

# **Metsimaholo Local Municipality**



## **2015/2016 Medium Term Revenue and Expenditure Framework (MTREF)**

### **Draft Budget Document**

**May 2015**

## Table of Contents

<b>ANNEXURE</b> .....	
<b>PART 1 – ANNUAL BUDGET</b> .....	<b>2</b>
1.1 MAYOR’S REPORT .....	2
1.2 COUNCIL RESOLUTIONS .....	3
1.3 EXECUTIVE SUMMARY .....	3
1.4 OPERATING REVENUE FRAMEWORK .....	9
1.5 OPERATING EXPENDITURE FRAMEWORK.....	67
1.6 CAPITAL EXPENDITURE .....	85
1.7 ANNUAL BUDGET TABLES .....	89
<b>PART 2 – SUPPORTING DOCUMENTATION</b> .....	<b>112</b>
2.1 OVERVIEW OF THE ANNUAL BUDGET PROCESS .....	112
2.2 OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH IDP .....	119
2.3 MEASURABLE PERFORMANCE OBJECTIVES AND INDICATORS .....	126
2.4 OVERVIEW OF BUDGET RELATED-POLICIES .....	134
2.5 OVERVIEW OF BUDGET ASSUMPTIONS .....	136
2.6 OVERVIEW OF BUDGET FUNDING .....	139
2.7 EXPENDITURE ON GRANTS AND RECONCILIATIONS OF UNSPENT FUNDS .....	137
2.8 COUNCILLOR AND EMPLOYEE BENEFITS.....	152
2.9 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW.....	155
2.10 ANNUAL BUDGETS AND SDBIPs – INTERNAL DEPARTMENTS .....	160
2.11 CONTRACTS HAVING FUTURE BUDGETARY IMPLICATIONS .....	178
2.12 CAPITAL EXPENDITURE DETAILS .....	178
2.13 LEGISLATION COMPLIANCE STATUS.....	183
2.14 OTHER SUPPORTING DOCUMENTS.....	184
2.15 MUNICIPAL MANAGER’S QUALITY CERTIFICATE .....	167

## List of Tables

Table 1 Consolidated Overview of the 2014/15 MTREF .....	7
Table 2 Summary of revenue classified by main revenue source .....	10
Table 3 Percentage growth in revenue by main revenue source.....	11
Table 4 Operating Transfers and Grant Receipts .....	12
Table 5 Comparison of proposed rates to levied for the 2014/15 financial year .....	15
Table 6 Proposed Water Tariffs.....	17
Table 7 Proposed electricity tariff .....	19
Table 8 Comparison between current electricity charges and increases (Domestic) .....	21
Table 9 Proposed sanitation tariff.....	22
Table 10 Proposed waste removal .....	25
Table 11 MBRR Table SA14 – Household bills.....	26

Table 12 Sundry tariffs.....	27
Table 13 Summary of operating expenditure by standard classification item.....	80
Table 14 Operational repairs and maintenance.....	83
Table 15 Repairs and maintenance per asset class.....	84
Table 16 2011/12 Medium-term capital budget per vote.....	85
Table 17 MBRR Table A1 - Budget Summary.....	89
Table 18 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification).....	92
Table 19 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote).....	94
Table 20 Surplus/(Deficit) calculations for the trading services.....	95
Table 21 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure).....	97
Table 22 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source.....	100
Table 23 MBRR Table A6 - Budgeted Financial Position.....	102
Table 24 MBRR Table A7 - Budgeted Cash Flow Statement.....	104
Table 25 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation.....	104
Table 26 MBRR Table A9 - Asset Management.....	107
Table 27 MBRR Table A10 - Basic Service Delivery Measurement.....	110
Table 28 IDP Strategic Objectives.....	111
Table 29 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue.....	122
Table 30 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure.....	122
Table 31 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure.....	123
Table 32 MBRR Table SA7 - Measurable performance objectives.....	128
Table 33 MBRR Table SA8 - Performance indicators and benchmarks.....	130
Table 34 Breakdown of the operating revenue over the medium-term.....	139
Table 35 MBRR SA15 – Detail Investment Information.....	142
Table 36 MBRR SA16 – Investment particulars by maturity.....	142
Table 37 Sources of capital revenue over the MTREF.....	143
Table 38 MBRR SA10 – Funding compliance measurement.....	145
Table 39 MBRR SA19 - Expenditure on transfers and grant programmes.....	149
Table 40 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds.....	150
Table 41 MBRR SA22 - Summary of councillor and staff benefits.....	152

Table 42 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers) .....	153
Table 43 MBRR SA24 – Summary of personnel numbers.....	153
Table 44 MBRR SA25 - Budgeted monthly revenue and expenditure.....	156
Table45 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote) .....	156
Table46 MBRR SA30 - Budgeted monthly cash flow .....	157
Table 47 MBRR SA 34a - Capital expenditure on new assets by asset class .....	178
Table 48 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class.....	180
Table49 MBRR SA34c - Repairs and maintenance expenditure by asset class .....	180
Table50 MBRR Table SA1 - Supporting detail to budgeted financial performance .....	185
Table 51 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department).....	185
Table 52 MBRR Table SA3 – Supporting detail to Statement of Financial Position .....	189
Table53 MBRR Table SA9 – Social, economic and demographic statistics and assumptions.....	192

## List of Figures

Figure 1 Main operational expenditure categories for the 2014/15 financial year .....	82
Figure 2 Capital Infrastructure Programme .....	88
Figure 3 Expenditure by major type .....	99
Figure 4 Depreciation in relation to repairs and maintenance over the MTREF .....	109
Figure 5 Planning, budgeting and reporting cycle.....	126
Figure 6 Definition of performance information concepts.....	127
Figure 7 Breakdown of operating revenue over the 2014/15 MTREF.....	140
Figure 8 Sources of capital revenue for the 2014/15 financial year .....	144

## Annexure

Annexure A Detailed Capital Budget per project.....	
---	--

## Abbreviations and Acronyms

AMR	Automated Meter Reading	MEC	Member of the Executive Committee
ASGISA	Accelerated and Shared Growth Initiative	MFMA	Municipal Financial Management Act Programme
BPC	Budget Planning Committee	MIG	Municipal Infrastructure Grant
CBD	Central Business District	MM	Municipal Manager
CFO	Chief Financial Officer	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GFS	Government Financial Statistics	PMS	Performance Management System
GRAP	General Recognised Accounting Practice	PPE	Property Plant and Equipment
HR	Human Resources	PPP	Public Private Partnership
HSRC	Human Science Research Council	PTIS	Public Transport Infrastructure System
IDP	Integrated Development Strategy	RG	Restructuring Grant
IT	Information Technology	RSC	Regional Services Council
IBT	Inclining Block Tariff	SALGA	South African Local Government Association
kℓ	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		
ℓ	litre		
LED	Local Economic Development		

## **Part 1 – Annual Budget**

### **1.1 Mayor's Report**

## 1.2 Council Resolutions

1. The Council approved the draft annual budget of the municipality for the financial year 2015/16 and indicative budgets for the two projected outer years 2016/2017 and 2017/2018 as set out, subject to the following resolutions:

The Council, in terms of **Section** 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

- 1.1. The annual budget of the municipality for the **2015/16** financial year and the multi-year and single-year capital appropriations as set out in the following tables:
    - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table **18 on page 92**
    - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table **19 on page 94;**
    - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 21 on page **97;** and
    - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 22 on page **100**
  - 1.2. The financial position, cash flow budget, reserve/accumulated surplus, asset management and basic service delivery targets are noted as set out in the following tables:
    - 1.2.1.** Budgeted Financial Position as contained in Table 23 on page **102;**
    - 1.2.2.** Budgeted Cash Flows as contained in Table 24 on page **104**
    - 1.2.3. Reserves and accumulated surplus reconciliation as contained in Table 25 on page 104
    - 1.2.4. Asset management as contained in Table 26 on page 107; and
    - 1.2.5. Basic service delivery measurement as contained in Table 27 on page **110.**
2. The Council, in terms of **Section** 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) considered the tariffs with effect (billing) from 1 July 2015:
    - 2.1.** the tariffs for property rates – as set out on page **15**
    - 2.2.** the tariffs for electricity – as set out on page **19-20**
    - 2.3. the tariffs for the supply of water – as set out on page **17-18**
    - 2.4. the tariffs for sanitation services – as set out on page **22-24**
    - 2.5. the tariffs for solid waste services (cleansing) – as set out on page **25**
  3. The Council, in terms of 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) considered with effect **(billing)** from 1 July 2015 the tariffs for other services, as set out on page **29 to 79** respectively.
  4. The capital projects/items to be financed from own funds (accumulated surplus) be implemented/purchased subject to the improvement of the cash flow position of the Municipality **and subject to affordability.**

5. The capital expenditure only incurred if additional revenue is collected from debtors.  
**DELETE THIS - COVERED IN 4 ABOVE**
6. The Rates Policy is revised, with amendments on page **133 and 134.**
7. The Credit Control and Debt Collection Policy is revised with amendments on page **134.**
8. The Indigent Policy is revised.
9. The Budget Policy is revised.
10. **Capital expenditure from own funds are subject to the cash flow. DELETE THIS – COVERED IN 4 ABOVE**
11. **The bulk purchase of water and electricity will be adjusted if and when the purchase prices are announced. The bulk purchase of electricity and water is subject to the final outcome of input costs and selling prices which is subject to confirmation by Nersa and Rand Water, which at the date of this report were not pronounced upon.**
12. **The tariffs for water and electricity are subject to increase on purchase price and approval from NERSA. DELETE THIS – COVERED IN 11 ABOVE**
13. **The Council approve that the municipality may incur long term debt in terms of Section 46 of the Municipal Finance Management Act, 2003 (Act no 56 of 2003) and section 21 A of the Systems Act, up to a maximum of R20 million, with its primary bankers.**
14. **The Council approve that the municipality may incur short term debt for asset financing up to R1 million with its primary bankers**
15. **Council approve that the municipality raise an overdraft facility of R5 million with its primary bankers for utilisation in the 2015/16 financial year**



### 1.3 Executive Summary

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

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low to high priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on non-core and 'nice to have' items.

The Municipality will embark on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality will undertake various customer care initiatives to ensure that the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 51, 54, 58, 59, 64,66 , 67,70,72,74 and 75 were used to guide the compilation of the 2015/16 MTREF.

The most significant challenges in preparing the 2015/16 MTREF are as follows:

- **Unforeseen expenditure**  
The municipality incurred unforeseen expenditure as a result of the strike by SAMWU members in June 2014. The total cost including replacement values of assets destroyed or damaged totalled R66million. Most of this needs to be included in the budget and this will leave less resource available for spending on service delivery items.
- **Council decision to re-employ the workers that were dismissed.**  
The strike commenced in June 2014 and Council resolved in January 2015 that the dismissed employees should be re-employed. In the intervening 7 months vacancies were advertised and filled. The decision to re-employ will add approximately R5 million per month to the monthly budget. The salary cost will increase significantly, from 21% to approximately 26% of total expenditure. As more resources get allocated to the personnel budget, less will be available to allocate to other service delivery departments.

In addition, the following challenges still remain:

- Ageing and poorly maintained water, electricity and roads infrastructure
- Increased prices of goods and service above the inflation rate
- Private developments and industries receive services direct from Eskom and Rand water with no direct benefit to the municipality
- Limitation of capital projects from own funds
- Wage increases above the inflation target
- Critical vacancies can only be phased in over 3-5 years based on the affordability
- Plant hire on a regular basis is costly and alternatives need to be explored
- Expired tenders need to be regularised to avoid recurring irregular expenditure
- Distribution losses of water and electricity require a minimisation strategy
- Illegal connections to be addressed and eliminated altogether

- Fleet management (Cost of repairs and fuel) - needs to be addressed
- Government garage costs to be evaluated against the Council owning its vehicles and reducing costs
- Overtime cost to be analysed and minimized
- Cleaning contract to be put out on tender **DELETE THIS – COVERED IN BULLET 8**
- **Declining** profit on water and electricity
- Tariffs are not cost reflective – studies to be done and strategy developed for alignment
- The need to reprioritize projects and expenditure within the existing limited resources envelope given the cash flow realities
- The increased cost of bulk water and electricity( due to tariff increases from Rand Water and Eskom),which places constant upward pressure on service tariffs **to the community**
- A lack of proper maintenance master plans
- Unfunded Mandates (Libraries, EMS) to be underpinned with appropriate service level agreements.

The following budget principles and guidelines directly informed the compilation of the **2015/16 MTREF**:

- The 2014/15 Adjustments Budget priorities and targets,
- 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 water and electricity;
- **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 gazetted as required by the annual Division of Revenue Act;
- **The water** and electricity budget was increased by 10% which includes technical and non-technical losses.

