



TSOLWANA

LOCAL MUNICIPALITY

FINAL ANNUAL BUDGET - 16/17

THE 2016/2017 MULTI-YEAR OPERATIONAL
AND CAPITAL BUDGET

2017

2. GLOSSARY

Budget – prescribed in section 16 (1) and (2) of the MFMA. The formal means by which the Council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year and that; a mayor of a municipality must table the annual budget at a Council meeting at least 90 days before the start of the budget year.

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

Budget – the financial plan of the municipality

Budget related policy – policy of a municipality affecting or affected by the budget, such as the tariffs policy, rates policy and credit control and debt collection policy, etc

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

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

DORA – Division of Revenue Act. Annual legislation that shows the amount of allocations from National Treasury to CoGTA.

Equitable share – a general grant paid to municipalities. It is predominantly targeted to help with free basic services.

CHDM – Chris Hani District Municipality

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

FMG – Finance Management Grant

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

GAAP – General Accepted Accounting Principles. World Wide Accepted Standards

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

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

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

MFMA – The Municipal Finance Management Act – no 56 of 2003.
The principle piece of legislation relating to municipal financial management.

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

MSIG – Municipal Systems Improvement Grant

Operating expenditure – spending on the day to day expenses of the municipality such as salaries and wages.

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

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

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

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

Virement – a transfer of budget

Virement Policy – The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be taken and approved by Council.

Vote – one of the main segments into which a budget is divided, usually at directorate / department level.

3. **MAYORAL BUDGET SPEECH**

It is with great pleasure to present the 2016/2017 Budget to the Council for consideration.

We have reached that stage again where we have to reflect on our Strategic and Financial plans for the period ahead. The 2011 Local Elections gave us a clear mandate as the current leadership to provide Strategic Leadership and Service delivery to the masses of our people.

Very key to our mandate is the “Speeding- up of service delivery and expansion therefore to the rural areas of our LM”. We are mindful of the challenges facing all our people mainly:

1. Unemployment
2. Access to basic services such as water, sanitation, and electricity
3. Poor and lack of infrastructure
4. Poor Local Economic Development
5. Youth and rural development

However, Council’s objective with the Budget has not changed since the previous financial year and I am once again repeating them for your convenience. They are:

- Ensure that every citizen of the Tsolwana area shares in the services that this Municipality provides.
- Provide cost-effective and efficient services to the community as a whole.
- Improve the standard of services.
- Provide for the maintenance of existing infrastructure.
- Provide and plan for new infrastructure and new bulk services due to the growing needs of the town.
- Protect the poor by subsidising various rates and tariffs from the equitable share paid by the State, and to
- Maintain financial discipline, thereby ensuring that the finances of this Council are kept on a sound basis.

As with the budget for the present financial year our focus in compiling this budget has once again been, as it should be, on good service delivery. In this regard we have been guided by our communities, through the IDP process, as well as our able management team, the latter to guide us on the requirements to maintain and expand our infrastructure to ensure that Tsolwana is also able to cope with future development.

The needs of the community were prioritised to form the basis for the budget and to match income and resources with the needs of the community to the best of our ability. We have attempted to spread the budget as equitably as possible across the various wards.

Expenditure of course has to match revenue and it was not possible to include all requests or wishes that were tabled during the community participation processes. It is therefore inevitable that there will be some disappointments.

There is not enough time on this occasion to provide you with every detail of the 2016/2017 Budget, but I would like to highlight the following:

TSOLWANA MUNICIPALITY BUDGET 16/17

The budget for 2016/2017 consists of a Capital Budget of R11,766 million and an Operational Budget of R90,218 million. The Operational Budget, however, includes non-cash transactions to the value of R9,453million(Depreciation and Provision for bad debts), as well as R25,000 million additional from prior years on the Roads project.

The Council's main priority have remained unchanged for infrastructure development from the prior periods and still focuses on ensuring that all members of the community have access to high quality basic services. Infrastructure spending, especially in previously disadvantaged communities, remains high and this is clearly depicted in the proposed capital budget. The currently is an amalgamation process that is underway. Therefore the prioritisation of the infrastructure projects will be determined upon amalgamation

Detail of capital projects:

EC132 Tsolwana - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordi	Prior year outcomes		2016/17 Medium Term Revenue & Expenditure Framework		
									Audited Outcome 2014/15	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	4			2	6	3	3	5					
Parent municipality:													
<i>List all capital projects grouped by Municipal Vote</i>													
1.1 - Municipal Manager		OFFICE EQUIPMENT ASSETS;	0001/1505/0000		Yes	Other Assets	Furniture and other office equipment						
1.1 - Municipal Manager		COMPUTER EQUIPMENT;	0001/1510/0000		Yes	Other Assets	Computers - hardware/equipment						
2.1 - Budget and Treasury		OFFICE EQUIPMENT ASSETS;	0201/1505/0000		Yes	Other Assets	Furniture and other office equipment		455	350	350	350	
2.1 - Budget and Treasury		COMPUTER EQUIPMENT;	0201/1510/0000		Yes	Other Assets	Computers - hardware/equipment	54	15	20	20	20	
2.1 - Budget and Treasury		SOFTWARE ASSETS;	0201/1520/0000		Yes	Other Assets	Computers - software & programming			150	5	5	
2.1 - Budget and Treasury		IT AND OTHER;	0201/1530/0000		Yes	Other Assets	Computers - software & programming						
2.1 - Budget and Treasury		SOFTWARE ASSETS;	0201/1520/0001		Yes	Other Assets	Computers - software & programming						
3.1 - Human Resources and Administration		VEHICLE ASSETS;	0301/1500/0000		Yes	Other Assets	General vehicles						
3.1 - Human Resources and Administration		OFFICE EQUIPMENT ASSETS;	0301/1505/0000		Yes	Other Assets	Furniture and other office equipment	13	80	40	40	40	
3.1 - Human Resources and Administration		COMPUTER EQUIPMENT;	0301/1510/0000		Yes	Other Assets	Computers - hardware/equipment						
4.1 - Community Services		OFFICE EQUIPMENT ASSETS;	0403/1505/0000		Yes	Other Assets	Furniture and other office equipment		-				
4.1 - Community Services		COMPUTER EQUIPMENT;	0403/1510/0000		Yes	Other Assets	Computers - hardware/equipment		25	20	20	20	
4.5 - Public Safety		VEHICLE ASSETS;	0461/1500/0000		Yes	Other Assets	General vehicles						
4.5 - Public Safety		COMPUTER EQUIPMENT;	0461/1510/0000		Yes	Other Assets	Computers - hardware/equipment			20			
4.5 - Public Safety		FURNITURE ASSETS;	0461/1525/0000		Yes	Other Assets	Furniture and other office equipment		60	30	25	25	
4.6 - Refuse		ASSETS: SPECIALISED VEHICLES	SPECIALISED VEHICLES		Yes	Other Assets	Specialised vehicles						
5.1 - Roads and Stormwater		STORM WATER ASSETS	STORM WATER 1		Yes	Infrastructure - Road Tra	Storm water						
5.2 - Electricity		FURNITURE ASSETS;	0540/1525/0000		Yes	Other Assets	Furniture and other office equipment						
5.2 - Electricity		OTHER ASSETS	0540/15./0000		Yes	Other Assets	Other Assets	376					
5.1 - Roads and Stormwater		PAVEMENT PROJECT;	0530/4485/0000		Yes	Infrastructure - Road Tra	Roads, Pavements & Bridges						
1.1 - Municipal Manager		Buildings	MIG 1		Yes	Other Assets	Civic Land and Buildings						
5.1 - Roads and Stormwater		Internal Roads	MIG 2		Yes	Infrastructure - Road Tra	Roads, Pavements & Bridges	7,189	5,604		10,884	11,497	
5.1 - Roads and Stormwater		Bridge - Bacclesfarm	MIG 3		Yes	Infrastructure - Road Tra	Roads, Pavements & Bridges			7,837			
5.1 - Roads and Stormwater		Internal roads Ward 1	MIG 4		Yes	Infrastructure - Road Tra	Roads, Pavements & Bridges			3,299			
4.1 - Community Services		Khayalethu Community Hall	MIG 5		Yes	Community	Community halls	880	3,812				
4.4 - Sport and Recreation		Phakamisa Sportfield	MIG 6		Yes	Community	Sports Fields & stadia	177	2,798				
1.1 - Municipal Manager		Buildings	MIG 7		Yes	Other Assets	Civic Land and Buildings	2,105					
4.1 - Community Services		Testing Station				Other Assets	Testing testion	3,124					
Parent Capital expenditure	1										11,766	11,344	11,957
Entity Capital expenditure									-	-	-	-	-
Total Capital expenditure									13,919	12,849	11,766	11,344	11,957

The department of Roads and Transport approved R25 million for 2016/17 and 2017/18 each for the internal roads which form part of operating expenditure.

The national grants include the Municipal Infrastructural Grants of R11,136 million, an Expanded Public Works Integrated Grant of R1,357 million, Equitable Share to the amount of R36,456 million, Municipal Systems Improvement Grant of R250 000 and Finance Management Grant of R1,825 million.

- We will also focus on how we will “Collect” what belongs to the Kitty from those who owes so that in return we sustain this Institution. We cannot always carry everything ourselves without the community and stakeholders holding our hands by paying for the services they are getting. We will focus on the collection of revenues of the municipality during the coming financial year to ensure sustainability going further.

We have increased the tariffs with 6% on average. Bulk electricity purchase has increased drastically over the past two years as result of NERSA and ESKOM tariff increases. Bulk electricity price increase for 2016/17 from ESKOM will be 7.857% while municipalities budgeted for an increase of 7.64%. Tariffs have been adjusted under refuse for those consumers other than Residential which will pay materially more than before.

Our commitment to the less privileged in our community remains to be a high priority of Council. This commitment is illustrated in the budget, with a large portion of the budgeted expenditure allocated to free basic services, rebates and a contribution to doubtful debts. The allocations are as follows (R'000):

Indigents are entitled to the following assistance:

1	50 kWh free electricity per month is granted
2	Refuse charges fully subsidised

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

Lastly we must all commit to retain and improve our Audit Outcome using this Budget as a Yard Stick. We must also commit to “Collect” what is due to us to support this Budget moving forward.

Thank you

Honourable Mayor
Mrs M. Bennett

4. BUDGET RELATED RESOLUTIONS

Council Resolutions

On 31 March 2016 the Council of Tsolwana Municipality Local Municipality met in the Council Chambers of Tsolwana Municipality to consider the annual budget of the municipality for the financial year 2016/17. The Council approved the following resolutions:

The Council of Tsolwana Municipality Local Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

The Final annual budget of the municipality for the financial year 2016/17 and the multi-year and single-year capital appropriations as set out in the following tables:

See From 7.1.2 (P.G 23)

Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2

Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3

Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4

Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table A5

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:
see from 7.1.6 (P.G 27)

Budgeted Financial Position as contained in Table A6

Budgeted Cash Flows as contained in Table A7

Cash backed reserves and accumulated surplus reconciliation as contained in Table A8

Asset management as contained in Table A9

Basic service delivery measurement as contained in Table A10

The Council of Tsolwana Municipality Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approves with effect from 1 July 2016 the tariffs as set out at the end as separate document.

That Council approves the amended budget related policies for the budget year 2016/17.

5. OVERVIEW OF THE BUDGET

5.1 Balanced and Credible Budget

The following National Treasury guidelines have been taken into consideration when preparing the budget:

Tabling a balance and credible budget that is based on realistic estimates of revenue to be collected, taking into account both actual revenue collected in the past financial year, and revenue projects for the current financial year.

The inclusion of all grants in the annual budget, on both the revenue and expenditure side;

The presentation of three year capital and operating budgets;

The revision of the IDP to be consistent with the three year budget;

The maximum expenditure growth limit of 6% to stay within inflation targets as determined by National Treasury. The growth limit applies to own revenue sources only and exclude intergovernmental grants, for both the capital and operating budgets.

Increases in rates and taxes have been kept within inflation targets, in support of government's macro-economic objectives and investor confidence.

Funding the Budget

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

Realistically anticipated revenues to be collected;

Cash backed accumulated funds from previous year's surpluses not committed for other purposes; and

Borrowed funds, but only for the capital budget

Achievement of these requirements in totality effectively means that council has "balanced" its budget by ensuring that budgeted outflows will be offset by a combination of planned inflows.

Credible Budget

Amongst other things, the following has been taken into consideration to ensure that this is a credible budget;

Only activities consistent with the revised IDP have been included in the budget, taking into consideration the financial constraints of the municipality;

It is achievable in terms of the agreed services delivery and budget implementation plan and performance targets;

Contains revenue and expenditure projection that are consistent with current and past performance

Does not jeopardize the financial viability of the municipality (ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term; and

Provided managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

The budget sets out certain service delivery levels and associated financial implications, therefore the community should realistically expect to receive these promised service delivery levels and understanding the associated financial implications.

5.2 Government Priorities Considered

THE MTREF

The budget has been prepared based on the new requirements and significant progress has been made on the implementation thereof. However, some processes are still being developed to ensure full compliance, which include activity based costing, asset management, system shortcomings, human capacity building amongst others.

Although the fact that our municipality is categorized as Low Capacity Municipality, it is also of utmost importance to ensure that Council complies with all legislative requirements, this entails the channelling of fund which would ordinarily be utilized for services delivery to the implementation of the legislative requirements.

In framing this budget, priority has been given to objectives and priorities of government based on the IDP adopted by council.

It has been difficult to balance the budget due to the small tax base of the municipality and employee cost challenges as per the salary and wage agreement within the Bargaining Council processes.

Remuneration of councillors and its increases are not yet known however we have budgeted for a 5% increase and 6% for the officials.

A bulk electricity purchase has increased drastically over the past two years as result of NERSA and ESKOM tariff increases. Bulk electricity price increase for 2016/17 from ESKOM will be 7.857% while municipalities budgeted for an tariff increase of 7.64%.

By addressing the poor, as well as the successful implementation of the indigent campaign, the provision of free basic services and indigent subsidy are increasing in our new budget in comparison to previous years. Electricity income however is also increasing due to the higher demand based on more households having access to electricity and the updated indigent registers. Tsolwana is focusing on identifying those that tamper with the electricity as well as illegal connections to limit the electricity loss that was at 39% for the 2014/15 financial year.

The budgeted deficit before capital grant income is due to non-cash items. The municipality is working towards the achievement of realising a surplus in future.

The area of focus in the coming financial year will be mainly in collecting revenue, which will include sundry revenue, to ensure the financial viability of the municipality since Tsolwana Municipality is very much grant dependant at this stage. We are also embarking on reducing/management of our Electricity losses due to illegal bridging in our areas.

The effective management of assets will also be a focus area to ensure that all assets are maintained and repair based on the conditions of all assets in conjunction with the cost effectiveness thereof. This remains a concern since we are relying on our assets to ensure effective basic service delivery.

More budget related policies/strategies will be developed to assist the municipality to control its revenue and expenditure in future. No material changes were made to the existing budget related policies. A new valuation roll was implemented on 1 July 2013.

More effort must be put on the development of the Service Delivery and Budget implementation Plans (SDBIP) of departments, in order to ensure that there is a better and smooth process in the development of the two documents.

6. EXECUTIVE SUMMARY

The main objective of a municipal budget is to allocate realistically expected resources to the service delivery goals or performance objectives identified as priorities in the approved Integrated Development Plan. There's an amalgamation that is currently underway whose IDP has not yet been drafted. Our budget is relating to Tsolwana LM.

The 2015 Medium Term Budget Policy Statement notes that the global economic outlook has been weaker than anticipated. Growth in developing economies has moderated in response to lower commodity prices, subdued domestic demand and reducing capital inflows. Growth in some developed economies has offset this slowdown. The South African economy is expected to grow by 1.5 per cent in 2015, 1.7 per cent in 2016 and 2.6 per cent in 2017.

National Treasury's MFMA Circular No. 78 and 79 was mainly used to guide the compilation of the 2016/17 MTREF. National Treasury proposes that councils consider adopting the following approach for their 2016/17 budget process which has detailed information on the following:

- Outgoing council approves 2016/17 budget
- Benefits
- Risks
- Mitigating factors

National Treasury reminded municipalities that specific strategies and interventions are required by local government in achieving economic stability and higher levels of growth, which includes:

Implementation of the back-to-basics approach
Expanding public sector investment in infrastructure
Sustainable job creation
Municipalities must act as catalysts for economic growth
Securing inclusive growth
Implementing the National Development Plan
Building an efficient developmental state

They further noted that the notion of "doing more with less" can further be supported by municipal approaches that ensure:

Spatial strategies align public spending and unlock public and private investment,
Focus on catalytic interventions that also promote inclusion and desegregation, and

Provide clear signals to private sector

National Treasury also urged municipalities to adopt a conservative approach when projecting their expected revenues and cash receipts. Based on these guidelines, Tsolwana Municipality has aligned its tariffs on main services with a 6 per cent inflation CPIX index for the 2016/17 budget period.

