERALL BUDGET

TABLE 5 : OVERALL BUDGET ANALYSIS:TOTAL REVENUE; OPERATING & CAPITAL EXPENDITURE			
	2014/15	2015/16	2016/17
TOTAL REVENUE	202 838 508	252 221 478	249 205 392
OPERATING EXPENDITURE	141 956 521	156 960 644	159 563 704
CAPITAL EXPENDITURE	57 363 000	65 326 330	57 816 291
TOTAL EXPENDITURE(OPEX + CAPEX)	199 319 521	222 286 974	217 379 995
BALANCE	3 518 987	29 934 504	31 825 397

Overall analysis table 5 & conclusion

This is overall analysis with expenses, revenue and capital expenses to test the level funding compliance; is it high, middle or low? It is funded thus leaving no chances for liquidity problems. The opinion expressed on the level will be based on the balance as shown in the table. That exercise is done by Provincial treasury and National Treasury.