#### **Operating Budget (OPEX)**

- Zero based budgeting and incremental budgeting was used, based on historical trends, plus inflation in line with Treasury guidelines
- All increases more than the inflation rate has to be properly motivated.
- Professional fees to be unpacked **DO WE NEED TO SAY THIS**
- Filling of vacancies and re-employment of dismissed employees will have a significant impact on the operating budget

### Capital Budget (CAPEX)

- Commitment letters for external funding will be a pre requisite for budgeting
- Outside funding not paid directly to the Municipality not to be reflected in the Budget
- Projects requiring external approvals not to be included without such approvals being obtained
- Shifting of funds to be restricted up to the Adjustment Budget or in line with the approved Virement Policy
- Own funding to be in line with actual expenditure in the prior year. anticipated cash flows and affordability
- Own funding not to exceed the surplus on Operating Budget and cash backed accumulated surpluses
- Projects should support challenges identified and key priorities as adopted at the strategic planning workshop to be held
- Feasibility study must be done between the use of Government Garage for vehicles and to purchase vehicles out right. CAN THIS BE DELETED

In view of the aforementioned, the following table is a consolidated overview of the proposed 2015/16 Medium-term Revenue and Expenditure Framework:

**Table 1 Consolidated Overview of the 2015/16 MTREF**

	Adjustment Budget	Medium Term Revenue and Expenditure Framework		
	2014/2015	2015/2016	2016/2017	2017/2018
	R'000	R'000	R'000	R'000
Operating revenue	882 003	973 050	1 026 723	1 090 642
Operating expenditure	879 110	931 973	998 248	1 067 279
Capital expenditure (Included in operating Expenditure above??)	78 265	185 852	92 427	83 162

**Total operating revenue**

- Has grown by 10.3% or R91 million for the 2015/16 financial year when compared to the 2014/15 Adjustments Budget.
- For the two outer years, operational revenue will increase by 6.0% and 6.2% respectively, equating to a total revenue growth of R208 639 million over the MTREF when compared to the 2014/15 financial year.
- Included in revenue are grants for operating expenditure and capital projects.

**Total operating expenditure**

- For the 2015/16 financial year has been appropriated at R931 973 million and translates into a budgeted surplus of R41 million.
- Compared to the 2014/15 Adjustments Budget, operational expenditure has increased by 6.0% in the 2015/16 budget and
- For the two outer years of the MTREF, operational expenditure has grown by 7.1% and 6.9% respectively.
- The operating surplus for the two outer years is R28.4 million and to R23.4 million respectively.

**The capital budget**

- The capital budget of R185.9 million for 2015/16 is 137.5% of the 2014/15 Adjustment Budget.
  - A portion of the capital budget will be funded by Development Bank of South Africa as front loading of DoE.
  - R17.8 will be funded from a new loan/finance lease.
  - The balance will be funded from internally generated funds.
  - Government Grants make up 45.9% of the capital expenditure.
- The capital programme decreases to R92 million in the 2016/17 financial year and then evens out in 2017/18 to R83.2 million.
- The capital budget remains relatively flat over the medium-term due to constrains on internally funded CAPEX due to cash flow considerations

## 1.4 Operating Revenue Framework

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

The municipality's revenue strategy is underpinned by around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 85-90 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.
- Tariffs to be aligned to inflation target, except where input cost for services are beyond the municipal control
- Implementation of inclining block tariff (IBT) for water **this was last year**
- Water and electricity loss 18% and 10% respectively (technical and non-technical)
- Historical debt collection rates taken into account in determining the collection rate.

The following table is a summary of the 2015/16MTREF (classified by main revenue source):

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

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue By Source</b>											
Property rates	2	86 652	92 485	105 296	102 114	111 014	111 014	–	107 386	113 292	119 296
Service charges - electricity revenue	2	137 388	164 079	179 303	219 951	219 951	219 951	–	243 223	267 546	294 300
Service charges - water revenue	2	141 717	159 701	179 907	276 185	273 185	273 185	–	307 067	324 059	341 236
Service charges - sanitation revenue	2	18 996	19 990	21 737	22 837	22 837	22 837	–	24 250	25 583	26 939
Service charges - refuse revenue	2	25 259	27 526	29 606	39 978	39 978	39 978	–	35 618	37 577	39 569
Service charges - other		5 116	6 743	11 487	9 136	8 556	8 556		8 313	8 751	8 857
Rental of facilities and equipment		4 727	4 514	4 858	5 002	5 002	5 002		5 272	5 658	6 091
Interest earned - external investments		2 357	1 543	1 694	2 400	1 300	1 300		2 000	2 000	2 000
Interest earned - outstanding debtors		19 203	13 900	17 139	18 600	15 300	15 300		18 171	18 940	19 745
Dividends received		59	–	–	–	–	–	–	–	–	–
Fines		6 308	4 194	15 855	5 023	5 023	5 023		6 024	5 575	5 576
Licences and permits		66	120	146	172	172	172		181	191	201
Transfers recognised - operational		91 482	97 822	104 642	118 259	117 948	117 948		125 831	141 244	156 463
Other revenue	2	4 379	4 779	2 857	4 328	5 695	5 695	–	5 860	6 070	6 383
Gains on disposal of PPE		728	4 132	3 036	5 000	5 000	5 000		5 000	1 000	5 925
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>544 438</b>	<b>601 528</b>	<b>677 563</b>	<b>828 986</b>	<b>830 961</b>	<b>830 961</b>	<b>–</b>	<b>894 195</b>	<b>957 485</b>	<b>1 032 582</b>

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement.

**Table 3 Percentage growth in revenue by main revenue source**

	Medium Term Revenue and Expenditure Framework							
	2014/2015		2015/2016		2016/2017		2017/2018	
	R'000	%	R'000	%	R'000	%	R'000	%
Property rates	111 014	12.6	107 386	11,0	113 292	11,0	119 296	10,9
Electricity	219 951	24.9	243 223	25,0	267 546	26,1	294 300	27,0
Sanitation	37 224	4.2	24 250	2,5	34 434	3,4	36 260	3,3
Water	273 185	31.0	307 067	31,6	324 059	31,6	341 236	31,3
Refuse removal	25 591	2.9	35 618	3,7	28 726	2,8	30 249	2,8
Other service charges	8 556	1.0	8 313	0,9	8 751	0,9	8 857	0,8
Govt grants – operating	117 948	13.4	125 831	12,9	141 244	13,8	156 463	14,3
Govt grants –capital transfer	51 042	5.8	78 855	8,1	69 238	6,7	58 060	5,3
Fines/Penalties	5 023	0.6	6 024	0,6	5 575	0,5	5 576	0,5
Interest Debtors	15 300	1.7	18 171	1,9	18 940	1,8	19 745	1,8
Interest	1 300	0.1	2 000	0,2	2 000	0,2	2 000	0,2
Licences and permits	172	0.0	181	0,0	191	0,0	201	0,0
Rental of facilities	5 002	0.6	5 271	0,5	5 657	0,6	6 091	0,6
Other	5 695	0.6	5 860	0,6	6 070	0,6	6 383	0,6
Profit on sale of Land	5 000	0.6	5 000	0,5	1 000	0,1	5 925	0,5
	<b>882 003</b>	<b>100</b>	<b>973 050</b>	<b>100,0</b>	<b>1 026 723</b>	<b>100,0</b>	<b>1 090 642</b>	<b>100,0</b>

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise nearly three quarters of the total revenue mix. In the 2014/15 financial year, revenue from rates and services charges totalled R667 million or 75.6%.

This increases to R717.5 million, R768 million and R821.3 million respectively for the MTREF. The percentage revenue generated from rates and services charges varies marginally from 73.7% in 2015/16 to 75.3% in 2017/18.

Operating grants and transfers totals R125.8 million in the 2015/16 financial year and steadily increases to R156 million by 2017/18. It should be noted that the year-on-year growth for the 2015/16 financial year is 6.6% and then increases by 12.2% and 10.8% in the two outer years.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

**Table 4 Operating Transfers and Grant Receipts**

	2014/2015	2015/2016	2016/2017	2016/2018	
	R'000	R'000	R'000	R'000	
Equitable Share	107 542	115 423	124 038	135 456	Allocated for Free Services
Financial Management Grant (FMG)	1 600	1 600	1 625	1 700	Appointment of Interns and training
Water services Operating Grant	2 990	0	4 500	8 000	Salaries and materials at the purification works Deneysville
Municipal System Improvement Grant (MSIG)	934	930	957	1 033	Ward committee and Asset register expenditure
Municipal Infrastructure Grant (MIG)	2 107	1 858	2 124	2 274	Salaries and operating expenditure at Project Management Unit
Extended Public Works Programme	1 109	1 020			Salaries for temporary staff
Energy efficiency and demand side management grant	0	3 000	6 000	6 000	Maintenance of electricity network
Refund Libraries	1 666	2 000	2 000	2 000	Payment of library function
<b>Total</b>	<b>117 948</b>	<b>125 831</b>	<b>141 244</b>	<b>156 463</b>	



Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of both Eskom and Rand Water bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's expenditure and these tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement, etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

#### 1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009. The Property Rates Policy of the Municipality is in keeping with the Circular 51.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rateable value (Section 17(h) of the MPRA).
- In addition to this rebate, a further R20 000 reduction on the market value of a property will be granted in terms of the Municipality's own Property Rates Policy;
- Maximum of R50 subsidy is granted to registered indigents in terms of the Indigent Policy and free basic service as per Council resolution;
- For pensioners, physically and mentally disabled persons, *a maximum/total rebate of 30 per cent will be granted to owners of rateable property if the total gross income does not exceed **R7 500** per month of the applicant and/or his/her spouse, if any.*

In this regard the following stipulations are relevant:

- The rateable property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
  - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
  - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
  - The property must be categorized as residential.
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rateable properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

The categories of rateable properties for purposes of levying rates and the proposed rates for the 2015/16 financial year based on a 6 per cent increase from 1 July 2015 is contained at table 5:

**Table 5 Comparison of proposed rates to levy for the 2015/16 financial year**

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

	<b>2014/2015</b>	<b>Proposed 2015/2016</b>
Heavy Industries	0.03475	0.03684
Light Industries	0.03475	0.03684
Businesses	0.01389	0.01473
State property	0.01389	0.01473
<b>Churches</b>	<b>0</b>	<b>0</b>
Domestic and other	0.00694	0.00736
<u>Farmland:</u>		
Residential	0.00347	0.00368
Businesses	0.00694	0.00736
Industries	0.01738	0.01845
Private owned towns, Body Corporate, Sectional Titles	<b>0.00347</b>	<b>0.00368</b>
Mining	0.01738	0.01845
Agricultural	0.00174	0.00185
Unregistered Erven	Municipal services charges equal to category of property	Municipal services charges equal to category of property

The rebate allocated to approved indigents for Assessment Rates is a maximum of R50.00 per month. For budget purposes the assumption was made that there will be 10 000 approved indigents registered by the end of the 2015/16 financial year. New proposal: additional income at 6 % tariff increase of assessment rates represents R6 129 815 per annum. The supplementary valuation roll will be implemented with effect from 1 July 2015.

#### 1.4.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs must be fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- A detail analysis of the cost of water must be done in the 2015/16 financial year
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.

Better maintenance of infrastructure, new reservoir construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability.

Rand Water proposed to increase its bulk tariffs by 10% -14% per cent from 1 July 2015.

Rand Water has undertaken a critical assessment of its capital infrastructure requirements. The assessment indicates that Rand Water's current infrastructure is unlikely to sustain its long-term ability to supply water and they had no other choice but to enter capital markets to raise R705 million for infrastructure upgrades, hence the significant increase in the bulk cost of water.

An inclining block tariff from 1 July 2014 for water was implemented. The consumption tariff for water increase is 10 per cent. The effect thereof will be that the higher the consumption, the higher the cost per kilolitre. The aim is to subsidise the lower consumption users (mostly the poor).

Water tariff at a housing complex is a challenge. An example of 10 households per complex, the consumption will be recalculated to 1 (consumption divided by 10). Consumption is then charged according to the tariff of the inclining blocks.

This is based on input cost assumptions of 10 -14 per cent increase in the cost of bulk water (Rand Water), the cost of other inputs increasing and a surplus generated on the water service. In addition 6 kℓ water per 30-day period will again be granted free of charge to all residents. A further amount is allocated from equitable share to finance additional 4kl of water to approved indigents. An approved indigent will receive 10kl of water free. Total amount of R21.8 million is allocated from Equitable Share. Proposed increase represents R29 million per annum. The increase in tariffs will be subject to the final increase in tariff of bulk purchase and WRC levy.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

**Table 6 Proposed Water Tariffs**

<i>Basic Charges</i>	<i>2014/2015</i>	<i>2015/2016</i>
	R	R
Churches	26.66	29.33
Businesses	105.54	116.09
Light Industries	136.75	150.43
Heavy Industries		
20 000 kl	177.5063	195.26
40 000 kl	891.9013	981.10
Above	2 227.4167	2 450.16
<b>Residential</b>		
Vacant stands		<b>R58.00</b>
<b>Oranjeville</b>		
Co-operatives	1 079.53	1 187.48

**Water consumption tariff (VAT exclusive)**

	2014/2015	2015/2016
<b>Domestic</b>		
>0 ≤ 6 kl	R7.00	R7.70
>6 ≤12 kl	R14.00	R15.40
>12 ≤ 20 kl	R16.00	R17.60
>20 ≤ 30 kl	R19.00	R20.90
>30 ≤45 kl	R22.00	R24.20
>45 kl	R25.00	R27.50
Schools	R16.00/kl	R17.60/kl
State property (excl. residential properties)	R16.00/kl	R17.60/kl
Businesses	R16.00/kl	R17.60/kl
Light Industries	R17.00/kl	R18.70/kl
Heavy Industries	R17.00/kl	R18.70/kl
<b>Subject to price increase and WRC levy</b>		

Guest houses are operated as businesses and are levied as businesses.