Below are some of the key challenges faced by Tsolwana Municipality during compilation of the budget:

Amalgamation process;

Non-splitting of the budget according to the three amalgamating local municipalities, resulting in the proportional allocations being implemented;

The ongoing difficulties in the national and local economy;

Aging of infrastructure assets and the effective budgeting of repairs and maintenance of such assets;

The need to prioritise projects and expenditure within the financial means of the municipality.

Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;

Affordability of capital projects and the resultant operational costs associated with new infrastructure projects; and

Availability of affordable capital/borrowing.

The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents;

The municipality has a challenge of not completing the MIG capital projects within the prescribed time frames. The latter result to unnecessary rollover of funds and explanation to the different treasuries, which sometimes results to roll overs not approved.

The following budget principles and guidelines directly informed the compilation of the 2016/17 MTREF:

The 2015/16 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2016/17 annual budget;

Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;

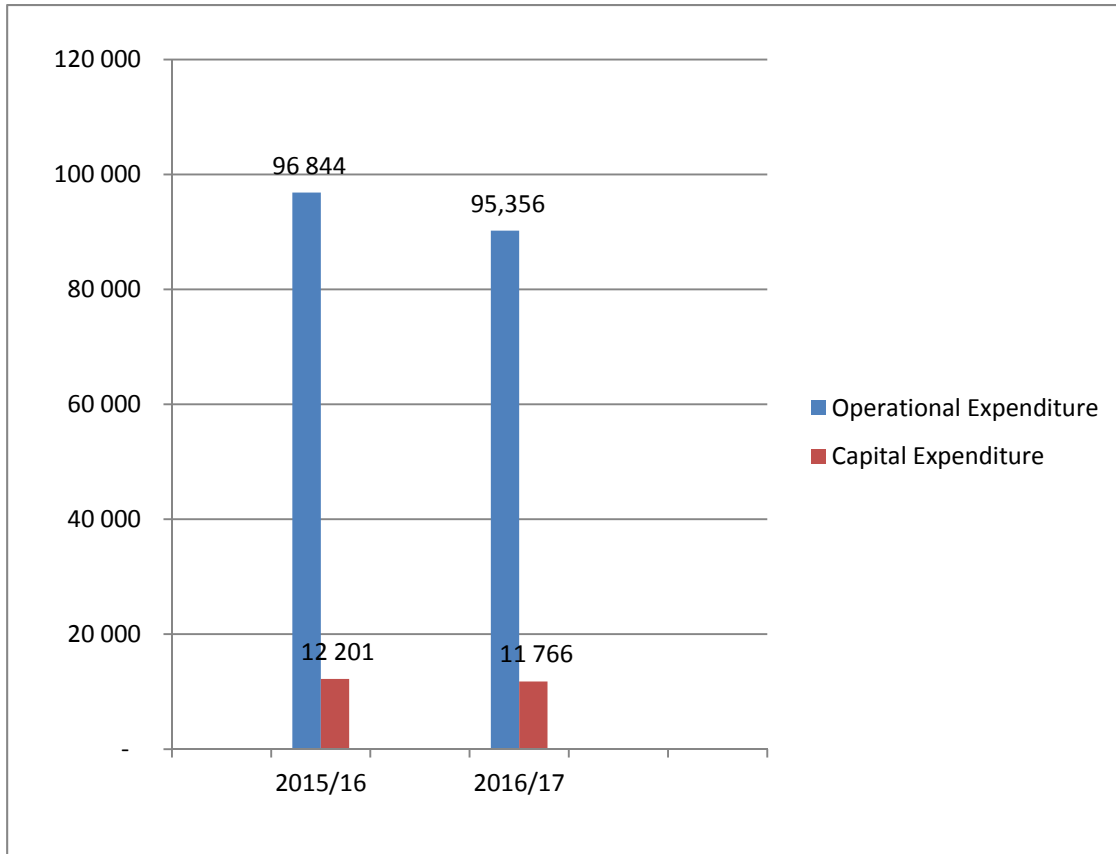
Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity and annual salary increases. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;

There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been included in the gazette as required by the annual Division of Revenue Act;

Financial summary on 2016/17 MTREF budget

The total 2016/17 budget amount to R107,122 million. This consists of an operating budget of R95,356 million or 89.02% of the total budget and a capital budget of R11,766 million or 10.98% of the total budget. The operational budget, however includes non-cash transactions to the value of R9,453 million. If this is subtracted the operational cash budget for 2016/17 is decreased to R85,903 million

The Financial summary graph:



TSOLWANA MUNICIPALITY BUDGET 16/17

Capital Expenditure Budget:

The following table shows the capital budget for the 2016/17 over the MTREF:
EC132 Tsolwana - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project R thousand	Ref 4	Program/Project description	Project number	Prior year outcomes		2016/17 Medium Term Revenue & Expenditure Framework		
				Audited Outcome 2014/15	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>								
1.1 - Municipal Manager		OFFICE EQUIPMENT ASSETS;	0001/1505/0000					
1.1 - Municipal Manager		COMPUTER EQUIPMENT;	0001/1510/0000					
2.1 - Budget and Treasury		OFFICE EQUIPMENT ASSETS;	0201/1505/0000		455	350	350	350
2.1 - Budget and Treasury		COMPUTER EQUIPMENT;	0201/1510/0000	54	15	20	20	20
2.1 - Budget and Treasury		SOFTWARE ASSETS;	0201/1520/0000			150	5	5
2.1 - Budget and Treasury		IT AND OTHER;	0201/1530/0000					
2.1 - Budget and Treasury		SOFTWARE ASSETS;	0201/1520/0001					
3.1 - Human Resources and Administration		VEHICLE ASSETS;	0301/1500/0000					
3.1 - Human Resources and Administration		OFFICE EQUIPMENT ASSETS;	0301/1505/0000	13	80	40	40	40
3.1 - Human Resources and Administration		COMPUTER EQUIPMENT;	0301/1510/0000					
4.1 - Community Services		OFFICE EQUIPMENT ASSETS;	0403/1505/0000		-			
4.1 - Community Services		COMPUTER EQUIPMENT;	0403/1510/0000		25	20	20	20
4.5 - Public Safety		VEHICLE ASSETS;	0461/1500/0000					
4.5 - Public Safety		COMPUTER EQUIPMENT;	0461/1510/0000			20		
4.5 - Public Safety		FURNITURE ASSETS;	0461/1525/0000		60	30	25	25
4.6 - Refuse		ASSETS: SPECILIASSED VEHICLES	SPECILIASSED VEHICLES					
5.1 - Roads and Stormwater		STORM WATER ASSETS	STORM WATER 1					
5.2 - Electricity		FURNITURE ASSETS;	0540/1525/0000					
5.2 - Electricity		OTHER ASSETS	0540/15../0000	376				
5.1 - Roads and Stormwater		PAVEMENT PROJECT;	0530/4485/0000					
1.1 - Municipal Manager		Buildings	MIG 1					
5.1 - Roads and Stormwater		Internal Roads	MIG 2	7,189	5,604		10,884	11,497
5.1 - Roads and Stormwater		Bridge - Bacclesfarm	MIG 3			7,336		
5.1 - Roads and Stormwater		Internal roads Zola	MIG 4			3,800		
4.1 - Community Services		Khayalethu Community Hall	MIG 5	880	3,812			
4.4 - Sport and Recreation		Phakamisa Sportfield	MIG 6	177	2,798			
1.1 - Municipal Manager		Buildings	MIG 7	2,105				
4.1 - Community Services		Testing Station		3,124				
Parent Capital expenditure	1			13,919	12,849	11,766	11,344	11,957

The capital budget is R11,766 million for 2016/17 (R11,136 million-Mig allocation and R630k- Internally generated fund for moveable assets as well as the Projects as discussed below). The R11,136 is based on the apportionment of the Mgijima Local by deduction 7% from the original budget from the IDP. The original IDP consists of the following capital program is R12,527 million in the 2016/17 financial year and R13,010 million for the 2017/18 financial years.

A reason for the decreases is due to the MIG allocation that has been allocated to Mgijima LM without being split according to the three amalgamating local municipalities.

The detailed capital projects are shown in the supporting tables to the budget document. Also below is a summary showing more detail on the capital projects. The biggest portion of the capital budget relates to Roads and Storm water for the 2016/17 financial year (Internal Roads and Bridge).

The table below indicates how the MIG grants have been allocated to the various projects. It is important to note that only one of the two projects will be a new project. The other one is current projects running over more than one year.

It is clear from the table above that the main funding source of Tsolwana's assets is MIG grant. National Treasury also prescribes that each municipality needs to develop a policy providing for an appropriate level of cash-backing in its capital replacement reserve for the replacement of assets. Tsolwana Municipality's Funding and Reserve policy can be found as an annexure to this document. It should however be noted that Tsolwana Municipality is not yet in the financial position to make a cash-backed contribution to the replacement reserve.

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Capital MIG projects:

EC132 Tsolwana

Municipal Vote/Capital project R thousand	Ref 4	Program/Project description	Prior year outcomes		2016/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome 2014/15	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>							
5.1 - Roads and Stormwater		PAVEMENT PROJECT;					
1.1 - Municipal Manager		Buildings					
5.1 - Roads and Stormwater		Internal Roads	7 189	5 604		10 884	11 497
5.1 - Roads and Stormwater		Bridge - Bacclesfarm			7 837		
5.1 - Roads and Stormwater		Internal roads Ward 1			3 299		
4.1 - Community Services		Khayaletu Community Hall	880	3 812			
4.4 - Sport and Recreation		Phakamisa Sportfield	177	2 798			
1.1 - Municipal Manager		Buildings	2 105				
4.1 - Community Services		Testing Station	3 124				
Parent Capital expenditure	1				11 136	10 884	11 497

Operating Expenditure budget:

The operating budget amount to R95,356 million and there are certain expenditure items in the 2016/17 budget to the value of R9,453 million, which represents non-cash transactions. If those are subtracted from the total operating figure, the cash budget for 2016/17 amounts to R85,903 million.

The following table gives a breakdown per category of expenditure for the 2016/17 financial year:

The following table shows the operating budget income and expenditure separately for the 2016/17 to 2018/19 financial years:

The following table gives a breakdown per category of expenditure for the 2016/17 financial year:

EC132 Tsolwana - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Expenditure By Type											
Employee related costs	2	20,252	18,217	17,949	27,776	20,088	20,088	-	22,087	23,368	24,723
Remuneration of councillors		2,319	2,637	2,738	2,758	3,008	3,008		3,143	3,275	3,413
Debt impairment	3	3,602	12,226	1,926	1,450	1,450	1,450		1,537	1,626	1,720
Depreciation & asset impairment	2	3,463	7,514	7,700	7,470	7,470	7,470	-	7,916	8,375	8,861
Finance charges		54	106	-	120	330	330		-	-	-
Bulk purchases	2	7,796	8,082	8,715	162	9,000	9,000	-	9,707	10,270	10,866
Other materials	8								-	-	-
Contracted services		-	-	-	-	-	-	-	-	-	-
Transfers and grants		2,768	-	-	3,129	3,132	3,132	-	3,320	3,513	3,717
Other expenditure	4, 5	19,077	16,748	19,140	44,159	43,416	43,416	-	47,645	47,092	22,744
Loss on disposal of PPE				79					-	-	-
Total Expenditure		59,333	65,530	58,246	87,024	87,895	87,895	-	95,356	97,519	76,044
Surplus/(Deficit)		(6,858)	(8,963)	(4,664)	11,765	808	808	-	(8,843)	(10,679)	(12,267)
Transfers recognised - capital		13,347	15,439	13,689	12,057	12,057	12,057		11,136	10,884	11,497
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets											
Surplus/(Deficit) after capital transfers & Taxation		6,489	6,476	9,025	23,822	12,865	12,865	-	2,294	205	(770)
Surplus/(Deficit) after taxation		6,489	6,476	9,025	23,822	12,865	12,865	-	2,294	205	(770)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		6,489	6,476	9,025	23,822	12,865	12,865	-	2,294	205	(770)
Surplus/(Deficit) for the year		6,489	6,476	9,025	23,822	12,865	12,865	-	2,294	205	(770)

The following should be taken into consideration with above mentioned figures:

- The Operating grant expenditure component includes an amount of R25 000 000 for each of the next 2 financial years on the Roads project, funded by Department of Roads.
- The employee related costs are just below the national norm of 30%. If we however exclude the abovementioned expenditure, then the percentage will increase to 31.39% which is above the national norm.
- The operational budget includes an amount of R9,453 million for depreciation on Property plant and equipment and Provision for bad debts. The depreciation amount is however not cash backed to ensure a contribution to the capital replacement reserve.

Repairs and Maintenance table

EC132 Tsolwana - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		15	628	841	160	160	160	3,385	3,582	3,789
Infrastructure - Road transport		15	-	-	10	10	10	1,903	2,013	2,130
<i>Roads, Pavements & Bridges</i>		15	-	-	10	10	10	1,903	2,013	2,130
<i>Storm water</i>										
Infrastructure - Electricity		-	628	841	150	150	150	1,482	1,568	1,659
Community		-	-	-	-	-	-	5,262	5,567	5,707
Sportsfields & stadia								1,700	1,799	1,903
Swimming pools										
Community halls								1,762	1,864	1,973
Cemeteries								1,800	1,904	1,832
Other assets		1,992	428	1,084	2,560	1,351	1,351	556	194	-
General vehicles		429	181	856	420	296	296	-	-	-
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment		1,297	25	27	1,723	711	711	-	-	-
Computers - hardware/equipment		-			-	-	-			
Furniture and other office equipment		10			10	(0)	(0)			
Abattoirs		-			-	-	-			
Markets		-			-	-	-			
Civic Land and Buildings		114	43	31	2	2	2			
Other Buildings		-	178	95	160	148	148	-	-	-
Other Land		2	-	76	220	190	190	-	-	-
Surplus Assets - (Investment or Inventory)		-			-	-	-			
Other		140			25	3	3	556	194	-
Total Repairs and Maintenance Expenditure	1	2,007	1,056	1,925	2,720	1,511	1,511	9,204	9,343	9,497

- Repairs and maintenance expenditure is budgeted at an acceptable level of 8%-10% of PPE to ensure proper maintenance of the assets to ensure continuous service deliver. It should however be noted that the portion that relates to employee cost hours are included under employee related cost.

Operating Revenue budget:

The operating revenue budget amount to R86,513 million. This excludes capital transfers and other non-cash income to the value of R11,136 million.

The table below gives a list of all sources of revenue:

EC132 Tsolwana - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source											
Property rates	2	1,510	1,662	2,281	3,576	3,576	3,576	-	3,896	4,122	4,361
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	5,533	3,899	5,605	9,755	8,713	8,713	-	9,378	9,922	10,497
Service charges - water revenue	2	800	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	1,882	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	1,569	2,522	951	3,000	3,000	3,000	-	3,180	3,364	3,560
Service charges - other											
Rental of facilities and equipment		60	122	97	115	115	115		121	129	136
Interest earned - external investments		300	644	772	739	878	878		761	805	852
Interest earned - outstanding debtors		1,367	1,166	1,348	1,324	1,324	1,324		1,393	1,474	1,559
Dividends received		-	-	-	-	-	-		-	-	-
Fines		3	4	8	500	50	50		53	56	59
Licences and permits		-	-	-	-	-	-		-	-	-
Agency services		7,408	1,283	1,773	10,365	1,605	1,605		1,735	2,594	1,050
Transfers recognised - operational		31,722	35,684	39,955	69,403	69,403	69,403		65,962	64,339	41,665
Other revenue	2	321	9,582	792	13	40	40	-	33	35	37
Gains on disposal of PPE		0	-	-	-	-	-		-	-	-
Total Revenue (excluding capital transfers and contributions)		52,475	56,566	53,582	98,789	88,703	88,703	-	86,513	86,840	63,776

It is clear from the above table that Tsolwana Municipality is depending a lot on Government Grants. The operating grants consist mainly out of the following:

- Equitable share R36 456 000
- Department of Roads R25 000 000
- FMG R 1 825 000
- MSIG R 250 000
- EPWP R 1 359 667
- PMU (portion of MIG) R 586 125

Service charges contributes, 14.52% or R12,558 million to the total revenue of the municipality.

PROPOSED RATES AND TARIFFS FOR 2016/17

Attach hereto is a list of all the tariffs of the Council. The annexure shows the tariffs for the present financial year as well as the tariffs and proposed increased for the 2016/17 financial year. Councillors are requested to peruse through this tariff listing and thoroughly consider the proposed tariff increases.

Electricity Tariffs:

At the time of finalising the budget for 2016/17, NERSA has approved the Eskom price increases as follows:

Eskom tariff increase in respect of purchase of electricity	7.857%
Municipal electricity tariff increase on sales to consumers	7.64%

Tsolwana Municipality is experiencing a material loss in electricity mainly due to age of the infrastructure and people stealing electricity. The focus will be on reducing the loss through installation of pre-paid meters to all households during 2016/17 and identifying those who are stealing. Hence the material fine should a consumer be guilty of stealing.

Refuse Tariffs:

The service categorised as an economic service, which means that it is supposed to pay for itself from service fees or even making a small profit. It was found that a flat rate have been charged throughout the municipality for different types of consumers. The Tariffs was however adjusted for different types of consumers, using other local municipalities within the district with more or less similar size, as baseline in determining those tariffs. The increase however approved for households is 6%.

Property Rates:

Property rates are levied in terms of the property rates act and the income generated from this service is used to balance the budget. It does not pay for a specific service. The rates policy which must also be approved by Council is also attached hereto.

A new valuation roll was implemented as from 1 July 2013. Due to material increases in valuations in Tarkastad and non-material increases in Hofmeyr area, different tariffs are approved for the two main areas. Although the tariff decreased in some instances comparing to the prior year, it should be noted that the valuation increased and therefore the increase, affecting the consumer is 6%. Those affected with more will be phased in as per the Property rates act.

It is further recommended that, as in the previous financial year, the first R15 000 valuation of all residential property be exempted in terms of the Property rates act and a tariff rebate be granted of 25% to all farms.

Subsidies and Rebates:

The criteria for indigent households are, inter alia, based on the income of that household which must be less than R2 500 per month.

These households will then receive the following services free of charge:

Electricity	:	50kwh
Refuse	:	No service charges
Property rates	:	First R15 000 of valuation exempted.

FINAL COMMENTS

The Municipal Finance Management Act deals with key aspects regarding the responsibility of the accounting officer and management to exercise their financial management responsibilities in such a way that the financial and other resources of the municipality are utilised effectively, efficiently, economically and transparently. The responsibility of each Senior Manager to which funds are allocated in the budget, is to plan and to conduct operations that available funds are spend timeously and effectively to maintain and improve service delivery. Management should also strive on a continuous basis to prevent any unauthorised, fruitless, irregular and wasteful expenditure.

Maintenance and renewal of infrastructure must remain a priority to ensure continuous sustainable and high levels of service delivery. In this light it is of outmost importance for this municipality to reduce spending levels on lessor important services and increase spending on existing infrastructure over the next 5 years. We have budgeted on an acceptable level on the maintenance of the Infrastructure.

BUDGET RELATED POLICIES OF COUNCIL

The following policies are submitted annually as part of the budget documentation:

Rates Policy

Tariff Policy

Cash Management and Investment Policy

Credit Control and Debt collection Policy

Indigent Policy

Funding and Reserve Policy

Budget Policy

Asset Management Policy

Debt and Borrowing Policy

TSOLWANA MUNICIPALITY BUDGET 16/17

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

EC132 Tsolwana - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue - Standard										
<i>Governance and administration</i>		21,656	32,785	30,516	29,376	30,442	30,442	27,776	28,082	29,089
Executive and council		8,203	8,925	12,248	10,078	10,984	10,984	9,631	10,091	10,624
Budget and treasury office		8,398	19,775	14,563	14,489	14,648	14,648	12,506	12,026	12,156
Corporate services		5,055	4,085	3,705	4,809	4,809	4,809	5,640	5,965	6,308
<i>Community and public safety</i>		4,607	5,725	5,231	5,194	4,536	4,536	2,217	2,292	2,423
Community and social services		638	571	1,075	591	588	588	759	777	822
Sport and recreation		2,286	210	491	3,371	3,167	3,167	298	315	333
Public safety		1,683	4,945	3,665	1,231	781	781	1,160	1,200	1,268
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		13,653	12,072	14,154	42,376	41,334	41,334	44,616	43,763	19,026
Planning and development		9,907	4,475	6,264	9,584	9,595	9,595	5,430	4,305	4,554
Road transport		3,746	7,597	7,890	32,793	31,739	31,739	39,186	39,458	14,472
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		25,906	21,423	17,371	33,901	24,448	24,448	23,040	23,586	24,736
Electricity		11,561	14,286	12,719	18,068	17,026	17,026	14,113	14,141	15,953
Water		5,110	-	-	5,222	-	-	-	-	-
Waste water management		4,593	8	-	3,188	-	-	-	-	-
Waste management		4,641	7,128	4,652	7,422	7,422	7,422	8,927	9,445	8,783
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	65,822	72,006	67,271	110,847	100,760	100,760	97,649	97,723	75,274
Expenditure - Standard										
<i>Governance and administration</i>		20,767	25,153	28,728	28,355	28,305	28,305	26,095	27,537	28,833
Executive and council		6,286	6,002	10,176	8,908	10,006	10,006	9,831	10,291	10,824
Budget and treasury office		9,098	15,113	13,487	14,343	12,959	12,959	10,664	11,321	11,741
Corporate services		5,383	4,037	5,065	5,103	5,341	5,341	5,600	5,925	6,268
<i>Community and public safety</i>		1,308	1,414	1,590	1,873	1,782	1,782	5,244	5,347	5,483
Community and social services		669	660	604	592	588	588	2,336	2,357	2,406
Sport and recreation		100	72	3	242	142	142	1,798	1,815	1,833
Public safety		539	682	983	1,039	1,051	1,051	1,110	1,175	1,243
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		9,548	10,609	11,247	36,072	36,723	36,723	39,959	39,214	14,864
Planning and development		5,100	4,071	4,780	4,716	5,554	5,554	6,910	5,785	6,034
Road transport		4,448	6,538	6,467	31,356	31,169	31,169	33,049	33,429	8,831
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		27,710	28,355	16,681	20,725	21,086	21,086	24,058	25,421	26,864
Electricity		11,823	10,601	10,819	4,377	12,831	12,831	15,131	15,977	16,871
Water		7,464	11,001	-	5,222	(0)	(0)	-	-	-
Waste water management		3,457	1,791	-	3,188	0	0	-	-	-
Waste management		4,967	4,962	5,861	7,937	8,255	8,255	8,927	9,445	9,992
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	59,333	65,530	58,246	87,024	87,895	87,895	95,356	97,519	76,044
Surplus/(Deficit) for the year		6,489	6,476	9,025	23,822	12,865	12,865	2,294	205	(770)

7.1.3 A3 Budgeted Financial Performance (revenue and expenditure by Municipal vote)

EC132 Tsolwana - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote										
Vote 1 - Executive and Council	1	8,203	8,925	12,248	10,078	10,984	10,984	9,631	10,091	10,624
Vote 2 - Budget and Treasury		8,398	19,775	14,563	14,489	14,648	14,648	12,506	12,026	12,156
Vote 3 - Corporate services		5,055	4,085	3,705	4,809	4,809	4,809	5,640	5,965	6,308
Vote 4 - Community and Social Services		19,155	17,329	16,147	22,200	21,553	21,553	16,574	16,041	15,760
Vote 5 - Technical Services		25,011	21,891	20,608	59,271	48,765	48,765	53,299	53,599	30,425
Total Revenue by Vote	2	65,822	72,006	67,271	110,847	100,760	100,760	97,649	97,723	75,274
Expenditure by Vote to be appropriated										
Vote 1 - Executive and Council	1	6,286	6,002	10,176	8,908	10,006	10,006	9,831	10,291	10,824
Vote 2 - Budget and Treasury		9,098	15,113	13,487	14,343	12,959	12,959	10,664	11,321	11,741
Vote 3 - Corporate services		5,383	4,037	5,065	5,103	5,341	5,341	5,600	5,925	6,268
Vote 4 - Community and Social Services		11,375	10,447	12,231	14,526	15,591	15,591	21,081	20,576	21,509
Vote 5 - Technical Services		27,192	29,930	17,287	44,143	44,000	44,000	48,180	49,406	25,702
Total Expenditure by Vote	2	59,333	65,530	58,246	87,024	87,895	87,895	95,356	97,519	76,044
Surplus/(Deficit) for the year	2	6,489	6,476	9,025	23,822	12,865	12,865	2,294	205	(770)

7.1.4 A4 Budgeted financial Performance (revenue and Expenditure)

EC132 Tsolwana - Table A4 Budgeted Financial Performance (revenue and expenditure)												
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
Revenue By Source												
Property rates	2	1,510	1,662	2,281	3,576	3,576	3,576	-	3,896	4,122	4,361	
Property rates - penalties & collection charges												
Service charges - electricity revenue	2	5,533	3,899	5,605	9,755	8,713	8,713	-	9,378	9,922	10,497	
Service charges - water revenue	2	800	-	-	-	-	-	-	-	-	-	
Service charges - sanitation revenue	2	1,882	-	-	-	-	-	-	-	-	-	
Service charges - refuse revenue	2	1,569	2,522	951	3,000	3,000	3,000	-	3,180	3,364	3,560	
Service charges - other												
Rental of facilities and equipment		60	122	97	115	115	115		121	129	136	
Interest earned - external investments		300	644	772	739	878	878		761	805	852	
Interest earned - outstanding debtors		1,367	1,166	1,348	1,324	1,324	1,324		1,393	1,474	1,559	
Dividends received		-	-	-	-	-	-		-	-	-	
Fines		3	4	8	500	50	50		53	56	59	
Licences and permits		-	-	-	-	-	-		-	-	-	
Agency services		7,408	1,283	1,773	10,365	1,605	1,605		1,735	2,594	1,050	
Transfers recognised - operational		31,722	35,684	39,955	69,403	69,403	69,403		65,962	64,339	41,665	
Other revenue	2	321	9,582	792	13	40	40	-	33	35	37	
Gains on disposal of PPE		0	-	-	-	-	-		-	-	-	
Total Revenue (excluding capital transfers and contributions)		52,475	56,566	53,582	98,789	88,703	88,703	-	86,513	86,840	63,776	
Expenditure By Type												
Employee related costs	2	20,252	18,217	17,949	27,776	20,088	20,088	-	22,087	23,368	24,723	
Remuneration of councillors		2,319	2,637	2,738	2,758	3,008	3,008		3,143	3,275	3,413	
Debt impairment	3	3,602	12,226	1,926	1,450	1,450	1,450		1,537	1,626	1,720	
Depreciation & asset impairment	2	3,463	7,514	7,700	7,470	7,470	7,470	-	7,916	8,375	8,861	
Finance charges		54	106	-	120	330	330		-	-	-	
Bulk purchases	2	7,796	8,082	8,715	162	9,000	9,000	-	9,707	10,270	10,866	
Other materials	8								-	-	-	
Contracted services		-	-	-	-	-	-	-	-	-	-	
Transfers and grants		2,768	-	-	3,129	3,132	3,132	-	3,320	3,513	3,717	
Other expenditure	4, 5	19,077	16,748	19,140	44,159	43,416	43,416	-	47,645	47,092	22,744	
Loss on disposal of PPE				79					-	-	-	
Total Expenditure		59,333	65,530	58,246	87,024	87,895	87,895	-	95,356	97,519	76,044	
Surplus/(Deficit)		(6,858)	(8,963)	(4,664)	11,765	808	808	-	(8,843)	(10,679)	(12,267)	
Transfers recognised - capital		13,347	15,439	13,689	12,057	12,057	12,057		11,136	10,884	11,497	
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-	
Contributed assets												
Surplus/(Deficit) after capital transfers & contributions		6,489	6,476	9,025	23,822	12,865	12,865	-	2,294	205	(770)	
Taxation												
Surplus/(Deficit) after taxation		6,489	6,476	9,025	23,822	12,865	12,865	-	2,294	205	(770)	
Attributable to minorities												
Surplus/(Deficit) attributable to municipality		6,489	6,476	9,025	23,822	12,865	12,865	-	2,294	205	(770)	
Share of surplus/ (deficit) of associate	7											
Surplus/(Deficit) for the year		6,489	6,476	9,025	23,822	12,865	12,865	-	2,294	205	(770)	

7.1.5 A5 Budgeted Capital Expenditure by vote, detailed standard classification and funding

EC132 Tsofwana - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1										
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		56	6,856	2,105	-	1,356	1,356	-	-	-	-
Vote 2 - Budget and Treasury		66	20	54	25	20	20	-	520	375	375
Vote 3 - Corporate services		24	5	13	9	80	80	-	40	40	40
Vote 4 - Community and Social Services		7,362	902	4,181	5,845	6,670	6,670	-	70	45	45
Vote 5 - Technical Services		2,508	6,587	7,565	6,307	5,604	5,604	-	11,136	10,884	11,497
Capital single-year expenditure sub-total		10,016	14,369	13,919	12,186	13,729	13,729	-	11,766	11,344	11,957
Total Capital Expenditure - Vote		10,016	14,369	13,919	12,186	13,729	13,729	-	11,766	11,344	11,957
Capital Expenditure - Standard											
<i>Governance and administration</i>		146	6,881	2,172	34	1,456	1,456	-	560	415	415
Executive and council		56	6,856	2,105		1,356	1,356				
Budget and treasury office		66	20	54	25	20	20		520	375	375
Corporate services		24	5	13	9	80	80		40	40	40
<i>Community and public safety</i>		3,526	751	3,734	5,815	6,670	6,670	-	70	45	45
Community and social services				433	2,750	3,812	3,812		20	20	20
Sport and recreation		1,532	682	177	3,000	2,798	2,798		-		
Public safety		1,994	69	3,124	65	60	60		50	25	25
Housing											
Health											
<i>Economic and environmental services</i>		4,616	6,185	7,637	6,352	5,604	5,604	-	11,136	10,884	11,497
Planning and development		3,836	151	447	45	-	-				
Road transport		780	6,034	7,189	6,307	5,604	5,604		11,136	10,884	11,497
Environmental protection											
<i>Trading services</i>		1,728	553	376	-	-	-	-	-	-	-
Electricity		1,728	553	376							
Water											
Waste water management											
Waste management											
<i>Other</i>											
Total Capital Expenditure - Standard	3	10,016	14,369	13,919	12,201	13,729	13,729	-	11,766	11,344	11,957
Funded by:											
National Government		8,863	12,162	7,369	12,057	12,057	12,057		11,136	10,884	11,497
Provincial Government				5,676							
District Municipality		780	1,562	701							
Other transfers and grants											
Transfers recognised - capital	4	9,644	13,724	13,747	12,057	12,057	12,057	-	11,136	10,884	11,497
Public contributions & donations	5										
Borrowing	6										
Internally generated funds		372	645	172	144	1,672	1,672		630	460	460
Total Capital Funding	7	10,016	14,369	13,919	12,201	13,729	13,729	-	11,766	11,344	11,957

7.1.6 A6 Budgeted Financial Position

EC132 Tsolwana - Table A6 Budgeted Financial Position											
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
ASSETS											
Current assets											
Cash		10,701	13,393	14,533	47,025	47,025	47,025		27,457	18,909	8,923
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	3,124	5,209	7,636	31,088	31,088	31,088	-	5,823	9,117	10,697
Other debtors		2,607	1,163	2,064	3,406	3,406	3,406		3,200	3,400	3,500
Current portion of long-term receivables											
Inventory	2	835	788	364	877	877	877		877	877	877
Total current assets		17,267	20,553	24,597	82,397	82,397	82,397	-	37,358	32,303	23,996
Non current assets											
Long-term receivables											
Investments											
Investment property		27,145	1,886	1,866	1,886	1,886	1,886		1,886	1,886	1,886
Investment in Associate											
Property, plant and equipment	3	69,245	76,463	82,781	87,458	89,002	89,002	-	92,890	95,859	98,956
Agricultural											
Biological											
Intangible		54	92	413	612	607	607		757	762	767
Other non-current assets											
Total non current assets		96,444	78,441	85,060	89,957	91,495	91,495	-	95,534	98,508	101,609
TOTAL ASSETS		113,711	98,994	109,657	172,353	173,892	173,892	-	132,892	130,811	125,606
LIABILITIES											
Current liabilities											
Bank overdraft	1								-	-	-
Borrowing	4	50	11	-	-	-	-	-	-	-	-
Consumer deposits		101	101	99	105	105	105		110	113	115
Trade and other payables	4	12,774	15,937	16,845	6,379	7,547	7,547	-	5,210	5,970	6,550
Provisions		1,476	-	-	1,033	1,033	1,033				
Total current liabilities		14,401	16,049	16,944	7,517	8,684	8,684	-	5,320	6,083	6,665
Non current liabilities											
Borrowing		11	-	-	-	-	-	-	-	-	-
Provisions		5,076	22,078	22,366	7,065	24,393	24,393	-	23,282	23,635	23,991
Total non current liabilities		5,087	22,078	22,366	7,065	24,393	24,393	-	23,282	23,635	23,991
TOTAL LIABILITIES		19,488	38,127	39,310	14,582	33,077	33,077	-	28,602	29,718	30,656
NET ASSETS	5	94,223	60,867	70,347	157,771	140,815	140,815	-	104,290	101,093	94,950
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		94,223	60,867	70,347	157,771	140,815	140,815		104,290	101,093	94,950
Reserves	4	-	-	-	-	1,544	1,544	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	94,223	60,867	70,347	157,771	142,358	142,358	-	104,290	101,093	94,950