**1.4.3 Sale of Electricity and Impact of Tariff Increases**

NERSA has announced the revised bulk electricity pricing structure.

A 14.4% increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2015.

The consumer tariff could only be increased by 12.2% as per NERSA. Furthermore, it should be noted that the input costs are increasing at a higher rate than the rate of increases passed on to consumers. The declining margins will impact negatively on the budget of the municipality.

Free basic electricity to residents, other than registered indigents, is phased out over two years. Residents, except indigent residents, do not receive free electricity (25kWh) from 1 July 2015.

A detail analysis of the cost of electricity must be done in the 2015/16 financial year.

The proposed tariff is reflected in the tables below: **DELETE THIS**

Approval was requested from NERSA for the increase of 12.2% in fees/tariff.

The service reflects a surplus of R23 million, however, this is only as a of the conditional capital grant of R29 million that is allocated to the operating budget.

Any additional increase in tariffs by ESKOM will influence tariffs.

### Table 7 Proposed Electricity Tariffs

#### *Basic Service charges for Electricity (VAT exclusive)*

	2014/2015	2015/2016
Schools, Churches, Halls, etc.	R150.16	R165.17
Businesses, Offices, Hotels, clubs, etc.	R150.16	R165.17
<b>Businesses Zamdela:</b>		
Single phase	R150.16	R165.17
Three phase	R150.16	R165.17
Four meters	R291.23	R320.35
Bulk Supply	R291.23	R320.35
<b>Residential</b>		
Vacant stands	R75.00	R84.00

The current tariffs approved by NERSA are as follows:

<b>Tariff (VAT exclusive)</b>	<b>kWh</b>	<b>2014/2015</b>	<b>2015/2016</b>
Domestic Off peak (September to May)	>0 ≤ 50	R0.7582/kWh	R0.8507/kWh
	>50 ≤ 350	R0.9422kWh	R1.0571kWh
	> 350 ≤ 600	R1.2295kWh	R1.3795kWh
	>600	R1.4363kWh	R1.6116kWh
Domestic Peak (June, July, August)	>0 ≤ 50	R0.7584/kWh	R0.8812/kWh
	>50 ≤ 350	R0.9422kWh	R1.0571kWh
	> 350 ≤ 600	R1.2524kWh	R1.4083kWh
	>600	R1.4823kWh	R1.6631kWh
Businesses		R1.3727/kWh	R1.5456/kWh
Bulk		R0.6431/kWh	R0.7204/kWh
KVA		R130.27	R143.32
kW		R141.22	R155.33
<b>Subject to NERSA approval</b>			



The following table shows the impact of the proposed increases in electricity tariffs on the charges for domestic customers:

**Table 8 Comparison between current electricity charges and increases (Domestic)**

Monthly Consumption kWh	Current Amount Payable R	Proposed amount payable R	Increase R	% Change	Peak/ Off Peak
100	66.07	95.40	29.33	44.39	Off Peak
	66.07	96.92	30.85	46.69	Peak
500	486.05	566.60	80.55	16.57	Off Peak
	489.48	572.44	82.96	16.95	Peak
1000	1 183.52	1 349.19	165.67	14.00	Off Peak
	1 207.64	1 378.51	170.87	14.15	Peak

An inclining block tariff structure was implemented from 1 July 2011. This was implemented and the effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor).

The Municipality furthermore implemented of a “Peak” and “Off-peak” tariff as the Municipality is subjected to this type of tariff by Eskom during the period between June, July and Aug.

The Main Substation for the supply of electricity for the Sasolburg area must be addressed as a matter of urgency and is expected that the upgrading should be done in the near future due to load growth. This investigation must be done not later than 2015 in order to make provision for the necessary funding.

It is also a recommendation by NERSA that a certain percentage of the revenue collected from the sale of electricity be utilized for the maintenance of the electrical network to ensure that it is maintained to the correct standard.

#### 1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 8 per cent for sanitation (bulk purchase) from 1 July 2015 is proposed. Sasol Chemical Industries operate the purification plant and 8% is the expected cost increase.

A detailed analysis of the cost of sanitation must be done in the 2015/16 financial year.

A tariff increase of 8 % is proposed, in order to have uniform tariffs on water borne sewer, except for the suction tanks which is in excess of 8% to make the tariff more cost reflective. **Even though the tariff increase is above CPI, the service rendered is at a net loss.**

The basic charges of sewer for residents (households) will be subsidised by Council.

An amount of R2.9 million is allocated from Equitable Share for this purpose.

A further amount of R5.1million is allocated from Equitable Share for additional sewer to all approved indigents.

**Table 9 Proposed Sanitation Tariffs**

**Tariffs (VAT exclusive)**

	<b>2014/2015</b>	<b>Proposed 2015/2016</b>
Domestic - Basic	Free. R9.70	Free. R10.48
Residential vacant stand	R9.70	R10.48
<b>Sasolburg</b>	Actual cost by	Actual cost by
<b>Basic charges</b>	<b>SCI</b> plus 35%	SCI plus 35%
Heavy Industries		
Businesses		
<b>Additional</b>		
(a) Resident sewer	R78.76	R85.06
(b) Business sewer	R82.86	R89.49
(c) Flats	R5.88	R6.35
	<b>R78.76</b>	<b>R85.06</b>

May 2015

(d)	2 <sup>nd</sup> Dwelling	R78.76+ R78.76	R85.06+R85.06
(e)	Industries sewer	R82.86	R89.49
(f)	Day schools and Crèches	R26.97	R29.13
(g)	Flats sewer	R78.76	R85.06
(h)	Add units flats	R46.35	R50.06
	Suction tank per service (if not available from municipality a private company must be utilised at the cost of the owner)	R400.00	R550.00
	Oranjeville Business	R78.76	R85.06
	Metsimaholo Businesses	R78.76	R85.06
	<i>Additional sewer</i>		
	Water borne sewer Oranjeville/Metsimaholo	R54.33	R58.68
	Suction tank per service	R400.00	R550.00
	<b>Basic sewer</b>		
	Refengkgotso/Phomolong:		
	Businesses	R78.76	R85.06
	Water borne sewer Refengkgotso/Phomolong	R54.33	R58.68
	Bucket services system	R23.81	R25.72

<p><b>Rural areas: Suction Tank Services</b></p> <p><b>Areas that are not included in the disestablished towns (No Rates Payable)</b></p> <p>Normal working hours After hours</p> <p><b>Areas with discounted rates:</b></p> <p>Normal working hours After hours</p>	<p>R1 498.00/Service R2 996.00/Service</p> <p>R1 498.00/Service R2 996.00/Service</p>	<p>R1 580.00/Service R3 160.00/Service</p> <p>R1 580.00/Service R3 160.00/Service</p>

Guest houses are levied at business tariffs.

The total revenue expected to be generated from rendering this service amounts to R34.4million for the 2015/16 financial year.

The service reflects a surplus of R11 million for the 2015/16 budget, however, this is only as a result of the conditional capital grant of R33 million that is allocated to the operating budget.

The service reflects a deficit for the 2016/17 and 2017/18 budget year. Refer to Table 20 on page 95.

#### 1.4.5 Waste Removal and Impact of Tariff Increases

An increase of 8 per cent in the waste removal tariff is proposed from 1 July 2015. The tariff for the various categories is now uniform. Any increase higher than 8 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

A detail analysis of the cost of waste removal must be done in the 2015/16 financial year.

The following table compares current and proposed tariffs payable from 1 July 2015:

In order to economise the service the same tariff is charged where there is a service once a week.

All residents in all areas receive a service once a week, therefore the tariff must be uniform.

**Table10 Proposed Waste removal Tariffs**

	<i>R</i> 2014/2015	<i>R</i> 2014/2015
Dwellings/Single flats	95.13	102.74
Joint flats (one service point)	95.13	102.74
Private Hostels	95.13	102.74
Businesses per point	178.92	193.23
Schools per point	178.92	193.23
Churches	95.13	102.74
Dumping ground: All tariffs for dumping is per cubic meter or part of cubic meter		
Industries and Contractors and	110.00	125.00
Garden Services	110.00	125.00
Approved indigents	FREE	FREE

Guest houses operate as businesses and are levied as businesses.

An amount of R12.3 million is allocated from equitable share for the refuse service to approved indigents (10 000).

The tariff increase represents R2.6 million additional revenue for the year.

The service still reflects a surplus of only R859 000 after the 8% tariff increase.

#### **1.4.6 Overall impact of tariff increases on households**

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household bills has been kept to between **11.3% and 11.6%**, with the increase for indigent households closer to 11 per cent.

## FS204 Metsimaholo - Supporting Table SA14 Household bills

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16 % incr.	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Rand/cent</b>											
<b>Monthly Account for Household - 'Middle Income Range'</b>	1										
<b>Rates and services charges:</b>											
Property rates		324.98	378.58	414.84	439.73	439.73	439.73	6.0%	466.11	491.75	517.81
Electricity: Basic levy											
Electricity: Consumption		953.87	1 033.19	1 084.45	1 183.51	1 183.51	1 183.51	14.0%	1 349.19	1 484.11	1 632.52
Water: Basic levy											
Water: Consumption		265.20	300.72	324.78	402.00	402.00	402.00	10.0%	442.20	466.52	491.25
Sanitation		64.91	68.80	72.93	78.76	78.76	78.76	8.0%	85.06	89.74	94.50
Refuse removal		77.66	82.32	88.08	95.13	95.13	95.13	8.0%	102.74	108.39	114.13
Other											
<b>sub-total</b>		<b>1 686.62</b>	<b>1 863.61</b>	<b>1 985.08</b>	<b>2 199.13</b>	<b>2 199.13</b>	<b>2 199.13</b>	<b>11.2%</b>	<b>2 445.30</b>	<b>2 640.51</b>	<b>2 850.21</b>
VAT on Services		190.63	207.90	219.84	243.07	243.07	243.07		277.09	300.83	326.54
<b>Total large household bill:</b>		<b>1 877.25</b>	<b>2 071.51</b>	<b>2 204.92</b>	<b>2 442.20</b>	<b>2 442.20</b>	<b>2 442.20</b>	<b>11.5%</b>	<b>2 722.39</b>	<b>2 941.34</b>	<b>3 176.75</b>
<b>% increase/-decrease</b>			<b>10.3%</b>	<b>6.4%</b>	<b>10.8%</b>	<b>(0.0%)</b>	<b>-</b>		<b>11.5%</b>	<b>8.0%</b>	<b>8.0%</b>
<b>Monthly Account for Household - 'Affordable Range'</b>	2										
<b>Rates and services charges:</b>											
Property rates		255.00	270.42	300.21	318.22	318.22	318.22	6.0%	337.31	355.86	374.72
Electricity: Basic levy											
Electricity: Consumption		394.44	409.22	434.96	486.04	486.04	486.04	16.5%	566.60	623.26	685.59
Water: Basic levy											
Water: Consumption		209.95	234.65	254.79	307.00	307.00	307.00	10.0%	337.70	356.27	375.15
Sanitation		64.91	68.80	72.93	78.76	78.76	78.76	8.0%	85.06	89.74	94.50
Refuse removal		77.66	82.32	88.08	95.13	95.13	95.13	8.0%	102.74	108.39	114.13
Other											

	<b>sub-total</b>		<b>1 001.96</b>	<b>1 065.41</b>	<b>1 150.97</b>	<b>1 285.15</b>	<b>1 285.15</b>	<b>1 285.15</b>	<b>11.2%</b>	<b>1 429.41</b>	<b>1 533.52</b>	<b>1 644.09</b>
VAT on Services			104.57	111.30	119.11	132.72	132.72	132.72		152.89	164.87	177.71
<b>Total small household bill:</b>			<b>1 106.53</b>	<b>1 176.71</b>	<b>1 270.08</b>	<b>1 417.87</b>	<b>1 417.87</b>	<b>1 417.87</b>	<b>11.6%</b>	<b>1 582.30</b>	<b>1 698.39</b>	<b>1 821.80</b>
<b>% increase/-decrease</b>				<b>6.3%</b>	<b>7.9%</b>	<b>11.6%</b>	<b>(0.0%)</b>	<b>-</b>		<b>11.6%</b>	<b>7.3%</b>	<b>7.3%</b>
					0.25	0.47	-1.00	-1.00				
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>		3										
<b>Rates and services charges:</b>												
Property rates			-	-								
Electricity: Basic levy												
Electricity: Consumption			249.69	246.00	263.22	282.67	282.67	282.67	12.2%	317.13	348.84	383.72
Water: Basic levy												
Water: Consumption			154.70	172.90	187.74	212.00	212.00	212.00	10.0%	233.20	246.03	259.07
Sanitation												
Refuse removal												
Other												
	<b>sub-total</b>		<b>404.39</b>	<b>418.90</b>	<b>450.96</b>	<b>494.67</b>	<b>494.67</b>	<b>494.67</b>	<b>11.3%</b>	<b>550.33</b>	<b>594.87</b>	<b>642.79</b>
VAT on Services			56.61	58.65	63.14	69.26	69.26	69.26	-	77.05	83.28	89.99
<b>Total small household bill:</b>			<b>461.00</b>	<b>477.55</b>	<b>514.10</b>	<b>563.93</b>	<b>563.93</b>	<b>563.93</b>	<b>11.3%</b>	<b>627.38</b>	<b>678.15</b>	<b>732.78</b>
<b>% increase/-decrease</b>				<b>3.6%</b>	<b>7.7%</b>	<b>9.7%</b>	<b>-</b>	<b>-</b>		<b>11.3%</b>	<b>8.1%</b>	<b>8.1%</b>

**References**

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water
2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water
3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)
4. Note this is for a SINGLE household.