7.1.7 A7 Budgeted Cash Flows

EC132 Tsolwana - Table A7 Budgeted Cash Flows											
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		227	1,662	2,281	1,635	3,553	3,553	2,872	2,532	2,679	2,835
Service charges		3,369	5,629	6,556	5,529	3,829	3,829	2,051	6,279	6,643	7,028
Other revenue		7,466	11,000	3,124	10,438	1,790	1,790	2,422	1,919	2,788	1,255
Government - operating	1	34,931	37,998	39,955	68,795	69,403	69,403	53,698	65,962	64,339	41,665
Government - capital	1	13,683	15,323	13,689	12,057	12,057	12,057	8,172	11,136	10,884	11,497
Interest		1,668	644	2,120	1,326	2,047	2,047	1,515	2,154	2,279	2,411
Dividends									-	-	-
Payments											
Suppliers and employees		(49,547)	(55,059)	(47,248)	(80,998)	(75,512)	(75,512)	(45,288)	(81,443)	(83,304)	(61,004)
Finance charges		(54)	(106)	(641)	(117)	(330)	(330)	(135)	-	-	-
Transfers and Grants	1		1		(3,129)	(3,132)	(3,132)	(4)	(3,320)	(3,513)	(3,717)
NET CASH FROM/(USED) OPERATING ACTIVITIES		11,742	17,091	19,838	15,535	13,706	13,706	25,304	5,219	2,795	1,971
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		0	9					6	-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(10,024)	(14,369)	(14,398)	(12,201)	(13,729)	(13,729)		(11,766)	(11,344)	(11,957)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(10,024)	(14,360)	(14,398)	(12,201)	(13,729)	(13,729)	6	(11,766)	(11,344)	(11,957)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits		3		(2)	4	4	4		-	-	-
Payments											
Repayment of borrowing		(67)	(39)	(11)	(11)	(0)	(0)		-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(64)	(39)	(14)	(7)	4	4	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	8,445	10,701	14,533	34,025	34,025	34,025	14,598	34,005	27,457	18,909
Cash/cash equivalents at the year end:	2	10,099	13,393	19,959	37,352	34,005	34,005	39,908	27,457	18,909	8,923

7.1.8 A8 Cash backed reserves / accumulated surplus reconciliation

EC132 Tsofwana - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash and investments available											
Cash/cash equivalents at the year end	1	10,099	13,393	19,959	37,352	34,005	34,005	39,908	27,457	18,909	8,923
Other current investments > 90 days		601	-	(5,426)	9,673	13,020	13,020	(39,908)	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		10,701	13,393	14,533	47,025	47,025	47,025	-	27,457	18,909	8,923
Application of cash and investments											
Unspent conditional transfers		7,696	8,805	9,724	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	387	(890)	(3,074)	(14,815)	(10,796)	(10,796)	-	(1,242)	(2,667)	(2,625)
Other provisions											
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		8,083	7,915	6,650	(14,815)	(10,796)	(10,796)	-	(1,242)	(2,667)	(2,625)
Surplus(shortfall)		2,617	5,478	7,883	61,840	57,821	57,821	-	28,699	21,576	11,548
Other working capital requirements											
Debtors		3,100	5,759	9,027	21,194	17,175	17,175	-	4,892	6,987	7,425
Creditors due		3,487	4,869	5,953	6,379	6,379	6,379	-	3,650	4,320	4,800
Total		(387)	890	3,074	14,815	10,796	10,796	-	1,242	2,667	2,625

7.1.9 A9 Asset management

EC132 Tsolwana - Table A9 Asset Management

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CAPITAL EXPENDITURE										
Total New Assets	1	10,016	14,369	13,919	12,186	13,729	13,729	11,766	11,344	11,957
<i>Infrastructure - Road transport</i>		780	6,034	7,637	6,307	5,604	5,604	11,136	10,884	11,497
<i>Infrastructure - Electricity</i>		1,728	192	376	-	-	-	-	-	-
<i>Infrastructure - Water</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Sanitation</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Other</i>		-	-	-	-	-	-	-	-	-
Infrastructure		2,508	6,226	8,012	6,307	5,604	5,604	11,136	10,884	11,497
Community		5,141	682	610	5,750	6,585	6,585	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	2,366	7,461	5,296	124	1,541	1,541	480	455	455
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	5	-	-	150	5	5
Total Capital Expenditure	4									
<i>Infrastructure - Road transport</i>		780	6,034	7,637	6,307	5,604	5,604	11,136	10,884	11,497
<i>Infrastructure - Electricity</i>		1,728	192	376	-	-	-	-	-	-
<i>Infrastructure - Water</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Sanitation</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Other</i>		-	-	-	-	-	-	-	-	-
Infrastructure		2,508	6,226	8,012	6,307	5,604	5,604	11,136	10,884	11,497
Community		5,141	682	610	5,750	6,585	6,585	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		2,366	7,461	5,296	124	1,541	1,541	480	455	455
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	5	-	-	150	5	5
TOTAL CAPITAL EXPENDITURE - Asset class	2	10,016	14,369	13,919	12,186	13,729	13,729	11,766	11,344	11,957
ASSET REGISTER SUMMARY - PPE (WDV)	5									
<i>Infrastructure - Road transport</i>			12,113	13,486	13,845	13,142	13,142	24,278	35,162	46,659
<i>Infrastructure - Electricity</i>			17,974	17,954	17,049	17,049	17,049	17,049	17,049	17,049
<i>Infrastructure - Water</i>			-	-	-	-	-	-	-	-
<i>Infrastructure - Sanitation</i>			-	-	-	-	-	-	-	-
<i>Infrastructure - Other</i>			-	-	-	-	-	-	-	-
Infrastructure		-	30,087	31,441	30,894	30,190	30,190	41,327	52,210	63,708
Community			44,139	49,506	46,260	47,095	47,095	47,165	47,210	47,255
Heritage assets			-	-	-	-	-	-	-	-
Investment properties		27,145	1,886	1,866	1,886	1,886	1,886	1,886	1,886	1,886
Other assets			2,236	1,834	10,304	11,721	11,721	12,131	12,541	12,951
Agricultural Assets			-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-
Intangibles		54	92	413	612	607	607	757	762	767
TOTAL ASSET REGISTER SUMMARY - PPE (W)	5	27,199	78,441	85,060	89,957	91,500	91,500	103,267	114,611	126,568
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment		3,463	7,514	7,700	7,470	7,470	7,470	7,916	8,375	8,861
Repairs and Maintenance by Asset Class	3	2,007	1,056	1,925	2,720	1,511	1,511	9,204	9,343	9,497
<i>Infrastructure - Road transport</i>		15	-	-	10	10	10	1,903	2,013	2,130
<i>Infrastructure - Electricity</i>		-	628	841	150	150	150	1,482	1,568	1,659
<i>Infrastructure - Water</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Sanitation</i>		-	-	-	-	-	-	-	-	-
<i>Infrastructure - Other</i>		-	-	-	-	-	-	-	-	-
Infrastructure		15	628	841	160	160	160	3,385	3,582	3,789
Community		-	-	-	-	-	-	5,262	5,567	5,707
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	1,992	428	1,084	2,560	1,351	1,351	556	194	-
TOTAL EXPENDITURE OTHER ITEMS		5,471	8,571	9,625	10,190	8,982	8,982	17,120	17,718	18,358
<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>		2.9%	1.4%	2.3%	3.1%	1.7%	1.7%	9.9%	9.7%	9.6%
<i>Renewal and R&M as a % of PPE</i>		7.0%	1.0%	2.0%	3.0%	2.0%	2.0%	9.0%	8.0%	8.0%

7.1.10 SA10 Basic Service delivery measurement

EC132 Tsoalwana - Table A10 Basic service delivery measurement

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
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)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided		-	-	-	-	-	-	-	-	-
Highest level of free service provided per household										
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 subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates - exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		903	966	745	741	741	741	-	785	831
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies	6									
Other										
Total revenue cost of subsidised services provided		903	966	745	741	741	741	-	785	831

Narrative to Budget summary tables:

With reference to the above summary tables, the following narrative explanations/summaries are provided:

Table A1: Budget summary

This summary indicates the financial performance, financial position, capital expenditure and cash flow budget of the municipality. It also includes information on the asset management and cash surplus reconciliation.

It is clear from the financial performance that the Municipality should strive towards a surplus before Revenue from Capital grants. It is a continuous struggle to ensure the budget is properly cash funded due to the high dependency on Government Grants.

The capital expenditure is mostly funded by Government Grants.

The Financial position of the Municipality is increasing year-on-year, which is mainly due to the increase in Property, Plant and Equipment.

Table A2: Budgeted Financial performance by Standard Classification

This summary indicates the operating revenue and expenditure per standard classification.

It can be highlighted that most monies are generated from Government Grants. 78.95% of Revenue is from Government Grants, including the equitable share.

Table A3: Budgeted Financial performance by Municipal Vote

This summary indicates the operating revenue and expenditure by municipal vote. Vote implies per Directorate.

Except for the Government Grants, revenue from trading services is mostly from Electricity sales and Refuse.

Table A4: Budgeted Financial performance (revenue and expenditure)

This summary indicates the operating revenue and expenditure by source of revenue and type of expenditure.

The following can be highlighted:

The total operating revenue decreased by with 2.47% from the adjusted 2015/16 budget. The contributing factor being:

- Transfer recognised- operational (Government Grants and subsidies.), the equitable share for EC139 decreasing significantly for 2016/17 considering all the Dora allocation per 3 merging Local municipalities.

The total Operating expenditure increase with 8.49% from the adjusted 2015/16 budget. The contributing factors being:

- Employee related costs increased by 9.95% from adjustment budget, and not in line with provision of Circular 78. Merely because the Technical personnel and CFO's salaries were not included on the adjustment budget since the municipality did not fill those posts citing moratorium during amalgamation process. For 2016/17 the provision is made for Technical staff, hence the escalation.
- Bulk Electricity have been increased by 7.857% due to guidelines from Nersa.
- Other expenditure budget amount includes the repairs and maintenance, which also escalated the figure by 9.47% to make a provision of MFMA circular 55 and subsequent circular on budgeting for repairs and maintenance (8%-10 of PPE value).

Table A5: Capital expenditure by vote, standard classification and funding

This summary indicates the capital expenditure budget per Municipal vote (Directorate) and Standard classification and also shows the funding sources for this expenditure.

Majority of the capital budget will be spent on internal roads and a bridge that will be constructed.

The capital expenditure budget is mostly funded MIG funds. Tsoelwana Municipality is not currently in a position to make a contribution to infrastructure development.

Table A6: Budgeted Financial Position

This summary indicates Balance sheet for the Municipality and shows the Total assets VS the Total liabilities.

This summary is an indication that the municipality plans to build on the current positive financial position. The total assets are growing from the 15/16 year to the 16/17 year, which is mainly due to the growth in Property, Plant and Equipment.

Table A7: Budgeted Cash flows

This summary indicates the cash flows expected from operating activities, investing activities and financing activities.

The cash flows from investing activities are negative and is mainly due to the payment of capital assets.

7.2 OTHER SUPPORTING TABLES

7.2.1 SA 1 Supporting detail to “Budgeted Financial Performance”

EC132 Tsolwana - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
REVENUE ITEMS:											
<u>Property rates</u>	6										
Total Property Rates		2,413	2,628	3,026	4,317	4,317	4,317		4,681	4,953	5,240
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>		903	966	745	741	741	741		785	831	879
Net Property Rates		1,510	1,662	2,281	3,576	3,576	3,576	-	3,896	4,122	4,361
<u>Service charges - electricity revenue</u>	6										
Total Service charges - electricity revenue		5,533	3,899	5,605	9,755	8,713	8,713		9,378	9,922	10,497
<i>less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>											
<i>less Cost of Free Basis Services (50 kwh per indigent household per month)</i>		-	-	-	-	-	-	-	-	-	-
Net Service charges - electricity revenue		5,533	3,899	5,605	9,755	8,713	8,713	-	9,378	9,922	10,497
<u>Service charges - water revenue</u>	6										
Total Service charges - water revenue		800									
<i>less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>											
<i>less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>		-	-	-	-	-	-	-	-	-	-
Net Service charges - water revenue		800	-	-	-	-	-	-	-	-	-
<u>Service charges - sanitation revenue</u>											
Total Service charges - sanitation revenue		1,882									
<i>less Revenue Foregone (in excess of free sanitation service to indigent households)</i>											

<i>less Cost of Free Basis Services (free sanitation service to indigent households)</i>		-	-	-	-	-	-	-	-	-
Net Service charges - sanitation revenue		1,882	-	-	-	-	-	-	-	-
Service charges - refuse revenue	6									
Total refuse removal revenue		1,569	2,522	951	3,000	3,000	3,000	-	3,180	3,364
Total landfill revenue										
<i>less Revenue Foregone (in excess of one removal a week to indigent households)</i>										
<i>less Cost of Free Basis Services (removed once a week to indigent households)</i>		-	-	-	-	-	-	-	-	-
Net Service charges - refuse revenue		1,569	2,522	951	3,000	3,000	3,000	-	3,180	3,364
Other Revenue by source										
<i>SUNDRY INCOME; BUILDING PLAN & INSPECTION;</i>		271	73	25	-	16	16		16	17
		0	1	1	-	7	7			-
<i>INSURANCE INCOM;</i>		-			-	5	5		5	5
TOWN PLANNING;		34			1	5	5		5	6
CEMETRY FEES;		6	6	7	8	5	5		5	6
RENTAL SPORTFIELDS		-		8	3	1	1		1	1
Public Contributions and Donations		-			-	0	0			-
POUND FEES;		6	2	0	0	0	0		0	0
WORK FOR CONSUMERS; Chris Hanani District Municipality - Water and Sewerage functions		4	0	0	0	0	0		0	1
Actuarial Gain		-	9,500		-	-	-			-
	3			751						-
Total 'Other' Revenue	1	321	9,582	792	13	40	40	-	33	35
EXPENDITURE ITEMS:										
Employee related costs										
Basic Salaries and Wages	2	14,184	11,497	12,394	20,046	13,871	13,871		15,144	16,023
Pension and UIF Contributions		2,379	2,049	2,285	3,547	2,560	2,560		2,985	3,158
Medical Aid Contributions		402	504	534	760	665	665		687	727
Overtime		539	685	531	551	808	808		546	578
Performance Bonus		978	1,095	952	1,466	1,165	1,165		1,360	1,438
Motor Vehicle Allowance		426	445	426	585	429	429		620	656
Cellphone Allowance		54	52	40	58	40	40		62	66
Housing Allowances		22	31	28	26	70	70		69	73

Other benefits and allowances		245	545	685	499	384	384		406	429	454
Payments in lieu of leave		559	451	20	130	17	17		138	146	154
Long service awards		67	-	(8)	107	79	79		71	76	80
Post-retirement benefit obligations	4	397	863	60	-	-	-		-	-	-
<i>sub-total</i>	5	20,252	18,217	17,949	27,776	20,088	20,088	-	22,087	23,368	24,723
<u>Less: Employees costs capitalised to PPE</u>											
Total Employee related costs	1	20,252	18,217	17,949	27,776	20,088	20,088	-	22,087	23,368	24,723
<u>Contributions recognised - capital</u>											
<i>List contributions by contract</i>											
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-
<u>Depreciation & asset impairment</u>											
Depreciation of Property, Plant & Equipment		3,463	7,514	7,700	7,470	7,470	7,470		7,916	8,375	8,861
Lease amortisation		-									
Capital asset impairment		-									
Depreciation resulting from revaluation of PPE	10	-									
Total Depreciation & asset impairment	1	3,463	7,514	7,700	7,470	7,470	7,470	-	7,916	8,375	8,861
<u>Bulk purchases</u>											
Electricity Bulk Purchases		7,689	8,082	8,715	-	9,000	9,000		9,707	10,270	10,866
Water Bulk Purchases		107			162	-	-		-		
Total bulk purchases	1	7,796	8,082	8,715	162	9,000	9,000	-	9,707	10,270	10,866
<u>Transfers and grants</u>											
Cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants		2,768	-	-	3,129	3,132	3,132	-	3,320	3,513	3,717
Total transfers and grants	1	2,768	-	-	3,129	3,132	3,132	-	3,320	3,513	3,717
<u>Contracted services</u>											
<i>List services provided by contract</i>											
<i>sub-total</i>	1	-	-	-	-	-	-	-	-	-	-
Allocations to organs of state:											
Electricity											
Water											
Sanitation											
Other											
Total contracted services		-	-	-	-	-	-	-	-	-	-

Other Expenditure By Type											
Collection costs	-	-	-	-	-	-	-	-	-	-	-
Contributions to 'other' provisions	-	-	-	-	-	-	-	-	-	-	-
Consultant fees	-	-	-	-	-	-	-	-	-	-	-
Audit fees	2,338	2,377	1,891	2,112	2,500	2,500		2,014	2,131	2,254	
General expenses	3										
<i>Acommodation Costs</i>	-	-	158	277	301	301		309	327	346	
<i>Advertising</i>	179	153	188	157	70	70		74	79	83	
<i>Audit Committee Allowances</i>	359	-	-	-	-	-		-	-	-	
<i>Assets on behalf of Chris Hani District Municipality</i>	455	-	-	-	-	-		-	-	-	
<i>Bank Charges</i>	202	255	212	222	223	223		236	250	264	
<i>Blue drop and Green drop Books, Magazines & Publications</i>	-	-	-	10	-	-		-	-	-	
<i>Chemicals</i>	20	67	56	53	53	53		53	56	59	
<i>Chemicals</i>	29	-	-	30	-	-		-	-	-	
<i>Cleaning material</i>	25	16	41	32	29	29		33	35	37	
<i>Computer Services & License fees</i>	89	50	24	39	113	113		200	212	224	
<i>Entertainment costs</i>	78	78	-	-	-	-		-	-	-	
<i>Fuel Cost</i>	1,155	491	353	717	383	383		407	430	455	
<i>Health and safety</i>	-	-	97	90	52	52		55	58	61	
<i>IDP related Expenditures</i>	-	4	184	30	70	70		70	74	78	
<i>Insurance</i>	368	359	430	521	561	561		572	605	640	
<i>Interest on DBSA loan on behalf of Chris Hani District Municipality</i>	-	-	-	-	-	-		-	-	-	
<i>Interest paid</i>	-	-	66	90	90	90		50	53	56	
<i>Legal fees</i>	272	112	22	200	200	200		150	159	168	
<i>License fees - Vehicles</i>	37	30	30	54	54	54		57	60	64	
<i>Litricery day</i>	-	3	-	-	-	-		-	-	-	
<i>Losses</i>	-	59	-	-	-	-		-	-	-	
<i>Other</i>	13,473	12,693	15,389	39,526	38,718	38,718		43,366	42,564	17,953	
Total 'Other' Expenditure	1	19,077	16,748	19,140	44,159	43,416	43,416	-	47,645	47,092	22,744

Repairs and Maintenance by Expenditure Item	8										
Employee related costs											
Other materials											
Contracted Services											
Other Expenditure			1,925	2,720	1,511	1,511		9,204	9,343	9,497	
Total Repairs and Maintenance Expenditure	9	-	-	1,925	2,720	1,511	1,511	-	9,204	9,343	9,497

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7.2.2 SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept)

EC132 Tsolwana - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)							
Description	Ref	Vote 1 - Executive and Council	Vote 2 - Budget and Treasury	Vote 3 - Corporate services	Vote 4 - Community and Social	Vote 5 - Technical Services	Total
R thousand	1						
Revenue By Source							
Property rates			3,896				3,896
Property rates - penalties & collection charges			-				-
Service charges - electricity revenue						9,378	9,378
Service charges - water revenue						-	-
Service charges - sanitation revenue						-	-
Service charges - refuse revenue					3,180		3,180
Service charges - other							-
Rental of facilities and equipment					121		121
Interest earned - external investments			761				761
Interest earned - outstanding debtors			363		401	629	1,393
Dividends received							-
Fines					53		53
Licences and permits							-
Agency services			100		385	1,250	1,735
Other revenue			21		12		33
Transfers recognised - operational		9,631	7,364	5,640	12,421	30,906	65,962
Gains on disposal of PPE							-
Total Revenue (excluding capital transfers and contributions)		9,631	12,506	5,640	16,574	42,163	86,513
Expenditure By Type							
Employee related costs		3,526	4,459	3,637	9,559	907	22,087
Remuneration of councillors		3,143					3,143
Debt impairment			636		424	477	1,537
Depreciation & asset impairment		506	186	-	549	6,676	7,916
Finance charges				-			-
Bulk purchases						9,707	9,707
Other materials							-
Contracted services							-
Transfers and grants					1,953	1,368	3,320
Other expenditure		2,656	5,384	1,963	8,596	29,046	47,645
Loss on disposal of PPE							-
Total Expenditure		9,831	10,664	5,600	21,081	48,180	95,356
Surplus/(Deficit)		(200)	1,842	40	(4,507)	(6,018)	(8,843)
Transfers recognised - capital		-	-	-	-	11,136	11,136
Contributions recognised - capital							-
Contributed assets							-
Surplus/(Deficit) after capital transfers & contributions		(200)	1,842	40	(4,507)	5,119	2,294

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7.2.3 SA3 Supporting detail to “Budgeted Financial Position”

EC132 Tsolwana - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'											
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
ASSETS											
Call investment deposits											
Call deposits < 90 days					-						
Other current investments > 90 days											
Total Call investment deposits	2	-	-	-	-	-	-	-	-	-	-
Consumer debtors											
Consumer debtors		17,427	36,042	22,401	52,308	52,308	52,308		28,580	33,500	36,800
Less: Provision for debt impairment		(14,303)	(30,832)	(14,765)	(21,220)	(21,220)	(21,220)		(22,757)	(24,383)	(26,103)
Total Consumer debtors	2	3,124	5,209	7,636	31,088	31,088	31,088	-	5,823	9,117	10,697
Debt impairment provision											
Balance at the beginning of the year		15,889	14,303	25,694	19,770	19,770	19,770		21,220	22,757	24,383
Contributions to the provision		(1,586)	11,391	853	1,450	1,450	1,450		1,537	1,626	1,720
Bad debts written off				(17,225)	-	-	-		-	-	-
Balance at end of year		14,303	25,694	9,322	21,220	21,220	21,220	-	22,757	24,383	26,103
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		97,491	111,842	125,492	137,306	138,850	138,850		150,988	162,331	174,289
Leases recognised as PPE	3	-	-	-	-	-	-		-	-	-
Less: Accumulated depreciation		28,246	35,380	42,711	49,848	49,848	49,848		58,097	66,472	75,333
Total Property, plant and equipment (PPE)	2	69,245	76,463	82,781	87,458	89,002	89,002	-	92,890	95,859	98,956
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)									-	-	-
Current portion of long-term liabilities		50	11	-	-	-	-		-	-	-
Total Current liabilities - Borrowing		50	11	-	-	-	-	-	-	-	-
Trade and other payables											
Trade and other creditors		3,487	4,869	5,953	6,379	6,379	6,379		3,650	4,320	4,800
Unspent conditional transfers		7,696	8,805	9,724	-	-	-		-	-	-
VAT		1,590	2,263	1,167	-	1,167	1,167		1,560	1,650	1,750
Total Trade and other payables	2	12,774	15,937	16,845	6,379	7,547	7,547	-	5,210	5,970	6,550
Non current liabilities - Borrowing											
Borrowing	4	-	-	-	-	-	-		-	-	-
Finance leases (including PPP asset element)		11	-	-	-	-	-		-	-	-
Total Non current liabilities - Borrowing		11	-	-	-	-	-	-	-	-	-
Provisions - non-current											
Retirement benefits		3,894	3,502	3,724	5,661	5,661	5,661		4,500	4,800	5,100
<i>List other major provision items</i>											
Refuse landfill site rehabilitation		1,181	18,576	18,642	1,405	18,732	18,732		18,782	18,835	18,891
Other											
Total Provisions - non-current		5,076	22,078	22,366	7,065	24,393	24,393	-	23,282	23,635	23,991
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		89,029	54,391	60,867	133,949	127,950	127,950		101,996	100,888	95,720
GRAP adjustments				455							
Restated balance		89,029	54,391	61,322	133,949	127,950	127,950	-	101,996	100,888	95,720
Surplus/(Deficit)		6,489	6,476	9,025	23,822	12,865	12,865	-	2,294	205	(770)
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	95,518	60,867	70,347	157,771	140,815	140,815	-	104,290	101,093	94,950
Reserves											
Housing Development Fund											
Capital replacement						1,544	1,544				
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	-	-	-	-	1,544	1,544	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	95,518	60,867	70,347	157,771	142,358	142,358	-	104,290	101,093	94,950

7.2.4 SA4 Reconciliation to IDP strategic objectives and budget (revenue)

EC132 Tsohwana - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)													
Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousand													
Good Governance & Municipal transformation	To have an effective and efficient administration (KPA Municipal transformation and Inst.dev.) To have a transparent and performance driven organisation (KPA Good governance and public participation)			13,258	13,010	15,953	14,887	15,793	15,793	15,271	16,056	16,932	
Financial Viability	To implement good financial management (KA Financial management and viability)			8,398	19,775	14,563	14,489	14,648	14,648	12,506	12,026	12,156	
Local Economic Development	To ensure that conditions are created which stimulate the growth of the local economy (KPA LED)			12,830	5,256	7,830	13,546	13,350	13,350	6,487	5,397	5,709	
Service Delivery	To ensure that cost effective, appropriate and efficient services are delivered (KPA Service delivery)			17,988	18,525	15,236	55,867	44,104	44,104	52,250	53,360	28,979	
Allocations to other priorities			2										
Total Revenue (excluding capital transfers and contribut				1	52,475	56,566	53,582	98,789	87,895	87,895	86,513	86,840	63,776

7.2.5 SA 5 Reconciliation to IDP Strategic objectives and budget (operating expenditure)

EC132 Tsolwana - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year	Budget Year +1	Budget Year +2	
R thousand													
Good Governance & Municipal transformation	To have an effective and efficient administration (KPA Municipal transformation and Inst.dev.) To have a transparent and performance driven organisation (KPA Good governance and public participation)			11,669	10,039	15,241	14,012	15,347	15,347	15,431	16,216	17,092	
Financial Viability	To implement good financial management (KA Financial management and viability)			9,098	15,113	13,487	14,343	12,959	12,959	10,664	11,321	11,741	
Local Economic Development	To ensure that conditions are created which stimulate the growth of the local economy (KPA LED)			5,869	4,803	5,387	5,550	6,285	6,285	11,043	9,957	10,273	
Service Delivery	To ensure that cost effective, appropriate and efficient services are delivered (KPA Service delivery)			32,698	35,574	24,131	53,120	53,305	53,305	58,218	60,025	36,937	
Allocations to other priorities													
Total Expenditure				1	59,333	65,530	58,246	87,024	87,895	87,895	95,356	97,519	76,044

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7.2.6 SA6 Reconciliation to IDP strategic objectives and budget (capital expenditure)

EC132 Tsolwana - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Good Governance & Municipal transformation	To have an effective and efficient administration (KPA Municipal transformation and Inst.dev.) To have a transparent and performance driven organisation (KPA Good governance and public participation)	A		80	6,861	2,118	9	1,436	1,436	40	40	40
Financial Viability	To implement good financial management (KA Financial management and viability)	B		66	20	54	25	20	20	520	375	375
Local Economic Development	To ensure that conditions are created which stimulate the growth of the local economy (KPA LED)	C		5,368	833	1,057	5,795	6,610	6,610	20	20	20
Service Delivery	To ensure that cost effective, appropriate and efficient services are delivered (KPA Service delivery)	D		4,502	6,656	10,689	6,357	5,664	5,664	11,186	10,909	11,522
Allocations to other priorities			3									
Total Capital Expenditure			1	10,016	14,369	13,919	12,186	13,729	13,729	11,766	11,344	11,957

7.2.8 SA11 Property rates summary and SA 12 & 13 Property rates by category (current year) and SA14 Housing bills

Please see the detail tariff list attached

7.2.9 SA15 Investment particulars by type and SA16 Investment particulars by maturity

Tsolwana municipality does not have investments

7.2.10 SA17 Borrowing

Tsolwana municipality does not have borrowings

Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	7,891	13,682	11,741	12,057	12,057	12,057	11,136	10,884	11,497
TOTAL RECEIPTS OF TRANSFERS & GRANTS		38,350	49,562	77,215	81,461	81,461	81,461	77,098	75,222	53,162

7.2.12 SA19 Expenditure on transfers and grant programme

EC132 Tsolwana - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		29,127	31,397	36,199	43,246	43,246	43,246	40,477	38,851	41,149
Local Government Equitable Share		24,741	27,463	31,220	38,820	38,820	38,820	36,456	36,115	38,563
Finance Management		1,500	1,650	1,800	1,800	1,800	1,800	1,825	1,900	1,981
Municipal Systems Improvement		800	890	934	930	930	930	250	263	-
EPWP Incentive		1,000	1,000	1,177	1,060	1,060	1,060	1,360	-	-
Municipal Infrastructure Grant (MIG) PMU		584	394	618	636	636	636	586	573	605
1% National Treasury assistance		501	-	450	-	-	-	-	-	-
Provincial Government:		439	872	25,951	25,728	25,728	25,728	25,450	25,450	476
Library		439	439	721	542	542	542	450	450	476
Local Economic Development		-	186	230	186	186	186	-	-	-
DEPT OF ROADS:		-	247	25,000	25,000	25,000	25,000	25,000	25,000	-
District Municipality:		320	3,255	3,286	400	400	400	-	-	-
CHDM INTERNAL AUDIT SUPPORT		-	300	400	400	400	400	-	-	-
CHDM PAVING PROJECT INCOME		-	-	939	-	-	-	-	-	-
CHDM LED: STOCK DAMS:		-	-	197	-	-	-	-	-	-
CHDM TENDER INCUBATION PROJE		-	1,750	1,750	-	-	-	-	-	-
CHDM WASTE MNG SUPPORT INCOM		-	1,175	-	-	-	-	-	-	-
CHDM IDP ASSISTAN GRANT INCO		320	30	-	-	-	-	-	-	-
Other grant providers:		573	356	38	30	30	30	35	38	40
Training and Seta Income		79	47	38	30	30	30	35	38	40
Other grant income		138	150	-	-	-	-	-	-	-
Housing		356	160	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants		30,459	35,881	65,474	69,403	69,403	69,403	65,962	64,339	41,665
Capital expenditure of Transfers and Grants										
National Government:		7,891	13,682	11,741	12,057	12,057	12,057	11,136	10,884	11,497
Municipal Infrastructure Grant (MIG)		7,891	13,682	11,741	12,057	12,057	12,057	11,136	10,884	11,497
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
0										
Other grant providers:		-	-	-	-	-	-	-	-	-
0										
Total capital expenditure of Transfers and Grants		7,891	13,682	11,741	12,057	12,057	12,057	11,136	10,884	11,497
TOTAL EXPENDITURE OF TRANSFERS AND GRANT		38,350	49,562	77,215	81,461	81,461	81,461	77,098	75,222	53,162

7.2.14 SA21 Transfers and grants made by the municipality

EC132 Tsolwana - Supporting Table SA21 Transfers and grants made by the municipality											
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash Transfers to other municipalities											
<i>Insert description</i>	1										
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms											
<i>Insert description</i>	2										
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State											
<i>Insert description</i>	3										
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
<i>Insert description</i>											
Total Cash Transfers To Organisations		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Groups of Individuals											
<i>Insert description</i>											
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other municipalities											
<i>Insert description</i>	1										
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms											
<i>Insert description</i>	2										
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State											
<i>Insert description</i>	3										
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations											
<i>Insert description</i>	4										
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Groups of Individuals											
<i>GRANTS PAID: PAUPER FUNERALS</i>	5	-	-	-	5	9	9	-	9	10	10
Free Basic - Refuse		970			1,834	1,834	1,834		1,944	2,056	2,176
Free Basic - Electricity		644			1,290	1,290	1,290		1,368	1,447	1,531
Free Basic - Water		-			-						
Free Basic - Sanitation		1,155			-						
Total Non-Cash Grants To Groups Of Individuals:		2,768	-	-	3,129	3,132	3,132	-	3,320	3,513	3,717
TOTAL NON-CASH TRANSFERS AND GRANTS		2,768	-	-	3,129	3,132	3,132	-	3,320	3,513	3,717
TOTAL TRANSFERS AND GRANTS	6	2,768	-	-	3,129	3,132	3,132	-	3,320	3,513	3,717