### 1.4.7 Sundry Tariffs

**Table12 Proposed Sundry Tariffs**

That the following miscellaneous tariffs (*VAT exclusive*) be implemented from 1 July 2015.

<b>Financial Services</b>	<b>2014/2015</b>	<b>2015/2016</b>
<b>New Consumers who move into municipal area</b>		
Connection fee per meter:		
- Water	R150.00	R170.00
- Electricity	R150.00	R170.00
Delivery of warning notices	R170.00	R190.00
<b>Non-payment fees for defaulters</b>		
- Normal reconnection fee	R320.00	R350.00
- After hours reconnection fee	R240.00	R260.00
- (additional)		
- Reduce water supply	R320.00	R350.00
- Cut electric cable	R380.00	R420.00
- Remove electric cable	R640.00	R700.00
- Replace electric cable	R640.00	R700.00
- Final Notice Fee	R90.00	R100.00
- Dishonoured Cheques R/D (admin / bank fee)	R290.00	R310.00
- Dishonoured Credit cards(payment return by bank) ex. easy pay	R290.00	R310.00
-		
<b>Illegal Connection(Bypass/tampering of meters</b>		
Household (Water or Electricity)	R20 000.00	R22 000.00
Business	R26 500/meter	R28 000/meter

Illegal connection after disconnection (switch on of meter)	R4 250.00	R4 500.00
Loss of units calculated for up to 1 year average plus tampering penalty	Number of units x tariff applicable	Number of units x tariff applicable
<b>Clearances and Valuation</b>		
<b><i>Clearance certificates</i></b>		
Normal collection	R200.00	R210.00
Registered mail	R220.00	R240.00
Valuation Roll per Town (Residential Area) or part thereof	R500.00	R550.00
Valuation electronic format	R225.00	R250.00
Valuation Objection Fee (only for review and appeal)	R400.00	R450.00
Valuation Certificate	R150.00	R160.00
Address list per 500 pages or part thereof	R500.00	R550.00
Search Fees	R60.00	R70.00
<b>Other Fees</b>		
Testing of water meters	R400.00	R500.00
Replacement of padlock	R300.00	R350.00
Duplicate Accounts	R10.00	R12.00
Duplicate tenant's Accounts sent to owners	R20.00	R25.00
Duplicate IRP 5	R20.00	R25.00
Fee for block/unblock of Prepaid electricity meters	R100.00	R120.00
Replacement of prepaid card	R50.00	R60.00

Selling of wood (= LDV load)	R150.00	R150.00
Cutting of trees (per tree)	R1 000.00	R1 000.00
<b>Threshold for indigent</b>	2 x state old age pension plus R1000	2 x state old age pension plus R1000
<b>Parking for Officials</b>		
Single Parking in basement of Civic Centre	R60.00	R60.00
Share Parking in basement of Civic Centre	R45.00	R45.00
Shelter Parking in outside parking area	R40.00	R40.00
<b><u>Deposits</u></b>		
<b>Flats/Town houses</b>		
Owners (without pre-paid meters)	<b>R3 500.00</b>	<b>R3 500.00</b>
Owners (with pre-paid meter)	<b>R1 750.00</b>	<b>R1 750.00</b>
Where body corporate pay other services	<b>0</b>	<b>0</b>
<b>Houses</b>		
with pre-paid meters	<b>R2 500.00</b>	<b>R2 500.00</b>
without pre-paid meters	<b>R5 000.00</b>	<b>R5 000.00</b>
Minimum Deposit charged when applying for clearance figures	R5 000.00	R5 000.00

<p><b>Businesses</b></p> <p>With pre-paid meters</p> <p>Without pre-paid meters</p> <p>based on twice monthly consumption</p> <p>based on the type of business</p>	<p>R 3 000.00 min</p> <p>R5 000.00 min</p>	<p>R 3 500.00 min</p> <p>R6 000.00 min</p>
<p><b>Light Industries</b></p> <p>based on twice monthly consumption based on the type of business</p> <p><b>Heavy Industries</b></p> <p>based on twice monthly consumption</p> <p>based on the type of business</p> <p>Government</p>	<p>Twice monthly consumption</p> <p>Twice monthly consumption</p> <p><b>Same as businesses</b></p>	<p>Twice monthly consumption</p> <p>Twice monthly consumption</p> <p><b>Same as businesses</b></p>

**Water, Electricity and Sewer connection tariffs increases**

<b>Connections to be done</b>	<b>2014/2015</b>	<b>2015/2016</b>
<b>SEWER</b>		
100mm dia -3m length	R4 060.53	R4 279.83
All other longer than 100mm dia or longer than 3m	<b>To be calculated</b>	<b>To be calculated</b>
<b>Water</b>		
15mm - 3m max	R1 857.90	R1 958.78
20mm - 3m max	R2 184.21	R2 301.76
80/20 COMBO meter	R19 500.00	R19 552.65
50/20 COMBO meter	R4 921.93	R5 187.72
40 mm	R4 848.25	R5 110.53
longer than 3m and larger meters	Cost plus 10%	Cost plus 10%
<b>Water and Sewer - general</b>		
Water and Sewer road crossings	R9 745.62	R10 271.93
Relocating Water meters(labour only)	R1 029.83	R1 085.09
Stolen Water meter	Cost of Meter plus 20%	Cost of Meter plus 20%
<b>Testing of water meters</b>		
20mm to 50 mm size meters	R500	R530
All other to be calculated		

<b>Electricity</b>		
New single phase connection	R4 707.52	R5 393.46
Upgrading from 60 – 80 ampere	<b>R5 022.23</b>	<b>R5 022.23</b>
New three phase connection up to design load	<b>R4 725.00</b>	<b>R4 725.00</b>
New three phase connection larger than design load	Estimated cost plus network strengthening cost	Estimated cost plus network strengthening cost
Single phase prepaid meter	<b>R1 025.93</b>	<b>R1 025.93</b>
Three phase prepaid meter	R2 087.69	R2 192.07
Moving of kWh meter from house to stand boundary	R2 727.90	R3 139.97
Moving of connection	R1 777.78	R1 849.30
New ready board and keypad	<b>R1 990.49</b>	<b>R1 990.49</b>
Replacement of cable	R1 556.71	R1612.60
Repair of cable (damaged by owner)	R1 055.79	R1 082.36
Temporary connection if service is available:		
Single Phase	R1 029.57	R1 076.90
Three phase (town houses)	R2 380.92	R2 495.90
Testing of kWh meter	R488.33	R512.60
Testing of prepaid meter	R325.02	R339.90
Damaged keypad prepaid meter	R660.00	R716.10
Damaged single phase prepaid meter	R998.79	R1 126.33
Damaged three phase prepaid meter	R2 278.58	R2 751.18
Damage relay	R1 081.54	R1 093.68

Cost of prepaid meter and relay for town houses	R1 863.30	R2 106.71
Cost for second electrical installation test(1 <sup>st</sup> free)	R294.00	R339.90
Replacement of broken or stolen ripple relay	Cost of relay and labour	Cost of relay and labour
Ripple relay	<b>R898.00</b>	<b>R761.25</b>
Network strengthening	R872.62	R894.44

**Capital Contributions (once off payment)**

<b>Water</b>	<b>2014/2015</b>	<b>2015/2016</b>
Per kilolitre day usage-supply	R5 324.00	R5 620.00
Residential per added building or unit		
Low density	R10 648.00	R11 250.00
Middle density	R7 986.00	R8 420.00
High density	R3 195.00	R3 370.00
Guest houses and hotels: per room(existing developments consider in calculation)(normal household norm 1kl/day)	0.03 kl per room per day x kilolitre rate	0.03 kl per room per day x kilolitre rate
<b>Sewer</b>		
Per kilolitre day usage- effluent	R5 990.00	R6 320.00
Residential per added building or unit		
Low density	R7 187.00	R7 580.00
Middle density	R5 990.00	R6 320.00
High density	R2 995.00	R3 160.00
Guest houses and hotels: treatment of sewer effluent. (normal household runoff norm 0.8kl/day)	R7 623.00/kl (daily kl demand)	R8 040.00/kl (daily kl demand)



**Printing price list - Technical Services**

	2014/2015	2015/2016
<b>PAPER</b>		
A0	R42.99	R44.74
A1	R21.93	R22.81
A2	R14.04	R14.92
A3	R4.39	R4.39
A4	R2.64	R2.64
<b><u>Durester</u></b>		
A0	R151.76	R151.76
A1	R79.83	R79.83
A2	R41.23	R41.23
A3	R21.06	R21.06
A4	R13.16	R13.16
<b><u>Film</u></b>		
A0	R100.44	R100.44
A1	R67.99	R67.99
A2	R35.09	R35.09
A3	R18.43	R18.43
A4	9.22	9.22
A4 Fax send/received(Private)	10.53	10.53

**Social Services**

a	D P de Villiers Stadium	2014/2015	2015/2016
	<b>Rental of halls</b>		
	<b>Stadium Hall</b>		
	Resident : meetings	R250.00 per hour	R250.00 per hour
	Non-Resident : meetings	R490.00 per hour	R490.00 per hour
	Functions	R660.00	R660.00
	Churches and schools	half price	half price
	Deposit	R600	R600
	<b>Club complex Hall</b>		
	Resident : meetings	R 85.00/ hour	R 85.00/ hour
	Non-Resident : meetings	R170.00/hour	R170.00/hour
	Functions	R360.00	R360.00
	Churches and schools	50% of R360	50% of R360
	Deposit	R600	R600
	<b>Athletics</b>		
	<b>Schools sport meeting</b>		
	Morning session 07:00 - 13:00	R1 100.00	R1 100.00
	Afternoon session 13:00 - 19:00	R1 100.00	R1 100.00
	Lights to switch on first 2 hours	R490.00	R490.00
	Then per half hour	R135.00	R135.00
	Deposit	R2 700	R2 700

	<b>Non Residents (Invitational/Zones)</b>		
	Morning session 07:00 - 13:00	R3 060.00	R3 060.00
	Afternoon session 13:00 - 19:00	R3 060.00	R3 060.00
	Lights to switch on first 2 hours	R490.00	R490.00
	Then per half hour	R 135.00	R 135.00
	Deposit	R2 700	R2 700
	<b>Provincial Meetings</b>		
	Morning session 07:00 - 13:00	R4 080	R4 080
	Afternoon session 13:00 - 19:00	R4 080	R4 080
	Lights to switch on first 2 hours	R490.00	R490.00
	Then per half hour	R135.00	R135.00
	Deposit	R2 550	R2 550
	<b>Schools in Gauteng</b>		
	Morning session 07:00 - 13:00	R4 080.00	R4 080.00
	Afternoon session 13:00 - 19:00	R4 080.00	R4 080.00
	Lights to switch on first 2 hours	R480.00	R480.00
	Then per half hour	R135.00	R135.00
	Deposit	R2 550	R2 550

<b>Provincial Meetings</b>		
Morning session 07:00 - 13:00	R2 600.00	R2 600.00
Afternoon session 13:00 - 19:00	R2 600.00	R2 600.00
Lights to switch on first 2 hours	R540.00	R540.00
Then per half hour	R145.00	R145.00
<b>National Meetings</b>		
Morning session 07:00 - 13:00	R5 100.00	R5 100.00
Afternoon session 13:00 - 19:00	R5 100.00	R5 100.00
Lights to switch on first 2 hours	R390.00	R390.00
Then per half hour	R135.00	R135.00
Deposit	R2 700	R2 700
<b>Rental of Electronic Timing Equipment</b>		
Electronic Timing Equipment per session	R1 100.00	R1 100.00
<b>Training sessions</b>		
<u>Pre-determined practice periods</u> Training at the stadium will only be allowed after payment of R275,00 per annum as well as purchase of proxy card at R40,00 per athlete training. Cards will only be sold to contributing schools/clubs/instances. Purchase card at R40.00 for student and other person.		
<b>Pre –determined practice periods</b>		
Trainer (5 and less athletes)	R300.00 p/a	R300.00 p/a

Trainer (6 to 20 athletes)	R600.00 p/a	R600.00 p/a
Trainer (21 and more athletes)	R1 000.00 p/a	R1 000.00 p/a
<b>School Rugby, School league all rugby fields as available.</b>		
Resident per session/season	R330.00	R330.00
Non-resident per session/season	R490.00	R490.00
<b>Provincial Games</b>	R1 630.00	R1 630.00
	per day	per day
Lights to switch on first 2 hours	R490.00	R490.00
Then per half hour	R135.00	R135.00
Deposit	R2 050	R2 050
<b>National and International Games</b>	R3 670,00	R3 670,00
<b>Soccer meetings (outside stadium)</b>		
Resident per session/season	R370.00	R370.00
Non-resident per session/season	R540.00	R540.00
<b>Soccer meetings (inside stadium)</b>		
Morning session 07:00 - 13:00	R890.00	R890.00
Afternoon session 13:00 - 19:00	R890.00	R890.00
Lights to switch on first 2 hours	R490.00	R490.00
Then per half hour	R135.00	R135.00