7.2.15 SA22 Summary councillor and staff benefits

EC132 Tsolwana - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
		A	B	C	D	E	F	G	H	I
<u>Councillors (Political Office Bearers plus Other)</u>	1									
Basic Salaries and Wages		1,486	1,848	2,164	2,153	2,111	2,111	2,216	2,327	2,444
Pension and UIF Contributions		155	198	245	257	257	257	270	283	297
Medical Aid Contributions		-			-					
Motor Vehicle Allowance		531	375	125	124	130	130	137	143	150
Cellphone Allowance		148	216	203	224	510	510	510	510	510
Housing Allowances					-					
Other benefits and allowances								10	11	11
Sub Total - Councillors		2,319	2,637	2,738	2,758	3,008	3,008	3,143	3,275	3,413
% increase	4		13.7%	3.8%	0.8%	9.0%	-	4.5%	4.2%	4.2%
<u>Senior Managers of the Municipality</u>	2									
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 Municipality		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-
<u>Other Municipal Staff</u>										
Basic Salaries and Wages		14,184	11,474	12,394	20,046	13,871	13,871	15,144	16,023	16,952
Pension and UIF Contributions		2,379	2,049	2,285	3,547	2,560	2,560	2,985	3,158	3,341
Medical Aid Contributions		402	504	534	760	665	665	687	727	769
Overtime		539	685	531	551	808	808	546	578	611
Performance Bonus		978	1,095	952	1,466	1,165	1,165	1,360	1,438	1,522
Motor Vehicle Allowance	3	426	511	426	585	429	429	620	656	694
Cellphone Allowance	3	54	52	40	58	40	40	62	66	69
Housing Allowances	3	22	31	28	26	70	70	69	73	77
Other benefits and allowances	3	245	867	685	499	384	384	406	429	454
Payments in lieu of leave		559	451	20	130	17	17	138	146	154
Long service awards		67	-	(8)	107	79	79	71	76	80
Post-retirement benefit obligations	6	397	498	60	-	-	-	-	-	-

Sub Total - Other Municipal Staff		20,252	18,217	17,949	27,776	20,088	20,088	22,087	23,368	24,723
% increase	4		(10.0%)	(1.5%)	54.7%	(27.7%)	-	10.0%	5.8%	5.8%
Total Parent Municipality		22,571	20,854	20,687	30,534	23,096	23,096	25,230	26,643	28,136
Board Members of Entities			(7.6%)	(0.8%)	47.6%	(24.4%)	-	9.2%	5.6%	5.6%
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		22,571	20,854	20,687	30,534	23,096	23,096	25,230	26,643	28,136
% increase	4		(7.6%)	(0.8%)	47.6%	(24.4%)	-	9.2%	5.6%	5.6%
TOTAL MANAGERS AND STAFF	5,7	20,252	18,217	17,949	27,776	20,088	20,088	22,087	23,368	24,723

7.2.16 SA23 Salaries, allowances & benefits (political office bearers /councillors/senior managers)

EC132 Tsolwana - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	s	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		723,530	-	20,868			744,398
Chief Whip			167,920	41,971	90,836			300,727
Executive Mayor								-
Deputy Executive Mayor			-	-	-			-
Executive Committee			-	-	-			-
Total for all other councillors			1,509,648	164,448	374,626			2,048,722
Total Councillors	8	-	2,401,098	206,419	486,330			3,093,847
Senior Managers of the Municipality	5							
Municipal Manager (MM)			798,858	194,285	181,896	-		1,175,040
Chief Finance Officer			-	-	-	-		-
Corporate Service Manager			719,521	133,331	86,496	-		939,348
Community Service Manager			719,521	133,331	86,496	-		939,348
<i>List of each official with packages >= senior manager</i>								
Total Senior Managers of the Municipality	8,10	-	2,237,900	460,947	354,888	-		3,053,736
A Heading for Each Entity	6,7							
List each member of board by designation								
								-
								-
Total for municipal entities	8,10	-	-	-	-	-		-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	4,638,998	667,366	841,218	-		6,147,582

TSOLWANA MUNICIPALITY BUDGET 16/17

7.2.17 SA25 Budgeted monthly revenue and expenditure

EC132 Tsolwana - Supporting Table SA25 Budgeted monthly revenue and expenditure																
Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source																
Property rates		325	325	325	325	325	325	325	325	325	325	325	325	3,896	4,122	4,361
Property rates - penalties & collection charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue		812	812	812	812	812	812	812	812	812	812	812	448	9,378	9,922	10,497
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		265	265	265	265	265	265	265	265	265	265	265	265	3,180	3,364	3,560
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		10	10	10	10	10	10	10	10	10	10	10	10	121	129	136
Interest earned - external investments		63	63	63	63	63	63	63	63	63	63	63	63	761	805	852
Interest earned - outstanding debtors		116	116	116	116	116	116	116	116	116	116	116	116	1,393	1,474	1,559
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		4	4	4	4	4	4	4	4	4	4	4	4	53	56	59
Licences and permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services		76	76	76	76	76	76	76	76	76	76	76	902	1,735	2,594	1,050
Transfers recognised - operational		16,159	2,505	-	20,008	8,749	348	-	340	18,242	-	-	(389)	65,962	64,339	41,665
Other revenue		3	3	3	3	3	3	3	3	3	3	3	3	33	35	37
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		17,833	4,179	1,674	21,682	10,424	2,022	1,674	2,014	19,916	1,674	1,674	1,747	86,513	86,840	63,776
Expenditure By Type																
Employee related costs		1,942	1,942	1,942	1,942	1,942	1,942	1,942	1,942	1,942	1,942	1,942	725	22,087	23,368	24,723
Remuneration of councillors		262	262	262	262	262	262	262	262	262	262	262	262	3,143	3,275	3,413
Debt impairment		128	128	128	128	128	128	128	128	128	128	128	128	1,537	1,626	1,720
Depreciation & asset impairment		660	660	660	660	660	660	660	660	660	660	660	660	7,916	8,375	8,861
Finance charges		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases		821	821	821	821	821	821	821	821	821	821	821	821	9,707	10,270	10,866
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants		277	277	277	277	277	277	277	277	277	277	277	277	3,320	3,513	3,717
Other expenditure		3,429	3,429	3,429	3,429	3,429	3,429	3,429	3,429	3,429	3,429	3,429	9,929	47,645	47,092	22,744
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		7,518	7,518	7,518	7,518	7,518	7,518	7,518	7,518	7,518	7,518	7,518	12,655	95,356	97,519	76,044
Surplus/(Deficit)		10,315	(3,339)	(5,844)	14,164	2,905	(5,496)	(5,844)	(5,504)	12,398	(5,844)	(5,844)	(10,909)	(8,843)	(10,679)	(12,267)
Transfers recognised - capital		2,116	-	-	-	-	-	5,457	-	3,564	-	-	-	11,136	10,884	11,497
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		12,431	(3,339)	(5,844)	14,164	2,905	(5,496)	(387)	(5,504)	15,961	(5,844)	(5,844)	(10,909)	2,294	205	(770)
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	12,431	(3,339)	(5,844)	14,164	2,905	(5,496)	(387)	(5,504)	15,961	(5,844)	(5,844)	(10,909)	2,294	205	(770)

7.2.18 SA 26 Budget monthly revenue and expenditure (municipal vote)

EC132 Tsoelwana - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote																
Vote 1 - Executive and Council		836	836	836	836	836	836	836	836	836	836	836	436	9,631	10,091	10,624
Vote 2 - Budget and Treasury		1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	12,506	12,026	12,156
Vote 3 - Corporate services		470	470	470	470	470	470	470	470	470	470	470	470	5,640	5,965	6,308
Vote 4 - Community and Social Services		1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,380	1,391	16,574	16,041	15,760
Vote 5 - Technical Services		4,403	4,403	4,403	4,403	4,403	4,403	4,403	4,403	4,403	4,403	4,403	4,865	53,299	53,599	30,425
Total Revenue by Vote		8,131	8,131	8,131	8,131	8,131	8,131	8,131	8,131	8,131	8,131	8,131	8,204	97,649	97,723	75,274
Expenditure by Vote to be appropriated																
Vote 1 - Executive and Council		836	836	836	836	836	836	836	836	836	836	836	636	9,831	10,291	10,824
Vote 2 - Budget and Treasury		990	990	990	990	990	990	990	990	990	990	990	(227)	10,664	11,321	11,741
Vote 3 - Corporate services		467	467	467	467	467	467	467	467	467	467	467	467	5,600	5,925	6,268
Vote 4 - Community and Social Services		1,382	1,382	1,382	1,382	1,382	1,382	1,382	1,382	1,382	1,382	1,382	5,882	21,081	20,576	21,509
Vote 5 - Technical Services		3,844	3,844	3,844	3,844	3,844	3,844	3,844	3,844	3,844	3,844	3,844	5,898	48,180	49,406	25,702
Total Expenditure by Vote		7,518	7,518	7,518	7,518	7,518	7,518	7,518	7,518	7,518	7,518	7,518	12,655	95,356	97,519	76,044
Surplus/(Deficit) before assoc.		613	613	613	613	613	613	613	613	613	613	613	(4,451)	2,294	205	(770)
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	613	613	613	613	613	613	613	613	613	613	613	(4,451)	2,294	205	(770)

7.2.19 SA 27 Budget monthly revenue and expenditure (standard classification)

EC132 Tsoelwana - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)														Medium Term	Revenue and Framework	Expenditure
Description	Ref	Budget Year 2016/17												Budget Year	Budget Year	Budget Year
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	2016/17	+1 2017/18	+2 2018/19
Revenue - Standard																
<i>Governance and administration</i>		2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	1,948	27,776	28,082	29,089
Executive and council		836	836	836	836	836	836	836	836	836	836	836	436	9,631	10,091	10,624
Budget and treasury office		1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	1,042	12,506	12,026	12,156
Corporate services		470	470	470	470	470	470	470	470	470	470	470	470	5,640	5,965	6,308
<i>Community and public safety</i>		184	184	184	184	184	184	184	184	184	184	184	195	2,217	2,292	2,423
Community and social services		62	62	62	62	62	62	62	62	62	62	62	73	759	777	822
Sport and recreation		25	25	25	25	25	25	25	25	25	25	25	25	298	315	333
Public safety		97	97	97	97	97	97	97	97	97	97	97	97	1,160	1,200	1,268
Housing																
Health																
<i>Economic and environmental services</i>		3,649	3,649	3,649	3,649	3,649	3,649	3,649	3,649	3,649	3,649	3,649	4,475	44,616	43,763	19,026
Planning and development		452	452	452	452	452	452	452	452	452	452	452	452	5,430	4,305	4,554
Road transport		3,197	3,197	3,197	3,197	3,197	3,197	3,197	3,197	3,197	3,197	3,197	4,023	39,186	39,458	14,472
Environmental protection																
<i>Trading services</i>		1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,586	23,040	23,586	24,736
Electricity		1,206	1,206	1,206	1,206	1,206	1,206	1,206	1,206	1,206	1,206	1,206	842	14,113	14,141	15,953
Water																
Waste water management																
Waste management		744	744	744	744	744	744	744	744	744	744	744	744	8,927	9,445	8,783
<i>Other</i>																
Total Revenue - Standard		8,131	8,131	8,131	8,131	8,131	8,131	8,131	8,131	8,131	8,131	8,131	8,204	97,649	97,723	75,274
			10,688	10,688	10,688	10,688	10,688	10,688	10,688	10,688	10,688	10,688				
Expenditure - Standard																
<i>Governance and administration</i>		2,293	2,293	2,293	2,293	2,293	2,293	2,293	2,293	2,293	2,293	2,293	876	26,095	27,537	28,833
Executive and council		836	836	836	836	836	836	836	836	836	836	836	636	9,831	10,291	10,824
Budget and treasury office		990	990	990	990	990	990	990	990	990	990	990	(227)	10,664	11,321	11,741
Corporate services		467	467	467	467	467	467	467	467	467	467	467	467	5,600	5,925	6,268
<i>Community and public safety</i>		187	187	187	187	187	187	187	187	187	187	187	3,187	5,244	5,347	5,483
Community and social services		70	70	70	70	70	70	70	70	70	70	70	1,570	2,336	2,357	2,406
Sport and recreation		25	25	25	25	25	25	25	25	25	25	25	1,525	1,798	1,815	1,833
Public safety		93	93	93	93	93	93	93	93	93	93	93	93	1,110	1,175	1,243
Housing																
Health																
<i>Economic and environmental services</i>		3,080	3,080	3,080	3,080	3,080	3,080	3,080	3,080	3,080	3,080	3,080	6,080	39,959	39,214	14,864
Planning and development		451	451	451	451	451	451	451	451	451	451	451	1,951	6,910	5,785	6,034
Road transport		2,629	2,629	2,629	2,629	2,629	2,629	2,629	2,629	2,629	2,629	2,629	4,129	33,049	33,429	8,831
Environmental protection																
<i>Trading services</i>		1,959	1,959	1,959	1,959	1,959	1,959	1,959	1,959	1,959	1,959	1,959	2,513	24,058	25,421	26,864
Electricity		1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,769	15,131	15,977	16,871
Water																
Waste water management																
Waste management		744	744	744	744	744	744	744	744	744	744	744	744	8,927	9,445	9,992
<i>Other</i>																
Total Expenditure - Standard		7,518	7,518	7,518	7,518	7,518	7,518	7,518	7,518	7,518	7,518	7,518	12,655	95,356	97,519	76,044
Surplus/(Deficit) before assoc.		613	613	613	613	613	613	613	613	613	613	613	(4,451)	2,294	205	(770)
Share of surplus/ (deficit) of associate																
Surplus/(Deficit)	1	613	613	613	613	613	613	613	613	613	613	613	(4,451)	2,294	205	(770)

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7.2.20 SA28 Budgeted monthly Capital Expenditure (municipal vote)

EC132 Tsolwana - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)																
Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive and Council													-	-	-	-
Vote 2 - Budget and Treasury													-	-	-	-
Vote 3 - Corporate services													-	-	-	-
Vote 4 - Community and Social Services													-	-	-	-
Vote 5 - Technical Services													-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - Executive and Council													-	-	-	-
Vote 2 - Budget and Treasury			10	150		350		10					-	520	375	375
Vote 3 - Corporate services			10		10	10		10					-	40	40	40
Vote 4 - Community and Social Services		-	10	30	10	20							-	70	45	45
Vote 5 - Technical Services			930	3,200	2,500	650		1,700		1,540			616	11,136	10,884	11,497
Capital single-year expenditure sub-total	2	-	960	3,380	2,520	1,030	-	1,710	10	1,540	-	-	616	11,766	11,344	11,957
Total Capital Expenditure	2	-	960	3,380	2,520	1,030	-	1,710	10	1,540	-	-	616	11,766	11,344	11,957

7.2.21 SA29 Budgeted monthly Capital expenditure (standard classification)

EC132 Tsoalwana - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)														Medium Term Revenue and Expenditure Framework			
Description	Ref	Budget Year 2016/17												Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June				
Capital Expenditure - Standard	1																
<i>Governance and administration</i>		-	20	150	10	360	-	10	10	-	-	-	-	560	415	415	
Executive and council														-	-	-	
Budget and treasury office			10	150		350		10						-	520	375	375
Corporate services			10		10	10			10					-	40	40	40
<i>Community and public safety</i>		-	10	30	10	20	-	-	-	-	-	-	-	70	45	45	
Community and social services			10		10									-	20	20	20
Sport and recreation														-	-	-	-
Public safety				30		20								-	50	25	25
Housing														-	-	-	-
Health														-	-	-	-
<i>Economic and environmental services</i>		-	930	3,200	2,500	650	-	1,700	-	1,540	-	-	616	11,136	10,884	11,497	
Planning and development														-	-	-	-
Road transport			930	3,200	2,500	650		1,700		1,540			616	11,136	10,884	11,497	
Environmental protection														-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity														-	-	-	-
Water														-	-	-	-
Waste water management														-	-	-	-
Waste management														-	-	-	-
<i>Other</i>														-	-	-	-
Total Capital Expenditure - Standard	2	-	960	3,380	2,520	1,030	-	1,710	10	1,540	-	-	616	11,766	11,344	11,957	
Funded by:																	
National Government			930	3,200	2,500	650	-	1,700		1,540			616	11,136	10,884	11,497	
Provincial Government														-	-	-	-
District Municipality														-	-	-	-
Other transfers and grants														-	-	-	-
Transfers recognised - capital		-	930	3,200	2,500	650	-	1,700	-	1,540	-	-	616	11,136	10,884	11,497	
Public contributions & donations														-	-	-	-
Borrowing														-	-	-	-
Internally generated funds			30	180	20	380	-	10	10					-	630	460	460
Total Capital Funding		-	960	3,380	2,520	1,030	-	1,710	10	1,540	-	-	616	11,766	11,344	11,957	

7.2.22 SA30 Budgeted Monthly cash flow

EC132 Tsolwana - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2016/17												Medium Term	Revenue and	Expenditure
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash Receipts By Source													1		
Property rates	350	520	320	116	113	107	113	210	105	252	195	132	2,532	2,679	2,835
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	326	456	310	284	206	191	385	592	646	583	325	385	4,689	4,961	5,249
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	86	86	90	91	88	179	112	243	249	239	106	21	1,590	1,682	1,780
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	8	8	8	8	8	8	8	8	8	8	8	8	97	103	109
Interest earned - external investments	63	63	63	63	63	63	63	63	63	63	63	63	761	805	852
Interest earned - outstanding debtors	116	116	116	116	116	116	116	116	116	116	116	116	1,393	1,474	1,559
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	4	4	4	4	4	4	4	4	4	4	4	4	53	56	59
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency services	145	145	145	145	145	145	145	145	145	145	145	145	1,735	2,594	1,050
Transfer receipts - operational	16,159	2,505	-	20,008	8,749	348	-	340	17,853	-	-	(0)	65,962	64,339	41,665
Other revenue	3	3	3	3	3	3	3	3	3	3	3	3	33	35	37
Cash Receipts by Source	17,260	3,906	1,059	20,838	9,496	1,165	950	1,724	19,192	1,414	965	877	78,846	78,728	55,194
Other Cash Flows by Source															
Transfer receipts - capital	2,116	-	-	-	-	-	5,457	-	3,564	-	-	-	11,136	10,884	11,497
Contributions recognised - capital & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	19,376	3,906	1,059	20,838	9,496	1,165	6,407	1,724	22,756	1,414	965	877	89,982	89,612	66,692
Cash Payments by Type															
Employee related costs	1,785	1,785	1,785	1,785	1,785	1,785	1,785	1,785	1,785	1,785	1,785	1,785	21,424	22,667	23,982
Remuneration of councillors	262	262	262	262	262	262	262	262	262	262	262	262	3,143	3,275	3,413
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bulk purchases - Electricity	821	821	821	821	821	821	821	821	821	821	821	675	9,707	10,270	10,866
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	277	277	277	277	277	277	277	277	277	277	277	277	3,320	3,513	3,717
Other expenditure	1,469	3,469	2,635	3,227	15,770	2,504	5,285	3,172	3,253	1,180	3,429	1,776	47,169	47,092	22,744
Cash Payments by Type	4,614	6,614	5,781	6,372	18,915	5,649	8,430	6,317	6,398	4,325	6,574	4,775	84,764	86,816	64,721
Other Cash Flows/Payments by Type															
Capital assets	981	981	981	981	981	981	981	981	981	981	981	981	11,766	11,344	11,957
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	5,595	7,595	6,761	7,352	19,896	6,629	9,410	7,298	7,378	5,306	7,554	5,755	96,530	98,160	76,678
NET INCREASE/(DECREASE) IN CASH HELD	13,781	(3,689)	(5,702)	13,486	(10,400)	(5,465)	(3,003)	(5,574)	15,378	(3,892)	(6,589)	(4,879)	(6,547)	(8,548)	(9,986)
Cash/cash equivalents at the month/year begin:	34,005	47,786	44,097	38,395	51,881	41,481	36,016	33,013	27,440	42,817	38,925	32,336	34,005	27,457	18,909
Cash/cash equivalents at the month/year end:	47,786	44,097	38,395	51,881	41,481	36,016	33,013	27,440	42,817	38,925	32,336	27,457	27,457	18,909	8,923

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7.2.23 SA34a Capital expenditure on new assets by asset class

EC132 Tsolwana - Supporting Table SA34a Capital expenditure on new assets by asset class										
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		2,508	6,226	8,012	6,307	5,604	5,604	11,136	10,884	11,497
Infrastructure - Road transport		780	6,034	7,637	6,307	5,604	5,604	11,136	10,884	11,497
<i>Roads, Pavements & Bridges</i>		780	6,034	7,637	6,307	5,604	5,604	11,136	10,884	11,497
<i>Storm water</i>										
Infrastructure - Electricity		1,728	192	376	-	-	-	-	-	-
<i>Generation</i>										
<i>Transmission & Reticulation</i>		1,728	192	376						
<i>Street Lighting</i>										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
<i>Dams & Reservoirs</i>										
<i>Water purification</i>										
<i>Reticulation</i>										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>										
<i>Sewerage purification</i>										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
<i>Waste Management</i>										
<i>Transportation</i>	2									
<i>Gas</i>										
<i>Other</i>	3									
Community		5,141	682	610	5,750	6,585	6,585	-	-	-
Parks & gardens										
Sportsfields & stadia		1,532	537	177	3,000	2,798	2,798	-	-	-
Swimming pools										
Community halls		3,610	144	433	2,750	3,787	3,787			
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		2,366	7,461	5,296	124	1,541	1,541	480	455	455
General vehicles		24	361			450	450			
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment		203								
Computers - hardware/equipment					40	40	40	60	60	60
Furniture and other office equipment		146	284	172	84	145	145	420	395	395
Abattoirs										
Markets										
Civic Land and Buildings		1,994	6,816	5,124		906	906			
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
Agricultural assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Biological assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Intangibles		-	-	-	5	-	-	150	5	5
Computers - software & programming					5			150	5	5
Total Capital Expenditure on new assets	1	10,016	14,369	13,919	12,186	13,729	13,729	11,766	11,344	11,957

7.2.24 SA34c Repairs and maintenance expenditure by asset class

EC132 Tsoelwana - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		15	628	841	160	160	160	3,385	3,582	3,789
Infrastructure - Road transport		15	-	-	10	10	10	1,903	2,013	2,130
<i>Roads, Pavements & Bridges</i>		15	-	-	10	10	10	1,903	2,013	2,130
<i>Storm water</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	628	841	150	150	150	1,482	1,568	1,659
<i>Generation</i>		-	-	-	-	-	-	-	-	-
<i>Transmission & Reticulation</i>		-	628	841	-	-	-	-	-	-
<i>Street Lighting</i>		-	-	-	150	150	150	1,482	1,568	1,659
Infrastructure - Water		-	-	-	-	-	-	-	-	-
<i>Dams & Reservoirs</i>		-	-	-	-	-	-	-	-	-
<i>Water purification</i>		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>		-	-	-	-	-	-	-	-	-
<i>Sewerage purification</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
<i>Waste Management</i>		-	-	-	-	-	-	-	-	-
<i>Transportation</i>	2	-	-	-	-	-	-	-	-	-
<i>Gas</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>	3	-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	5,262	5,567	5,707
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	1,700	1,799	1,903
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	1,762	1,864	1,973
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	1,800	1,904	1,832
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		1,992	428	1,084	2,560	1,351	1,351	556	194	-
General vehicles		429	181	856	420	296	296	-	-	-
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment		1,297	25	27	1,723	711	711	-	-	-
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		10	-	-	10	(0)	(0)	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		114	43	31	2	2	2	-	-	-
Other Buildings		-	178	95	160	148	148	-	-	-
Other Land		2	-	76	220	190	190	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		140	-	-	25	3	3	556	194	-
Agricultural assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (<i>list sub-class</i>)		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	2,007	1,056	1,925	2,720	1,511	1,511	9,204	9,343	9,497
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-
R&M as a % of PPE		2.9%	1.4%	2.3%	3.1%	1.7%	1.7%	9.9%	9.7%	9.6%
R&M as % Operating Expenditure		3.4%	1.6%	3.3%	3.1%	1.7%	1.7%	9.7%	9.6%	12.5%

7.2.25 SA34d Supporting table Depreciation by asset class

EC132 Tsoalwana - Supporting Table SA34d Depreciation by asset class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Depreciation by Asset Class/Sub-class										
Infrastructure		-	6,659	6,659	6,298	6,298	6,298	6,676	7,063	7,473
Infrastructure - Road transport		-	6,264	6,264	5,794	5,794	5,794	6,141	6,497	6,874
<i>Roads, Pavements & Bridges</i>			6,264	6,264	5,794	5,794	5,794	6,141	6,497	6,874
<i>Storm water</i>										
Infrastructure - Electricity		-	395	395	504	504	504	535	566	598
<i>Generation</i>										
<i>Transmission & Reticulation</i>			395	395	504	504	504	535	566	598
<i>Street Lighting</i>										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
<i>Dams & Reservoirs</i>										
<i>Water purification</i>										
<i>Reticulation</i>										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>										
<i>Sewerage purification</i>										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
<i>Waste Management</i>										
<i>Transportation</i>	2									
<i>Gas</i>										
<i>Other</i>	3									
Community		-	167	190	445	445	445	471	499	527
Parks & gardens					-	-	-	-	-	-
Sportsfields & stadia					92	92	92	98	104	110
Swimming pools					-	-	-	-	-	-
Community halls			80	89	352	352	352	373	395	418
Libraries										
Recreational facilities			87	101						
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
Investment properties		-	20	20	-	-	-	-	-	-
Housing development										
Other			20	20						
Other assets		-	619	673	682	682	682	720	762	806
General vehicles			86	97	67	67	67	71	75	79
Specialised vehicles	10		-	-	-	-	-	-	-	-
Plant & equipment			87	157	-	-	-	-	-	-
Computers - hardware/equipment			101	99	7	7	7	7	7	8
Furniture and other office equipment			106	104	175	175	175	186	196	208
Abattoirs					-	-	-	-	-	-
Markets					-	-	-	-	-	-
Civic Land and Buildings			176	153	434	434	434	457	483	512
Other Buildings			0	0						
Other Land			63	63						
Surplus Assets - (Investment or Inventory)										
Other										
Agricultural assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Biological assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
Intangibles		-	50	159	-	-	46	49	52	55
Computers - software & programming			50	159			46	49	52	55
Other (<i>list sub-class</i>)										
Total Depreciation	1	-	7,514	7,700	7,424	7,424	7,470	7,916	8,375	8,861
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										

TSOLWANA MUNICIPALITY BUDGET 16/17

7.2.26 SA36 detailed capital budget

EC132 Tsolwana - Supporting Table SA36 Detailed capital budget													
Municipal Vote/Capital project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No) 6	Asset Class 3	Asset Sub-Class 3	GPS co-ordi 5	Prior year outcomes		2016/17 Medium Term Revenue & Expenditure Framework		
R thousand	4								Audited Outcome 2014/15	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Parent municipality:													
<i>List all capital projects grouped by Municipal Vote</i>													
1.1 - Municipal Manager		OFFICE EQUIPMENT ASSETS;	0001/1505/0000		Yes	<i>Other Assets</i>	<i>Furniture and other office equipment</i>						
1.1 - Municipal Manager		COMPUTER EQUIPMENT;	0001/1510/0000		Yes	<i>Other Assets</i>	<i>Computers - hardware/equipment</i>						
2.1 - Budget and Treasury		OFFICE EQUIPMENT ASSETS;	0201/1505/0000		Yes	<i>Other Assets</i>	<i>Furniture and other office equipment</i>		455		350	350	350
2.1 - Budget and Treasury		COMPUTER EQUIPMENT;	0201/1510/0000		Yes	<i>Other Assets</i>	<i>Computers - hardware/equipment</i>	54	15		20	20	20
2.1 - Budget and Treasury		SOFTWARE ASSETS;	0201/1520/0000		Yes	<i>Other Assets</i>	<i>Computers - software & programming</i>				150	5	5
2.1 - Budget and Treasury		IT AND OTHER;	0201/1530/0000		Yes	<i>Other Assets</i>	<i>Computers - software & programming</i>						
2.1 - Budget and Treasury		SOFTWARE ASSETS;	0201/1520/0001		Yes	<i>Other Assets</i>	<i>Computers - software & programming</i>						
3.1 - Human Resources and Administration		VEHICLE ASSETS;	0301/1500/0000		Yes	<i>Other Assets</i>	<i>General vehicles</i>						
3.1 - Human Resources and Administration		OFFICE EQUIPMENT ASSETS;	0301/1505/0000		Yes	<i>Other Assets</i>	<i>Furniture and other office equipment</i>	13	80		40	40	40
3.1 - Human Resources and Administration		COMPUTER EQUIPMENT;	0301/1510/0000		Yes	<i>Other Assets</i>	<i>Computers - hardware/equipment</i>						
4.1 - Community Services		OFFICE EQUIPMENT ASSETS;	0403/1505/0000		Yes	<i>Other Assets</i>	<i>Furniture and other office equipment</i>		-				
4.1 - Community Services		COMPUTER EQUIPMENT;	0403/1510/0000		Yes	<i>Other Assets</i>	<i>Computers - hardware/equipment</i>		25		20	20	20
4.5 - Public Safety		VEHICLE ASSETS;	0461/1500/0000		Yes	<i>Other Assets</i>	<i>General vehicles</i>						
4.5 - Public Safety		COMPUTER EQUIPMENT;	0461/1510/0000		Yes	<i>Other Assets</i>	<i>Computers - hardware/equipment</i>				20		
4.5 - Public Safety		FURNITURE ASSETS;	0461/1525/0000		Yes	<i>Other Assets</i>	<i>Furniture and other office equipment</i>		60		30	25	25
4.6 - Refuse		ASSETS: SPECILIASED VEHICLES	PECILIASED VEHICLES		Yes	<i>Other Assets</i>	<i>Specialised vehicles</i>						
5.1 - Roads and Stormwater		STORM WATER ASSETS	STORM WATER 1		Yes	<i>Infrastructure - Road transport</i>	<i>Storm water</i>						
5.2 - Electricity		FURNITURE ASSETS;	0540/1525/0000		Yes	<i>Other Assets</i>	<i>Furniture and other office equipment</i>						
5.2 - Electricity		OTHER ASSETS	0540/1510/0000		Yes	<i>Other Assets</i>	<i>Other Assets</i>	376					
5.1 - Roads and Stormwater		PAVEMENT PROJECT;	0530/4485/0000		Yes	<i>Infrastructure - Road transport</i>	<i>Roads, Pavements & Bridges</i>						
1.1 - Municipal Manager		Buildings	MIG 1		Yes	<i>Other Assets</i>	<i>Civic Land and Buildings</i>						
5.1 - Roads and Stormwater		Internal Roads	MIG 2		Yes	<i>Infrastructure - Road transport</i>	<i>Roads, Pavements & Bridges</i>	7,189	5,604			10,884	11,497
5.1 - Roads and Stormwater		Bridge - Bacclesfarm	MIG 3		Yes	<i>Infrastructure - Road transport</i>	<i>Roads, Pavements & Bridges</i>				7,837		
5.1 - Roads and Stormwater		Internal roads Ward 1	MIG 4		Yes	<i>Infrastructure - Road transport</i>	<i>Roads, Pavements & Bridges</i>				3,299		
4.1 - Community Services		Khayalethu Community Hall	MIG 5		Yes	<i>Community</i>	<i>Community halls</i>	880	3,812				
4.4 - Sport and Recreation		Phakamisa Sportfield	MIG 6		Yes	<i>Community</i>	<i>Sports Fields & stadia</i>	177	2,798				
1.1 - Municipal Manager		Buildings	MIG 7		Yes	<i>Other Assets</i>	<i>Civic Land and Buildings</i>	2,105					
4.1 - Community Services		Testing Station				<i>Other Assets</i>	<i>Testing station</i>	3,124					
Parent Capital expenditure	1										11,766	11,344	11,957
Entity Capital expenditure									-	-	-	-	-
Total Capital expenditure									13,919	12,849	11,766	11,344	11,957

8. **OVERVIEW OF THE ANNUAL BUDGET PROCESS**

Budget Process Overview

Schedule of Key Deadlines relating to budget process [MFMA s 21(1)(b)]

The Act requires the formal budget process to start with the tabling by the Mayor in Council of a schedule showing the key budget deadlines. This process is underway due to the amalgamation process taking place

Political oversight of the budget process

Section 53 of the MFMA requires that the Mayor provides general political guidance over the budget process and the priorities that must guide the preparation of the budget.