	<b>Cross Country</b>		
	A Field	R650.00	R650.00
	Outside Field	R330.00	R330.00
	Stadium Hall	R900.00	R900.00
	Rental of stadium for Church service	R2 000.00 p/d	R2 000.00 p/d
	Deposit	R2 500.00	R2 500.00
	Rental of stadium for non-sports related events	R10 000.00p/d	R10 000.00p/d
	Deposit	R5 000.00	R5 000.00
	<b>Dog show</b>		
	Resident per session	R360.00	R360.00
	Non-resident per session	R530.00	R530.00
	Deposit	R60 000	R60 000
b	<b>Sasolburg show ground</b>		
	Cricket pitch (High Performance)		
c	<b>Sports facilities</b>		
	<b>Penny Heyns :</b>		
	Adults: Season tickets	R185.00	R185.00
	: Day tickets	R18.00	R18.00
	Children : Season tickets	R86.00	R86.00
	: Day tickets	R10.00	R10.00

<b>School Galas</b>		
Morning session 07:00 - 13:00	R440.00	R440.00
Afternoon session 13:00 - 19:00	R440.00	R440.00
Lights to switch on first 2 hours	R440.00	R440.00
Then per half hour	R115.00	R115.00
<b>Clubs/ Social clubs</b>		
Occasion	R1 220.00 without touch pad	R1 220.00 without touch pad
<b>Training sessions</b>		
Pre-determined practice periods Clubs	Training at the swimming pool will only be allowed after payment of R410.00 per annum as well as purchase of seasonal tickets per swimmers training	Training at the swimming pool will only be allowed after payment of R410.00 per annum as well as purchase of seasonal tickets per swimmers training
<b><u>Zamdela Swimming Pool</u></b>		
: Adults : Season tickets	R100.00	R100.00
: Day tickets	R9.00	R9.00
: Children : Season tickets	R60.00	R60.00
: Day tickets	R7.00	R7.00

<b>School Galas</b>		
Morning session 07:00 - 13:00	R430.00	R430.00
Afternoon session 13:00 - 19:00	R430.00	R430.00
Lights to switch on first 2 hours	R330.00	R330.00
Then per half hour	R120.00	R120.00
<b>Clubs/ Social clubs</b>		
Occasion	R1 200.00 without touch pad	R1 200.00 without touch pad
<b>Training sessions</b>		
Pre-determined practice periods	Training at the swimming pool will only be allowed after payment of R400.00per annum as well as purchase of seasonal tickets per swimmers training	Training at the swimming pool will only be allowed after payment of R400.00per annum as well as purchase of seasonal tickets per swimmers training
<b>Cemeteries</b>		
Zamdela : Adult : Resident	R430.00	R430.00
:Non Resident	R1 730.00	R1 730.00
Children : Resident	R330.00	R330.00
: Non resident	R1 330.00	R1 330.00



Deneysville/ Refengkgotso / Metsimaholo :		
: Adults : Resident	R380.00	R380.00
: Non Resident	R1 540.00	R1 540.00
: Children :Resident	R290.00	R290.00
:Non Resident	R1 170.00	R1 170.00
 Sasolburg:		
: Adults : Resident	R1 100.00	R1 100.00
: Non Resident	R4 350.00	R4 350.00
: Children :Resident	R760.00	R760.00
:Non Resident	R2 650.00	R2 650.00
 Oranjeville:		
: Adults : Resident	R380.00	R380.00
: Non Resident	R1 540.00	R1 540.00
: Children :Resident	R290.00	R290.00
:Non Resident	R1170.00	R1170.00
 <b><u>Indigents</u></b>		
Approved as per Metsimaholo Local Municipality policy	Free	Free
 <b><u>Urns in Walls of Remembrance</u></b>		
Residents	R420.00	R420.00

	Non Residents	R1 920.00	R1 920.00
	Placing of urn in existing grave:		
	Residents	R180.00	R180.00
	Non Residents	R190.00	R190.00
	<u>Stack Burials:</u>		
	Two coffins in one grave		
	Residents	One and half price(1.5)	One and half price(1.5)
e	<b>Halls</b>		
	<b>Zamdela/Refengkgotso/</b>		
	<b>Metsimaholo</b>		
	<b>Church Service and meetings</b>		
	Morning session 07:00 - 13:00	R480.00	R480.00
	Afternoon session 13:00 - 19:00	R480.00	R480.00
	Extra hour	R170.00	R170.00
	Kitchen use	R170.00	R170.00
	<b>Music/Jazz and others</b>		
	Morning session 07:00 - 13:00	R890.00	R890.00
	Afternoon session 13:00 - 19:00	R890.00	R890.00
	Extra hour	R250.00	R250.00
	Kitchen use	R250.00	R250.00

<b>Funeral service and memorial service</b>		
Morning session 07:00 - 13:00	R410.00	R410.00
Afternoon session 13:00 - 19:00	R410.00	R410.00
Extra hour	R205.00	R205.00
Kitchen use	R205.00	R205.00
<b>Political meetings</b>		
Morning session 07:00 - 13:00	R250.00	R250.00
Afternoon session 13:00 - 19:00	R250.00	R250.00
Extra hour	R75.00	R75.00
Kitchen use	R75.00	R75.00
Season 2 meetings per month	R490.00	R490.00
<b>Government structures</b>		
Morning session 07:00 - 13:00	R270.00	R270.00
Afternoon session 13:00 - 19:00	R270.00	R270.00
Extra hour	R70.00	R70.00
Kitchen use	R70.00	R70.00
<b>Welfare</b>	R490.00	R490.00
<b>Deposit</b>		
Music/Jazz and others	R1 830.00	R1 830.00
All other	R370.00	R370.00

(f)	<b>Etienne Rousseau Theatre</b>			
		2014/2015	2015/2016	Period Covered
	<b>Promotion of the Arts</b>			
	(use of theatre for music, dance or drama)			
	Hire of theatre by artist/ group for show	R1 080.00	R1 080.00	Per day (until 1 hour after show ends)
	For matinee	R330.00	R330.00	Same day
	Hire of theatre by local educational institution or church or charity for presentation of the show.	R750.00	R750.00	Per day (until 1 hour after show ends)
	For additional matinee	R190.00	R190.00	
	Hire of theatre by educational institution or charity for an event such as prize giving or pageant	R860.00	R860.00	Per day (until 1 hour after show ends)
	Hire of foyer art exhibitions	R350.00	R350.00	Per day
	Hire stag only e.g. dance or drama workshops	R360.00	R360.00	Per day
	Hire foyer for function related to show / event presented in Auditorium	R300.00	R300.00	Per day
	<b>Hire of theatre non arts related activities/ business</b>			
	Hire of theatre for meetings	R1080.00	R1080.00	Per morning (8:00 – 13:00) afternoon

				(13:00 – 18:00) or evening (17:00 – 22:00)
	Hire of foyer only for meeting or function	R860.00	R860.00	Per morning (8:00 – 13:00) afternoon (13:00 – 18:00) or evening (17:00 – 22:00)
	<b>Other tariffs</b>			
	Commission on all ticket sales	10%	10%	Category 2.3
		12.5%	12.5%	Category 1
	Commission on the sale of articles exhibited	10%	10%	Category 2.3
		12.5%	12.5%	Category 1
	Rehearsals	R44.00	R44.00	Per hour between 8:30 and 16:00
		R650.00	R650.00	Per hour between 16:00 and 22:30 and Saturdays
	Preparation / dismantling of stage, sets, sound, lighting	R860.00	R49.00	Per hour
	Hire of piano, special curtains, special effects, theatre equipment	As per schedule	As per schedule	
	<b>Other services:</b>	Actual cost	Actual cost	
	Piano tuning			

	Special effects			
	Newspaper advertisements			
	Dresses / Hair stylists			
	<b>Sundays</b>	Double cost	Double cost	
	Cleaning of theatre and grounds	Discretionary	Discretionary	

(g)	Abrahamsrust recreation resort	2014/2015	2015/2016
	Season tickets (only residents )	R360.00 per annum/motor vehicle/ motor cycle powerboat  R180.00/ second motor vehicle/ motorcycle	R360.00 per annum/motor vehicle/ motor cycle powerboat  R180.00/ second motor vehicle/ motorcycle
	Pensioners (age 60 years)	R80.00 for 1 ticket per family	R80.00 for 1 ticket per family
	Metsimaholo workers and Councillors with proof	R 120.00 for 1 ticket per family	R 120.00 for 1 ticket per family
	Non-residents registered power boat/ caravan owners:	R590.00/ annum per vehicle/ powerboat	R590.00/ annum per vehicle/ powerboat
	<b>Entrance fees (Day visitors)</b>		
	Season ticket holders	Free (vehicle & 6 passengers, 1 visit per day)	Free (vehicle & 6 passengers, 1 visit per day)
	Entrance fee per person	R35 per person per day	R35 per person per day
	Entrance fee per car	R45 per car plus driver per day	R45 per car plus driver per day
	Entrance fee per boat	R155 per boat per day	R155 per boat per day

	Entrance fee 2-6 years	Free- child 2-6 years per day R10 per child 7-14 years per day	Free- child 2-6 years per day R10 per child 7-14 years per day
	Entrance fee for group bookings of more than 50 people	Reduce of tariffs approved by Director Social services(Prior arrangements)	Reduce of tariffs approved by Director Social Services(Prior arrangements)
	Local schools and churches	R20.00 per person	R20.00 per person
	<b>Caravan and tent sites(Power)</b>		
	Season ticket holders/ rallies (10-29 caravans)	R130.00 per day with power(4 persons)	R130.00 per day with power(4 persons)
	Pensioners/ Rallies (30 and more caravans )	R95.00 per day(4 persons)	R95.00 per day(4 persons)
	Non-season ticket holders	R150.00 per day(4 persons)	R150.00 per day(4 persons)
	<b>Caravan and tent sites <u>without</u> power sockets/ not exceed 4 people</b>	R120.00 per day without power	R120.00 per day without power
	Season ticket holders/ rallies (10-29 caravans)	R120.00/ caravan/ night	R120.00/ caravan/ night
	Pensioners/ Rallies (30 and more caravans )	R80.00/ caravan/ night	R80.00/ caravan/ night
	Non-season ticket holders	R160.00/ caravan/ night	R160.00/ caravan/ night
	<b>Chalets</b>		
	Small type 2-bed	R400.00	R400.00
	Large type 4-bed	R550.00	R550.00
	Luxury chalets Chalet A	R700.00	R700.00

	Chalet B (With lapa)	R750.00	R750.00
	Monthly Rental Chalets four bed	R 4 500.00 p.m.	R 4 500.00 p.m.
	Park home 6 bed	R550.00	R550.00
	Monthly Rental Park home 6 bed	R3 500.00 p.m.	R3 500.00 p.m.
	Refundable key deposit	R300.00	R300.00
	<b>Lapa</b>		
	With shelter per function	R550.00 plus entrance fee	R550.00 plus entrance fee
	Without shelter per function	R360.00 plus entrance fee	R360.00 plus entrance fee
	Hall	R550.00	R550.00
	Rental of resort for event	R50 000 per event	R50 000 per event
	Deposit for event	R20 000 per event refundable	R20 000 per event refundable
	<b>DAY VISIT ORANJEVILLE AND DENEYSVILLE</b>		
	Season tickets (only residents)	R100.00 per annum/motor vehicle/ motor cycle powerboat  R80.00/ second motor vehicle/ motorcycle	R100.00 per annum/motor vehicle/ motor cycle powerboat  R80.00/ second motor vehicle/ motorcycle
	Pensioners (age 60 years)	R40.00 for 1 ticket per family	R40.00 for 1 ticket per family
	Metsimaholo workers and Councillors with proof	R60.00 for 1 ticket per family	R60.00 for 1 ticket per family
	Non-residents registered power boat/ caravan owners:	R290.00/ annum per motor vehicle/motorcycle/	R290.00/ annum per motor vehicle/motorcycle/



		powerboat R240.00/second vehicle/motorcycle/ Powerboat	powerboat R240.00/second vehicle/motorcycle/ Powerboat
	Entrance fees (Day visit) Season ticket holders	Free (vehicle & 6 passengers, 1 visit per day)	Free (vehicle & 6 passengers, 1 visit per day)
	<b>Entrance fees (Day visitors)</b>		
	Entrance fee per person	R10 per person per day	R10 per person per day
	Entrance fee per car	R10 per car per day	R10 per car per day
	Entrance fee per boat	R25 per boat per day	R25 per boat per day
	Entrance fee 2-6 years kids	Free	Free
	Entrance fee for group bookings of more than 50 people	Reduce of tariffs approved by Relevant Director (Prior arrangements)	Reduce of tariffs approved by Relevant Director (Prior arrangements)
	Local schools and churches	R5.00 per person	R5.00 per person
	<b>Caravan and tent sites(Power)</b>		
	Season ticket holders/ rallies (10-29 caravans)	R20.00 per day with power(4 persons)	R20.00 per day with power(4 persons)
	Pensioners/ Rallies (30 and more caravans )	R20.00 per day(4 persons)	R20.00 per day(4 persons)
	Non-season ticket holders	R30.00 per day(4 persons)	R30.00 per day(4 persons)
	<b>Caravan and tent sites <u>without</u></b> power sockets/ not exceed 4 people	R150.00 per day without power	R150.00 per day without power
	Season ticket holders/ rallies (10-29 caravans)	R10.00/ caravan/ night	R10.00/ caravan/ night

	Pensioners/ Rallies (30 and more caravans )	R10.00/ caravan/ night	R10.00/ caravan/ night
	Non-season ticket holders	R15.00/ caravan/ night	R15.00/ caravan/ night
	Rental of resort for event	R50 000 per event	R50 000 per event
	Deposit for event	R20 000 per event	R20 000 per event

(h)	Moses Kotane Stadium		
	<b>Rental of halls</b>		
	<b>Stadium Hall</b>		
	Resident: meetings	R330,00	R330,00
	Non-Resident: meetings	R650,00	R650,00
	Functions	R490,00	R490,00
	Churches and Schools	Half price	Half price
	<b>Athletics</b>		
	In-house school sport		
	Morning	R360.00	R360.00
	Afternoon	R360.00	R360.00
	Lights to switch on first 2 hours	R290.00	R290.00
	Then per half hour	R120.00	R120.00
	Practice session	R115.00/ school/ season	R115.00/ school/ season

	<b>Non Residents (Free State)</b>		
	Morning	R710.00	R710.00
	Afternoon	R710.00	R710.00
	Lights to switch on first 2 hours	R290.00	R290.00
	Then per half hour	R120.00	R120.00
	<b>Schools in Gauteng</b>		
	Morning	R810.00	R810.00
	Afternoon	R810.00	R810.00
	Lights to switch on first 2 hours	R290.00	R290.00
	Then per half hour	R120.00	R120.00
	<b>Provincial Meetings</b>		
	Morning session 07:00 - 13:00	R2 300.00	R2 300.00
	Afternoon session 13:00 - 19:00	R2 300.00	R2 300.00
	Lights to switch on first 2 hours	R290.00	R290.00
	Then per half hour	R120.00	R120.00
	<b>National Meetings</b>		
	Morning session 07:00 - 13:00	R3 590.00	R3 590.00
	Afternoon session 13:00 - 19:00	R3 590.00	R3 590.00
	Lights to switch on first 2 hours	R490.00	R490.00
	Then per half hour	R120.00	R120.00

	<b>Rental of Electronic Timing Equipment</b>		
	Electronic Timing Equipment per session	R1 020.00	R1 020.00
	Soccer		
	<b>Soccer meetings (inside stadium)</b>		
	Morning session 07:00 - 13:00	R290.00	R290.00
	Afternoon session 13:00 - 19:00	R290.00	R290.00
	Lights to switch on first 2 hours	R290.00	R290.00
	Then per half hour	R120.00	R120.00
	Rental of stadium for events	R10 200	R10 200
	Deposit	R5 100.00	R5 100.00
	Entrance income	15% of entrance fee minimum or R1 730.00	15% of entrance fee minimum or R1 730.00
	Refundable damage fee	R1 020.00	R1 020.00
	Schools	R270.00/ school/ season	R270.00/ school/ season
	Other soccer games	15% of entrance fee minimum or R1 600.00	15% of entrance fee minimum or R1 600.00
	Morning	R340.00	R340.00

	Afternoon	R340.00	R340.00
	Evening	R340.00	R340.00
	Lights to switch on first 2 hours	R270.00	R270.00
	Then per half hour	R115.00	R115.00
	Practice inside stadium	R170.00/per hour	R170.00/per hour
	Coaching development and soccer clinics	R95.00 per occasion	R95.00 per occasion
	Practice outside fields	R170.00/ season twice weekly	R170.00/ season twice weekly
	Schools	R135.00/ season twice weekly	R135.00/ season twice weekly
	Social games	R170.00 per occasion	R170.00 per occasion
	<b>Other facilities</b>		
	Netball/Basketball and Tennis		
	Morning session	R95.00	R95.00
	Afternoon session	R95.00	R95.00
	<b>Stadium Hall</b>		
	Sports clubs and cultural groups (by pre-arrangement)	R155.00	R155.00
	Residents: Meetings	R115.00	R115.00
	Non-residents: Meetings	R610.00	R610.00
	Functions	R460.00	R460.00
	Churches and schools	Half price	Half price
	<b>Non sporting events inside stadium</b>		
	Rental of stadium for events(pre-approve by MM)	R55 000	R55 000
	Deposit for the events	R25 000	R25 000

(i)	<b>Multipurpose Sports Centre</b>		
	<b>Hall</b>		
	<b>Church Service and meetings</b>		
	Morning session 07:00 - 13:00	R480.00	R480.00
	Afternoon session 13:00 - 19:00	R480.00	R480.00
	Extra hour	R70.00	R70.00
	Kitchen use	R200.00	R200.00
	<b>Music/Jazz and others</b>		
	Morning session 07:00 - 13:00	R890.00	R890.00
	Afternoon session 13:00 - 19:00	R890.00	R890.00
	Extra hour	R70.00	R70.00
	Kitchen use	R200.00	R200.00
	<b>Funeral service and memorial service</b>		
	Morning session 07:00 - 13:00	R410.00	R410.00
	Afternoon session 13:00 - 19:00	R410.00	R410.00
	Extra hour	R70.00	R70.00
	Kitchen use	R200.00	R200.00
	<b>Political meetings</b>		
	Morning session 07:00 - 13:00	R250.00	R250.00
	Afternoon session 13:00 - 19:00	R250.00	R250.00

Extra hour	R70.00	R70.00
Kitchen use	R200.00	R200.00
Season 2 meetings per month	R490.00	R490.00
<b>Government structures</b>		
Morning session 07:00 - 13:00	R270.00	R270.00
Afternoon session 13:00 - 19:00	R270.00	R270.00
Extra hour	R70.00	R70.00
Kitchen use	R200.00	R200.00
<b>Welfare</b>	R270.00	R270.00
<b>Deposit</b>		
Music/Jazz and others	R1 830.00	R1 830.00
All other	R370.00	R370.00
<b>Sports Facility</b>		
<b>Soccer/ Rugby and Cricket</b>		
Morning session 07:00 - 13:00	R150.00	R150.00
Afternoon session 13:00 - 19:00	R150.00	R150.00
Extra hour	R70.00	R70.00
Kitchen	R200.00	R200.00
<b>Netball/ Basketball and Tennis</b>		
Morning session 07:00 - 13:00	R150.00	R150.00
Afternoon session 13:00 - 19:00	R150.00	R150.00
Extra hour	R70.00	R70.00

Kitchen	R200.00	R200.00
<b>Schools</b>		
Morning session 07:00 - 13:00	R100.00	R100.00
Afternoon session 13:00 - 19:00	R100.00	R100.00
Extra hour	R50.00	R50.00
Kitchen	R50.00	R50.00
<b>Indoor Games</b>		
Morning session 07:00 - 13:00	R200.00	R200.00
Afternoon session 13:00 - 19:00	R200.00	R200.00
Extra hour	R70.00	R70.00
Kitchen use	R200.00	R200.00
<b>Coaching development and practice</b>		
Morning session 07:00 - 13:00	R100.00	R100.00
Afternoon session 13:00 - 19:00	R100.00	R100.00
Kitchen	R200.00	R200.00

(i)	<b>Fire and Rescue</b>	<b>2014/2015</b>	<b>2015/2016</b>
I	<b>Extinguishing of fires (excluding grass-bush and rubbish fires)</b>		
(a)	<b>Call out fee</b>		
	Industrial fire (High risk)	R1 170.00	R1 170.00
	Industrial fire (Low risk)	R580.00	R580.00
	Residential	R320.00	R320.00
	Institutions	R320.00	R320.00
	Public assembly	R320.00	R320.00



	Commercial	R320.00	R320.00
	Storage	R320.00	R320.00
	Shack or Informal housing (Flat rate) all costs included	R63.00	R63.00
	Heavy motor vehicle fire	R320.00	R320.00
	Motor vehicle, Motor bike, trailer with content	R127.00	R127.00
	Lamp or Electrical Poles (Council property excluded)	R127.00	R127.00
	Transformers (Council property excluded)	R320.00	R320.00
(b)	<b>Personnel (tariff per hour)</b>		
	Per Senior Officer	R160.00	R160.00
	Per Officer	R138.00	R138.00
	Per Senior Fireman	R127.00	R127.00
	Per Fireman	R106.00	R106.00
	(Times to be calculated from the time that the personnel left the Station until the fire has been reported as extinguished).		
(c)	<b>Vehicles</b>		
	Per vehicle or per fire pump per hour or part thereof calculated from the time that the vehicle has left the Station until the fire has been reported extinguished.	R425.00	R425.00
(d)	<b>Material used</b>		
	Real cost of the fire extinguishing material used including VAT and as certified by the Chief Fire Officer plus 20%.		

II	<u>Grass, bush and rubbish fires</u>		
(a)	Rubbish Fires	R320.00	R320.00
	Bales of feed or Hay stack (up to 50 cubic meters)	R636.00	R636.00
	Bales of feed or Hay stack (more than 50 cubic meters)	R1 272.00	R1 272.00
(b)	<b>Personnel(tariff per hour)</b>		
	Per Senior Officer	R160.00	R160.00
	Per officer	R138.00	R138.00
	Per Senior Fireman	R127.00	R127.00
	Per Fireman (Times to be calculated from the time that the personnel left the Station until the fire has been reported as extinguished)	R106.00	R106.00
(c)	<b>Vehicles</b>		
	Per vehicle or per fire pump per hour or part thereof calculated from the time that the vehicle has left the Station until the fire has been reported extinguished.	R425.00	R425.00
(d)	<b>Material used</b>		
	Real cost of the fire extinguishing material used including VAT and as certified by the Chief Fire Officer plus 20%.		
III	<u>Special services (Dangerous goods etc).</u>		
(a)	<b>Call out Fee</b>	R1272.00	R1272.00

(b)	<b>Personnel(tariff per hour)</b>		
	Per Senior Officer	R210.00	R210.00
	Per officer	R265.00	R265.00
	Per Senior Fireman	R230.00	R230.00
	Per Fireman	R190.00	R190.00
(c)	<b>Vehicles</b>		
	Where the services of a Fire Pump is needed (per hour or part thereof calculated from the time the vehicle left the station until the service is reported to be completed.	R850.00	R850.00
	Per kilometre (Travelled to and from the time of pump per hour)	R9.00	R9.00
	Per portable pump (Real working time of pump per hour)	R140.00	R140.00
	Per Fire Hose (per hour of part thereof)	R27.00	R27.00
	Per ladder used per call	R138.00	R138.00
	Real cost (VAT) inclusive for consumable material used plus 20% as certified by the Chief Fire Officer.		
IV	<u>Protection services (Standby Services)</u>		
	Where the presence of the Fire Department is compulsory with Fire pump and crew, the company responsible for the situation will be liable for the account.		
(a)	<b>Call out Fee</b>	R1 270.00	R1 270.00

(b)	<b>Personnel(tariff per hour)</b>		
	Per Senior Officer	R320.00	R320.00
	Per officer	R300.00	R300.00
	Per Senior Fireman	R265.00	R265.00
	Per Fireman	R210.00	R210.00
(c)	<b>Vehicles</b>		
	Where the services of a Fire Pump is needed (per hour or part thereof calculated from the time the vehicle left the station until the service is reported to be completed.	R850.00	R850.00
	Per kilometre (Travelled to and from the incident per utility vehicle)	R9.00	R9.00
	Per portable pump (Real working time of pump per hour)	R138.00	R138.00
	Per Fire Hose (per hour of part thereof)	R27.00	R27.00
	Per ladder used per call	R138.00	R138.00
	Real cost (VAT) inclusive for consumable material used plus 20% as certified by the Chief Fire Officer.		
V	<u>Filling of swimming pools and water tanks</u>		
	Hydrants must be within 90m from swimming or tank basic levy	R265.00	R265.00
	Per Fire Hose per hour period or part	R27.00	R27.00

	thereof		
	Per Officer	R138.00	R138.00
	Per Senior Fireman	R127.00	R127.00
	Per Fireman	R106.00	R106.00
	Per kilometre (calculated to and from the address per utility vehicle)	R9.00	R9.00
	If a fire truck is required per hour or part thereof	R425.00	R425.00
	The cost of the water as per ruling levy on residences on Sundays and Public holidays.	(Double the normal tariffs)	(Double the normal tariffs)

VI	<u>Other Services</u>		
(a)	<b>Attendance of Fireman in terms of section 14 of the standard by-laws relating to Fire Brigade Services:</b>		
	Per entertainment, recreation meeting or other event provided that in the case of any variety entertainment or stage show conducted on schools premises or in a public hall in aid of school funds, no charges shall be charged for the attendance of a Fireman.	R320.00	R320.00
	Per Officer( <b>tariff per hour</b> )	R300.00	R300.00
	Per Senior Fireman( <b>tariff per hour</b> )	R265.00	R265.00
	Per Fireman( <b>tariff per hour</b> )	R210.00	R210.00
(b)	<b>Pumping of water from property:</b>		
	Light pump with a capacity of up to 1125 l/min per hour or part thereof	R850.00	R850.00