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

Departments were required to give input and their needs to the budget. The budget process is integrated with the review of the IDP through the IDP review mechanism. The outcome of consultation feeding into the IDP review is taken into account in the budget process.

This budget had also better input from government departments in compared to previous years

Process for tabling the budget in Council for consultation

A statutory period of consultation follows the tabling of the budget in Council March 2016. Meetings with the local community should be advertised in the local press following the tabling of the draft budget.

The Mayor had considered the outcomes of these consultation meetings.

Process for approving the budget

The budget must be approved by Council by 31 May 2016.

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

All budget documentation, the MTREF together with tariffs and policies, are made available at Council libraries and offices for inspection.

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

9. OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH THE INTEGRATED DEVELOPMENT PLAN

The IDP has been prepared for the Medium Term Revenue and Expenditure period which includes instances up to 2018/2019. The whole development of the Budget and IDP was based on the Budget and IDP Process Plan.

The Integrated Development Plan of 2016/17 is underway for presentation to the public and is developed in partial response to:

The requirements of compliance with the Local Government Municipal Systems Act (MSA) 32 of 2000 which prescribes for the review of municipal integrated development plan (IDP), in which it prescribes for the municipality to:

Identify the gaps that warrant review in its IDP and revise accordingly

Review its performance and incorporate the outcomes of the review in its IDP review

Comments raised by MEC on the previous IDP

Queries raised by the auditor general in the municipality's annual statements which bear relevance for IDP and PMS linkages

A gap analysis conducted on the current IDP document pointed to the following key areas for specific attention and improvement during the formulation of this IDP.

1.1 9.1 Updating of the planning data

Updated statistical information has been sourced from Global Insight 2008 and used to improve our demographic projections. Further, we have collected updated planning information from sector departments and that has necessitated few changes in the document. The planning information is also updated to accommodate recent changes in government restructuring which took place after the April 2009 elections. The census of 2011 was also used.

9.2 Response to issues raised by AG relating to IDP & PMS linkages

Auditor General has raised concern over shortfalls in certain aspects of our planning process. In particular, key concerns were raised relating to the alignment of PMS and IDP. This IDP has been designed to ensure clear alignment between its IDP KPAs, development objectives and Targets. The document provides both the framework adopted for managing our performance management and the actual commitments in terms of the scorecards describing a set of indicators and targets for our performance management.

10. MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS

10.1 Lack of office space

The municipal assessment of how to improve its service delivery has found that the lack of office space surely has an impact on service delivery. This project was subdivided into two phases i.e. Phase 1 and 2. Phase 1 of the office building was completed in 2015/16 financial period. Phase 2 has been uplifted and will be considered after the amalgamation of the three municipalities. The reasons were that

staff cannot be appointed and community stand in long queues when visiting the municipal offices for whatever reason.

10.2 Public Safety

The municipality is in the process of establishing their own traffic department. We have budgeted for the construction of a traffic station partially funded from MIG to the amount of R7.9 million for 2013/14 and the intention was to be operational in 2014/15. The testing station has not yet been completed. Engagements with the consultants are on to finalize the construction. This is part of the municipality's revenue enhancement strategy to ensure financial sustainability in future.

10.3 Rehabilitation of internal roads

The condition of the internal road was also identified as a priority for Tsolwana Municipality. The roads in especially previously disadvantaged areas and rural areas need much attention to bring it up to an acceptable level. We have budgeted to upgrade the internal roads in Ward 1 & 2 during 2014/15 and 2015/16 financial period, and its on completion stages. We have also lifted projects to the 2016/17 financial period due to budgetary constraints as the roll-over amounts was declined by Treasury.

10.4 Becclesfarm bridge

The condition of the bridge is a threat towards access in Ward 3. This project has been approved by Council and the project will be lifted to 2016/17 because of disagreements with contractor, refusing to sign appointment letter citing 10% escalation to his tender sum.

10.5 mSCOA commission

As per the Gazette on Standard Chart of Accounts, Tsolwana municipality will starting to get ready for the implementation of SCOA. The focus will be on the IT infrastructure as well as the readiness of data during the 2016/17 financial year.

Training has been performed by both National Treasury and Financial Management system consultants to staff members. mSCOA governance documents have been sent to Treasury.

10.6 MFMA circular Cost Containment measures

Purpose

Section 62(1)(a) of the Municipal Finance Management Act No. 56 of 2003 (MFMA) stipulates that the accounting officer of a municipality is responsible for managing the financial administration of a municipality and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically.

In terms of the legal framework, the elected councils and accounting officers are required to institute appropriate measures to ensure that the limited resources and public funds are appropriately utilized to ensure value for money is achieved.

The purpose of this Circular is to guide municipalities and municipal entities on cost containment measures that must be implemented in an effort to address the impact of the country's economic challenges and to promote growth, address unemployment

and equality, amongst others. The council has adopted this circular with the final budget.

11. OVERVIEW OF BUDGET RELATED POLICIES AND AMENDMENTS

Listed below with a brief description are the municipality's budget related policies. The **detailed policies** are not included in this budget documentation. However, they are available at the Council's office in 21 Murray Street, Tarkastad.

This section is trying to give the user of this budget document a broad overview of the budget policy framework and highlights the amended policies by council resolution.

11.1 Budget Policy

Purpose/Basic areas covered by policy/main objective

The objectives of the budgeting policy are to set maximum expenditure limits for the budget or each component thereof, for the Municipality. A Municipality may only incur expenditure in accordance with its approved budget.

Date of council approval:

All budget related policies were approved with Final Budget

11.2 Tariff Policy

Purpose/Basic areas covered by policy/main objective

The purpose of this tariff policy is to prescribe the accounting and administrative policies and procedures relating to the determining and levying of tariffs by Tsolwana Municipality.

Date of council approval:

All budget related policies were approved with Final Budget

11.3 Credit Control and Debt Collection Policy

Purpose/Basic areas covered by policy/main objective

The Local Government: Municipal Finance Management Act, 2003, Act 56 of 2003 contains legal prescriptions for sound and sustainable management of the financial affairs of municipalities. Section 97 deals with revenue management, inter alia with effective revenue collection systems and the preparation of accounts for service charges.

A Credit Control and Debt Collection Policy is required in order to give effect to requirements of Act 56, generally and specifically with revenue collection.

Date of council approval:

All budget related policies were approved with Final Budget

11.4 Cash Management and Investment Policy

Purpose/Basic areas covered by policy/main objective

In order to ensure sound and sustainable management of the cash resources of the municipality this policy addresses all principles and processes involved in cash and investment management

Date of council approval:

All budget related policies were approved with Final Budget

11.5 Property rates policy

Setting of criteria for establishing rates tariffs.

Date of council approval:

All budget related policies were approved with Final Budget

11.6 Accounting Policy

Purpose/Basic areas covered by policy/main objective

Accounting policy guides the preparation of the Annual Financial Statements and is reviewed each year during the preparation to ensure compliance with GRAP standards and any guiding principles issued by Accounting Standards Board and National Treasury.

Date of council approval:

All budget related policies were approved with Final Budget

11.7 Virement Policy

Purpose/Basic areas covered by policy/main objective

The virement policy establishes the framework for managers to manage their respective budgets within certain limitations. It also ensures good budgeting practices and effective financial management.

Date of council approval:

All budget related policies were approved with Final Budget

11.8 Borrowing Policy

Purpose/Basic areas covered by policy/main objective

The objective of this policy is to ensure that the Municipality's borrowing practices at all times comply with the relevant laws and best practices. The primary goal in the borrowing of funds is to ensure that the funds are obtained at the lowest possible interest rates at minimum risk.

Date of council approval:

All budget related policies were approved with Final Budget

11.9 Fixed Assets Management Policy

Purpose/Basic areas covered by policy/main objective

The fixed assets management policy is designed to ensure management of Municipal assets in efficient and effective manner with regard to acquisition, utilisation, control, maintenance and disposal of assets. The policy guides directorates/departments and staff in their responsibility and duties for control of their assets.

Date of council approval:

All budget related policies were approved with Final Budget

11.10 Funding and Reserves Policy

Purpose/Basic areas covered by policy/main objective

This policy aims to set standards and guidelines towards ensuring financial viability over both the short- and long term and includes funding as well as reserves requirements.

Date of council approval:

All budget related policies were approved with Final Budget

11.11 Policy on the Use and Application of Information Technology

Purpose/Basic areas covered by policy/main objective

The purpose of this policy is to provide guidance to all current and future users of the information technology (IT) network, consisting of a variety of servers, personal computers, network printers and direct printers, to ensure that the system is properly managed, optimally used, applied to the best advantage of the municipality, and to prevent abuse of the system. This policy cannot lay down rules to cover every possible situation. Instead, it is designed to express the municipality's philosophy and set out the general principles that employees should apply when using computers.

Date of council approval:

All budget related policies were approved with Final Budget

12. GRANT EXPENDITURE AND ALLOCATIONS

The grants programme its expenditure on transfers can be found under SA table 19.

Details of each grant are shown in the schedule that follows:

Name of Grant	Operating/capital	Allocation authority/department	Purpose of grant
Library Services	Operating	Province/ Cultural Affairs and Sport	To enable public libraries to render an improved service by addressing staffing shortages and operating needs. However, no formal correspondence received on any allocation that will be transferred to municipality
Councillor remuneration	Operating	National Treasury	To assist municipalities with the cost of cllr remuneration
Local Government Financial Mng grant (FMG)	Operating	National Treasury	To promote and support reforms in financial mng by building capacity in municipalities to implement MFMA
Municipal Systems Improvement Grant (MSIG)	Operating	COGTA	To assist municipalities in building in-house capacity to perform their functions and stabilise institutional and governance systems
Municipal	Operating/	COGTA	To supplement

Infrastructure Grant (MIG)	Capital		capital finance for basic municipal infrastructure. The operating portion is utilised for project management unit.
Equitable Share	Operating	National Treasury	The equitable share of national revenue in accordance with the requirements of the Constitution.
EPWP	Incentive	National Public works	To assist with job creation

14. ALLOCATIONS AND GRANTS MADE BY THE MUNICIPALITY

Any allocation made to an outside body must comply with the requirements of section 67 of the MFMA. This stipulates that before transferring funds to an outside organisation the Municipal Manager, as Accounting Officer, must be satisfied that the organisation or body has the capacity to comply with the agreement and has adequate financial management and other systems in place.

National Treasury further indicated in MFMA circular 51 that no more “discretionary” funds may be appropriated in the budget due to such funds not being transparent during the consultation process.

The municipality did not budget to make any grant transfers to any outside organisation/body or other organ of state other than the indigent relief as included per Treasury guidance under transfers and grants paid. It should however be noted that these Indigent subsidies reflects under revenue foregone in the Annual financial statements due to GRAP requirements and not an expense item as per the budget.

15. COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

Supporting tables SA 22 and SA 23 summarises the salary, allowances and benefits over the MTREF.

16. SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

The Municipality’s service delivery and budget implementation plan can be found under the Municipality’s final IDP reviewed document for 2016/17.

17. INVESTMENTS

The municipality does not have any money **that complies with the definition of investment**. However, most money is easily needed on an 'immediate' sort of scenario. That's why money not immediately needed is put in call accounts to attract a better interest rate than what you might get from a current account and a call account does not qualify as an investment.

18. CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS

The municipality does not have any roll – over contracts with budget implications, other than being agents for the department of roads and public works for the construction/tarring of internal roads.

19. CAPITAL EXPENDITURE AND PREVIOUSLY DELAYED PROJECTS

Capital expenditure details are listed in supporting tables 34 to SA36. The roll-over application was declined and all the projects rolled over had to be funded through the 2015/16 MIG. This resulted in 2015/16 projects not completed and some not yet commenced and will be phased over for 2016/17 financial period. It is however anticipated that we will apply for a roll-over which will be adjusted in the adjustment budget if approves.

20. ANNUAL BUDGETS AND SERVICE DELIVERY AGREEMENTS- MUNICIPAL ENTITIES AND OTHER EXTERNAL MECHANISMS

20.1 Entities

The municipality does not have any entities.

20.2 Other External Service Delivery Mechanisms.

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

21. LEGISLATION COMPLIANCE STATUS

Municipal Finance Management Act - No 56 of 2003

The MFMA became effective on 1st July 2004. The Act modernises budget and financial management practices within the overall objective of maximising the capacity of municipalities to deliver services. The MFMA covers all aspects of municipal finance including budgeting, supply chain management and financial reporting. The various sections of the Act are phased in according to the designated financial management capacity of municipalities. Tsohlwana has been designated as a medium capacity municipality. The MFMA is the foundation of the municipal financial management reforms which municipalities are implementing.

The MFMA and the budget

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

The budget preparation process

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

Overview

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

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

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

Budget preparation timetable

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

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

Budget preparation and review of IDP and policy

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

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

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

Tabling of the draft budget

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

Publication of the draft budget

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

Opportunity to comment on draft budget

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

Opportunity for revisions to draft budget

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

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

Adoption of the annual budget

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

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

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

BUDGET IMPLEMENTATION

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

The Municipal Manager must within fourteen days of the approval of the annual budget submit to the Mayor for approval a draft SDBIP and draft annual performance agreements for all pertinent senior staff.

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

The Mayor must approve the draft SDBIP within 28 days of the approval of the annual budget

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

Managing the implementation process

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

Variation from budget estimates

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

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

Revision of budget estimates – the adjustments budget

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

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

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

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

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

The following table shows how Tsolwana Municipality complies with the disclosure requirements of section 17 of the MFMA.

Requirement	Disclosure in budget documentation
Schedule of reasonably anticipated revenue for the budget year from each revenue source	A4
Schedule showing appropriations of expenditure for the budget year under the different votes of the Municipality	A3
Schedule setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year	A3 and A4

Schedule setting out- (i) estimated revenue and expenditure by vote for the current year and (ii) Actual revenue and expenditure by vote for the financial year preceding the current year.	A3 and A4
Draft resolutions - (i) approving the budget of the Municipality (ii) imposing any municipal tax and setting any municipal tariffs as may be required for the budget year and (iii) Approving any other matters that may be prescribed.	Section 4
Measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the Municipality's Integrated Development Plan.	Section 22 and SA 7
Projection of cash flow for the budget year by revenue source broken down per month	SA 25 – SA 26
Proposed amendments to the Municipality's integrated development plan following the annual review of the IDP in terms of section 34 of the Municipal Systems Act	Section 9
Particulars of the Municipality's investments	Section 17 and SA 16
Any prescribe information on municipal entities under the sole or shared control of the Municipality	N/a
Particulars of all proposed new municipal entities which the Municipality intends to establish or in which the Municipality intends to participate	N/a
Particulars of any proposed service delivery agreements, including material amendments to existing service delivery agreements	Section 20
Particulars of any proposed allocations or grants by the municipality to- (i) other municipalities (ii) any municipal entities and other external mechanisms assisting the municipality in the exercise of its functions or powers (iii) any other organs of state (iv) any organisations or bodies referred to in section 67 (1) (bodies outside Government)	Section 14
The proposed cost to the municipality for the budget year of the salary, allowances and benefits of- (i) each political office bearer of the Municipality (ii) Councillors of the municipality (iii) the municipal manager, the chief financial officer, each senior manager of the municipality and any other official of the municipality having a remuneration package greater than or equal to that of a senior manager	Section 15

The proposed cost for the budget year to a municipal entity under the sole or shared control of the Municipality of the salary, allowances and benefits of- (i) each member of the entity's board of directors and (ii) the chief executive officer and each senior manager of the entity	N/a
The proposed cost for the budget year to a municipal entity under the sole or shared control of the Municipality of the salary, allowances and benefits of- (i) each member of the entity's board of directors and (ii) the chief executive officer and each senior manager of the entity	N/a
Any other supporting documentation as may be prescribed	SA forms

Other Legislation

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

The Division of Revenue Act 2010 and Provincial Budget Announcements

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

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

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

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

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

Chapters 4 and 5 relating to community participation and the requirements for the Integrated Development Planning process.

Chapter 6 relates to performance management which links with the requirements for the budget to contain measurable performance objectives and quarterly performance targets in the Service Delivery and Budget Implementation Plan.

Chapter 8 relates to the requirement to produce a tariff policy.

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MUNICIPAL MANAGER'S QUALITY CERTIFICATION

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

S.J. Dayi
Municipal Manager of Tsolwana Municipality (EC 132)

Date: 08 June 2016