	Medium pump with a capacity of up to 2250 l/min per hour or part thereof	R850.00	R850.00
	Heavy pump with a capacity of up to 4500 l/min per hour or part thereof	R850.00	R850.00
	Per Officer( <b>tariff per hour</b> )	R265.00	R265.00
	Per Senior Fireman( <b>tariff per hour</b> )	R245.00	R245.00
	Per Fireman( <b>tariff per hour</b> )	R138.00	R138.00
(c)	<b>Using Compressor per hour or part thereof</b>	R65.00	R65.00
	Per Officer( <b>tariff per hour</b> )	R265.00	R265.00
	Per Senior Fireman( <b>tariff per hour</b> )	R220.00	R220.00
	Per Fireman( <b>tariff per hour</b> )	R210.00	R210.00
(d)	<b>Emergency Rescue unit per hour or part thereof</b>		
	Per Officer( <b>tariff per hour</b> )	R231.00	R231.00
	Per Senior Fireman( <b>tariff per hour</b> )	R245.00	R245.00
	Per Fireman( <b>tariff per hour</b> )	R210.00	R210.00
(e)	<b>Any other duty not mentioned under item VI per hour or part thereof</b>		
	Where the services of a Fire pump is needed (per hour or part thereof	R850.00	R850.00

	calculated from the time the vehicle left the station until the service is reported to be completed).		
	Per kilometre (Travelled to and from the incident per utility vehicle)	R9.00	R9.00
	Per Officer( <b>tariff per hour</b> )	R265.00	R265.00
	Per Senior Fireman( <b>tariff per hour</b> )	R240.00	R240.00
	Per Fireman( <b>tariff per hour</b> )	R210.00	R210.00
(f)	<b>Firebreaks per hour or part thereof</b>		
	Where the services of a Fire pump is needed (per hour or part thereof calculated from the time the vehicle left the station until the service is reported to be completed).	R580.00	R580.00
	Per Officer( <b>tariff per hour</b> )	R425.00	R425.00
	Per Senior Fireman( <b>tariff per hour</b> )	R265.00	R265.00
	Per Fireman( <b>tariff per hour</b> )	R240.00	R240.00
(g)	<b>Special Service</b>		
	Refilling of cylinders(SCBA)	R38.00 per cylinder	R38.00 per cylinder
	Issuing of Dangerous Goods Certificate	R300.00 per unit (yearly)	R300.00 per unit (yearly)
	Issuing of Fire Certificate in business	R300.00 per business (yearly)	R300.00 per business (yearly)

	Basic Fire Fighter Training	R320.00 per person	R320.00 per person
	Renting of Lecture Room	R370.00 per Morning session	R370.00 per Morning session
	Renting of Lecture Room	R370.00 per Afternoon session	R370.00 per Afternoon session
	Extra hour	R110.00	R110.00
	Kitchen use	R110.00	R110.00
	<b>Traffic Services</b>	<b>2014/2015</b>	<b>2015/2016</b>
	<u>Abnormal loads escorts and excavations</u>		
	Per Officer (Per hour or part thereof)	R127.00	R127.00
	Per Officer Overtime (Per hour or part thereof)	R265.00	R265.00
(a)	<b>Sport Meetings</b>		
	Per Officer (Per hour or part thereof)	R190.00	R190.00
	Per Officer Overtime (Per hour or part thereof)	R265.00	R265.00
(b)	<b>Impounded Vehicles</b>		
	Hitching of vehicles	R530.00	R530.00
	Towing of the vehicle	R370.00	R370.00
	Tracing of the owner	R850.00	R850.00



	Storage Fees(per day including first and last day)	R85.00	R85.00
(c)	Erection of posters DEPOSIT	R250.00	R250.00
	COST PER POSTER	R10.00	R10.00
(d)	Street Trading OUTSKIRTS	R100.00 pm	R100.00 pm
	CBD	R100.00 pm	R100.00 pm

DIVISION	R 2014/15	R 2015/16
<b>Economic Development</b>		
NO tariffs recommended		
Leases - General:		
- Rental arrangements as agreed per contract	Contractual	Contractual
Containers at Zamdela Taxi Rank	R135.00 p.m.	R140.00 p.m.
<b>Housing and Property Management Services</b>		
Leases - General:		
- Rental arrangements as agreed per contract	Contractual	Contractual
<b>Assisted Sub-Economic Rental Stock</b>		
Six (6) semi-detached - / row houses in Sasolburg Extension 1 one and (1) house in Sasolburg Extension 19 reserved as rental stock for the elderly, disabled and poor households restricted to households in the deep down-market range earning between R800.00 per month to R3,500.00 per month	Calculated at 20% of monthly household income implying that the average monthly rental should not exceed R520.00 per month	Calculated at 20% of monthly household income implying that the average monthly rental should not exceed R550.00 per month (excluding
<i>Note: Pre-paid meters to be installed in ALL rental stock units to recover electrical services costs</i>		

	<i>(excluding consumer services) for qualifying beneficiaries</i>	<i>consumer services) for qualifying beneficiaries</i>
<b><u>Thembaletu Hostel (141 x 101.02 m<sup>2</sup> units)</u></b>		
<b>Pre-paid meters to be installed in all rental stock units to recover electrical services cost</b>		
Block A - 24 x units (shower & bath)	R1`100.00 p.m.	R1`200.00 p.m.
Block B - 18 x units (shower & bath)	R1`100.00 p.m.	R1`200.00 p.m.
Block C - 24 x units (shower)	R990.00 p.m.	R1 100.00 p.m.
Block D - 18 x units (shower)	R990.00 p.m.	R1 100.00 p.m.
Block E - 30 x units (shower)	R990.00 p.m.	R1 100.00 p.m.
Block F - 9 x units (shower)	R990.00 p.m.	R1 100.00 p.m.
Single Units - 18 x beds (6 x flats with 3 x bedrooms)	R440.00 p.m.	R490.00 p.m.
<i>(Other)</i>		
Tuck shop / Churches (62 m <sup>2</sup> )	R80.00 p/day	R90.00 p/day
Tuck shop / Milk depot (13 m <sup>2</sup> )	R80.00 p.m.	R90.00 p.m.
Tuck shop / F Shai (22 m <sup>2</sup> )	R75.00 p.m.	R85.00 p.m.
Tuck shop / M Kok (22 m <sup>2</sup> )	R165.00 p.m.	R180.00 p.m.
Tuck shop / L Tau (22 m <sup>2</sup> )	R165.00 p.m.	R180.00 p.m.
Tuck shop / Dry Cleaners (37 m <sup>2</sup> )	R165.00 p.m.	R180.00 p.m.

Tuck shop / Hair Saloon (41 m <sup>2</sup> )	R165.00 p.m.	R180.00 p.m.
Tuck shop / Upholsterer (46 m <sup>2</sup> )	R165.00 p.m.	R180.00 p.m.
Tuck shop / Dressmaking (80 m <sup>2</sup> )	R160.00 p.m.	R180.00 p.m.
Tuck shop / Crèche (197 m <sup>2</sup> )	R70.00 p.m.	R80.00 p.m.
Tuck shop / Video Shop (207 m <sup>2</sup> )	R185.00 p.m.	R210.00 p.m.
Former kitchen/Hall per activity	R300.00 per activity	R330.00 per activity
Recycling Business	R1 000.00 p.m.	R1 100.00 p.m.
Thembaletu Community Hall	R250.00 p/day	R280.00 p/day

<b>DIVISION</b>	<b>R 2014/15</b>	<b>R 2015/16 (VAT <u>Inclusive</u>) RECOMMENDED</b>
<b>Housing and Property Management Services &amp; Economic Development</b>		
<b>Hostel 1 = 317 units</b> <b>Hostel 2 = 330 units</b> <b>Hostel 3 = 389 units</b> <b>Hostel 4 = 112 units</b> <b>Phomolong = 40 units</b>	VAT Exempted	
<i>Hostel at Refengkgotso (Erf 842)</i>	<i>From date of transfer to municipality</i>	<i>From date of transfer to municipality</i>

<p>- Fixed Hostel Rent / Tariff</p> <p>- Fixed Hostel Rent / Tariff for purposes of <u>a maximum of 4 single persons sharing</u> a rental unit, that <u>each single should</u> contribute individually and that the rental amount of R80.00 pm. plus water consumption calculated @ 30.00 p.m. be divided by the number of persons sharing / occupying the unit</p> <p><i>Note: Pre-paid meters to be installed in ALL rental stock units to recover electrical services costs</i></p>	<p><b>R110.00 pm per person</b></p> <p>While corrective measures are taken regarding maintenance and upgrading of services</p> <p>Then R135.00 pm</p> <p>Divided by the number of people sharing)</p>	<p><b><u>R110.00 pm</u></b></p> <p><b><u>While corrective measures are taken regarding maintenance and upgrading of services</u></b></p> <p><b><u>Then</u></b></p> <p><b><u>R150.00 pm</u></b></p> <p><i>Divided by the number of people sharing)</i></p>
<b>CRU</b>		
<p>(Community Residential Units – Replacement of Hostel 4 Zamdela)</p> <p><i>Note: Pre-paid meters to be installed in ALL rental stock units to recover electrical</i></p>	<p>Rent</p> <p>Beneficiary – Target Group</p> <p>R800.00 to R7`500 pm &amp;</p> <p>(Based on the high quality of the units</p>	<p>Rent</p> <p><b><u>Beneficiary – Target Group</u></b></p> <p><b><u>R800.00 to R7`500 pm &amp;</u></b></p> <p><i>(Based on the high quality of the units</i></p>

<i>services costs</i>		<i>and ± 20% of income – R800 pm)</i>		<i>and ± 20% of income – R800 pm)</i>	
<i>Tenants in <b>access</b> of R50`000 monthly income should NOT be considered for CRU`s and be accommodated conditional</i>		Higher Income Groups  To be accommodated  (On demand and Supply & Availability of Units)		<b>Higher Income Groups</b>  <b>To be accommodated</b>  <i>(On demand and Supply &amp; Availability of Units)</i>	
<b>BENEFICIARY TARGET GROUP</b>					
<i>R800 – (R3500) - R7500 PM (± 20% of Income)</i>					
<b>CRU</b>	<b>Discounted</b>	<b>Rent</b>	<b>(R)</b>	<b>R200.00</b>	<b>R0.00</b>
		R800.00 pm			
		R1000.00 pm		<b>R210.00</b>	<b>R0.00</b>
		R1500.00 pm		<b>R250.00</b>	<b>R0.00</b>
		R2000.00 pm		<b>R310.00</b>	<b>R0.00</b>
		R2500.00 pm		<b>R390.00</b>	<b>R0.00</b>
		R3000.00 pm		<b>R470.00</b>	<b>R0.00</b>
		National Policy R3500.00 pm		<b>R560.00</b>	<b>R0.00</b>
<b>CRU Discounted Rent (R)</b>				<b>R660.00</b>	<b>R0.00</b>
		R4000.00 pm			
		R4500.00 pm		<b>R760.00</b>	<b>R0.00</b>
		R5000.00 pm		<b>R830.00</b>	<b>R0.00</b>
		R5500.00 pm		<b>R900.00</b>	<b>R0.00</b>

R6000.00 pm	<b>R950.00</b>	<b>R0.00</b>
R6500.00 pm	<b>R1000.00</b>	<b>R0.00</b>
R7000.00 pm	<b>R1100.00</b>	<b>R0.00</b>
R7500.00 pm > ( <i>Higher</i> )	<b>R1200.00</b>	<b>R0.00</b>
<b>BENEFICIARY TARGET GROUP</b>		
<b>R800 – R PM (<u>less R100.00</u>)</b>		
<b>CRU Discounted Rent (R)</b>	<b>R100.00</b>	<b>R0.00</b>
R800.00 pm		
	<b>R110.00</b>	<b>R0.00</b>
R1000.00 pm		
R1500.00 pm	<b>R150.00</b>	<b>R0.00</b>
R2000.00 pm	<b>R210.00</b>	<b>R0.00</b>
R2500.00 pm	<b>R290.00</b>	<b>R0.00</b>
R3000.00 pm	<b>R370.00</b>	<b>R0.00</b>
R3500.00 pm	<b>R460.00</b>	<b>R0.00</b>

**COMMUNITY RESIDENTIAL UNITS (CRU`s - Zamdela) (*Flat size and NOT income based*)**

<b>COMMUNITY RESIDENTIAL UNITS (CRU`S) Type Unit</b>	<b>Rent determined by MEC Human Settlement 1 March 2015 AS REPLACEMENT OF RECOMMENDED TARIFFS (For 2015 / 2016)</b>
Bachelor	<b>R 540.00</b>
1 Bedroom self-contained	<b>R 715.00</b>
1,5 bedroom	<b>R 895.00</b>

2 Bedroom interchangeable	<b>R 1 150.00</b>
2 Bedroom self-contained	<b>R 1 150.00</b>
3 Bedroom self-contained	<b>R 1 550.00</b>
	<i>(And / Or as amended by Provincial Government / MEC Human Settlements)</i>

<u>ALIENATION OF LAND (Open Spaces)</u>		
Temporary allocation of land not exceeding 21 days (such as Circuses / Churches for spiritual revivals / church outreaches)	R40.00 / day	R45.00 / day
Initiation Schools not exceeding 50 days	R900.00(fixed) Water provision to be agreed with Civil Engineering	R1000.00(fixed) Water provision to be agreed with Civil Engineering
Temporary leases for parking purposes on open portions of land	R15.00/per day per parking bay of 40 m <sup>2</sup>	R20.00/per day per parking bay of 40 m <sup>2</sup>
Cattle owners Leases - grazing	R260.00 p.m. per cattle owner	R290.00 p.m. per cattle owner



<b>Urban Planning</b>		
Rezoning	R350.00 / application	R350.00 / application
Subdivision	R350.00 / application	R350.00 / application
Consolidation	R350.00 / application	R350.00 / application
Consent uses	R2`500.00 / application	R2`500.00 / application
Zoning Certificates	R150.00 / application	R150.00 / application
Building Plan: Approval Fee	R300.00 / application	R300.00 / application
	R19.00 / 10m <sup>2</sup> for the first 1`000 m <sup>2</sup>	R19.00 / 10m <sup>2</sup> for the first 1`000 m <sup>2</sup>
	R17.00 / 10m <sup>2</sup> for the following 1`000 m <sup>2</sup> – namely 1`001 to 2`000 m <sup>2</sup>	R17.00 / 10m <sup>2</sup> for the following 1`000 m <sup>2</sup> – namely 1`001 to 2`000 m <sup>2</sup>
	R14.00 / 10m <sup>2</sup> for the following 1`000 m <sup>2</sup> – namely 2`001 m <sup>2</sup> to 4 000 m <sup>2</sup>	R14.00 / 10m <sup>2</sup> for the following 1`000 m <sup>2</sup> – namely 2`001 m <sup>2</sup> to 4 000 m <sup>2</sup>
Internal alterations on building plans	R300.00	R300.00
Swimming pools	R300.00	R300.00

Shade nets	R300.00	R300.00
Boundary walls	R300.00	R300.00
Permits	R300.00	R300.00
Signage	R273.00	R273.00
Inspection fee (farms / plots)	R450.00 / plan	R450.00 / plan
Building clause certificates	R300.00	R300.00
Billboards	R50.00 / m <sup>2</sup>	R50.00 / m <sup>2</sup>
Encroachments fees	<i>To be determined</i>	<i>To be determined</i>

**Note: Advertisement cost and other submission costs are for the applicant's account and are not included in the application fee.**

<b>Category 1</b>		
<b>Township establishment per erf</b>		
0-500		R4 000
501-1 000		R6 000
1 001 and more		R7 500
Rezoning		R2 000
Removal, amendment or suspension of restrictive title conditions		R1 200
Amendment of general plan		R2 000
Permanent closure of public place		R 2 000
Consent use		R1 000
Subdivision		R1 000
Per additional portion after 5th		R100
Consolidation		R1 000
Per additional portion after 5th		R100

<b>Category 2</b>		
Subdivision		R1 000
Per additional portion after 5th		R100
Consolidation		R1 000
Per additional portion after 5th		R100
Consent use		R1 200
Removal, amendment or suspension of restrictive title conditions		
<b>Category 3</b>		
Appeal on decision		R3 000
Zoning certificate		R80
E-lodgement Fee		R0

## 1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2015/16 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Zero based budgets and incremental method based on historical information, plus inflation in line with Treasury guidelines
- All increases more than the inflation to be properly motivated.
- Professional fees to be unpacked
- The filling of vacancies should support challenges identified and key priorities as adopted at the strategic workshop. The organisational structure is in the process of being to be revised.

The following table is a high level summary of the 2015/16 budget and MTREF (Classified per main type of operating expenditure):

**Table 13 Summary of operating expenditure by standard classification item**

Operating expenditure by main type	2014/15	2015/16	2016/17	2017/18
	Adjusted Budget	MTREF	MTREF	MTREF
	R'000	R'000	R'000	R'000
Employee related costs	189 867	222 960	233 740	254 911
Remuneration of councillors	14 685	15 519	16 590	17 734
Bad debts	64 300	84 279	71 406	63 126
Repairs and maintenance	27 232	33 537	35 040	36 538
Bulk purchases-electricity	199 876	190 892	216 662	245 911
Bulk purchases-water	118 674	133 972	147 147	161 623
Contracted services	87 646	33 601	35 881	38 244
Finance charges	774	2 331	1 900	1 423
General expenses	94 078	107 053	121 056	120 918
Transfers and grants	31 757	37 745	42 226	45 141
Depreciation	50 221	70 084	76 600	81 710
	<b>879 110</b>	<b>931 973</b>	<b>998 248</b>	<b>1 067 279</b>

**Employee Related Cost:** The budgeted allocation for employee related costs for the 2015/16 financial year totals R222.96 million, which equals **23.9 % of the total operating expenditure**. The three year collective SALGBC agreement has lapsed at 30 June 2015. Salary increases have been factored into this budget at a **percentage increase of 7.0 % for the 2015/16** financial year. An annual increase of 6.9 and 6.6 per cent has been included in the two outer years of the MTREF. Provision is also made for the increments. Based on the proposed amended structure critical vacancies need to be determined. As a baseline, provision is made for vacancies of R10 million (R22m required) still to be filled in 2014/2015 and in 2015/2016. The vacancies based on the approved structure is R44 million. The re-employment of previous dismissed employees and placement is included as on 30 April 2015.

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

**Bad Debts:** The provision of debt impairment was determined based on an **annual collection rate of 85 %** and the Debt collection and Credit Control Policy of the Municipality. For the 2015/16 financial year this amount equates to **R84 million** and decreases to R63 million by 2017/18. While this expenditure is considered to be a non-cash flow item, it is the municipality's realistically anticipated revenues.

**Depreciation:** Provision for depreciation and asset impairment has been informed by the Accounting Standards. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard are **R70 million**. The budget appropriation totals R70 million for the 2014/15 financial and equates to **7.3 % of the total operating expenditure**. It should be noted that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

**Finance charges:** Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up **0.3 per cent (R2.3 million)** of operating expenditure excluding annual redemption for 2015/16 and decreases to R1.4 million by 2017/18.

**Bulk purchases Electricity and Water:** Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Rand Water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include technical losses and distribution losses for water and electricity.

**Repairs and maintenance:** Repairs and maintenance (Schedule A4 as other materials) comprises of amongst others, materials for maintenance, cleaning materials and chemicals, as well as contractors. In line with the Municipality's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the Municipality's infrastructure. For 2015/16 the appropriation against this group of expenditure has **increased** by 23.2 per cent (R6 million) and then continues to grow at 4.5 and 4.3 per cent for the two outer years of which budget allocation is in excess of R38.2 million by 2017/18.

**Contracted services:** In the 2014/15 financial year, contracted services totalled R33.6 million and has increased. For the two outer years growth has been limited to 6.8 and 6.6 per cent. The outcome of this exercise will be factored into the next budget cycle and it is envisaged that additional cost savings measures will be implemented. Further details relating to contracted services can be seen in Table 50 MBRR SA1 (see page 184).

**General expenses:** Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Growth has been limited to 13.8 per cent for 2015/16 and curbed at 13.1 and decrease by 0.1 per cent for the two outer years, indicating that significant cost savings have been already realised. Further details relating to other expenditure can be seen in Table 50 MBRR SA1 (see page 184).

The following table gives a breakdown of the main expenditure categories for the 2015/16 financial year.

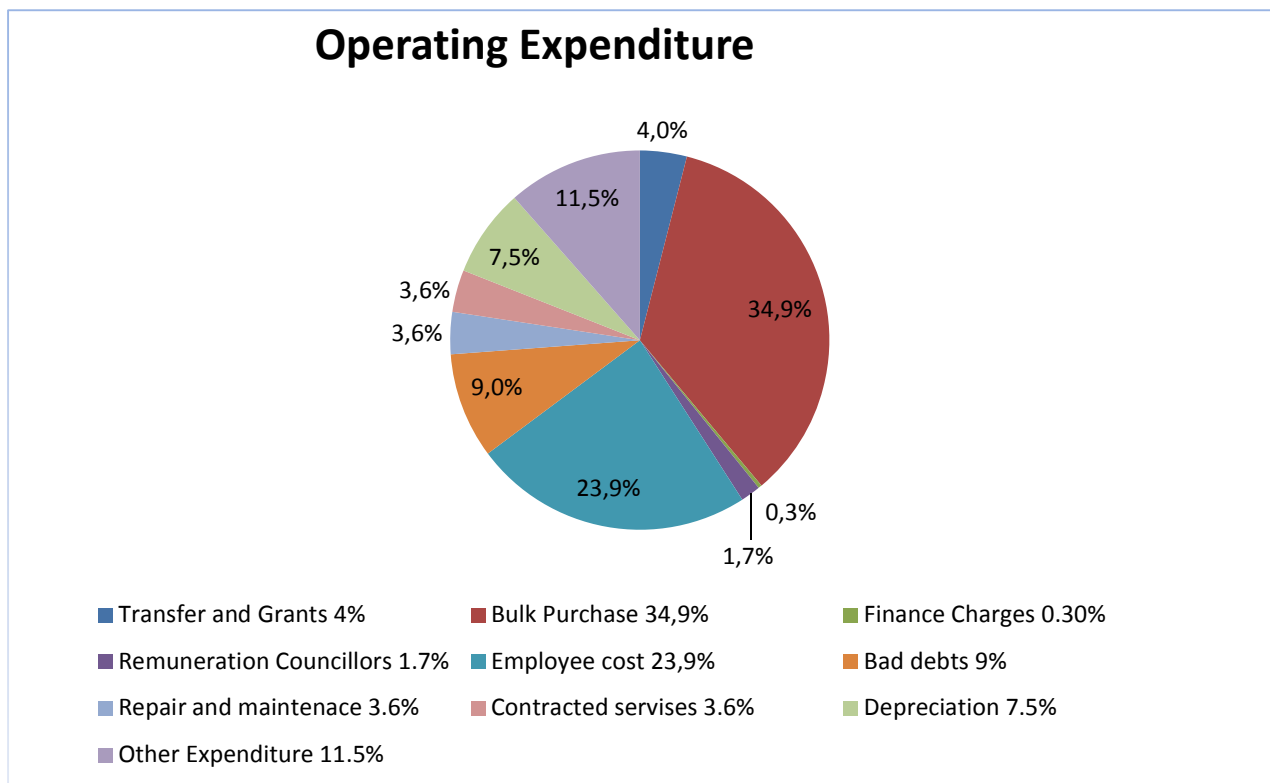


Figure 1 Main operational expenditure categories for the 2015/16 financial year

### 1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2015/16 budget and MTREF provide for extensive growth in the area of asset maintenance. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Remuneration is still included in Employee cost but in the table the employees cost of Technical Services is added to reflect the repair and maintenance cost. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

**Table 14 Operational repairs and maintenance**

R thousand	2011/12	2012/13	2013/14	Current 2014/15			2014/2015MTREF		
	Audit Outcome	Audit Outcome	Audit Outcome	Original budget	Adjust Budget	Full year forecast	Budget 2015/16	Budget 2016/17	Budget 2017/18
Employee related cost	38 647	43 030	44 385	49 048	45 137	45 137	52 135	51 018	59 457
Materials and contracted services	24 327	23 608	15 182	30 685	27 232	27 232	33 537	35 040	36 538
<b>Total repairs and maintenance expenditure</b>	<b>62 974</b>	<b>66 638</b>	<b>59 567</b>	<b>79 733</b>	<b>72 369</b>	<b>72 369</b>	<b>85 672</b>	<b>86 058</b>	<b>95 995</b>

- During the compilation of the 2015/16 MTREF operational budget repairs and maintenance was identified as a strategic imperative owing to the ageing infrastructure and historic deferred maintenance.
- To this end, repairs and maintenance increases by 7.4 per cent in the 2015/16 financial year, from R79.7 million to R85.7 million.
- During the 2014/15 Adjustment Budget this allocation was adjusted slightly downwards to R72 million owing to the cash flow challenges faced by the Municipality. Notwithstanding this reduction, as part of the 2015/16MTREF this strategic imperative remains a priority as can be seen by the budget appropriations over the MTREF.
- The total allocation for **2015/16 equates to R85.7 million, an increase of 18.4 per cent** in relation to the Adjustment Budget and then continues to grow at 0.5 and 11.5 per cent over the MTREF. In relation to the total operating expenditure, repairs and maintenance (excluding remuneration of staff) comprises of 23.2, 4.5 and 4.3 per cent for the respective financial years of the MTREF.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

**Table 15 Repairs and maintenance per asset class**

R thousand	2011/12	2012/13	2013/14	Current 2014/15			2014/2015MTREF		
	Audit Outcome	Audit Outcome	Audit Outcome	Original budget	Adjust Budget	Full year forecast	Budget 2015/16	Budget 2016/17	Budget 2017/18
<b>Repair and maintenance per asset class</b>									
Infrastructure Roads	18 434	19 666	14 602	23 909	13 399	13 399	27 748	24 775	31 200
Infrastructure Electricity	11 747	14 553	13 318	16 580	16 338	16 338	16 698	17 853	18 937
Infrastructure Water	10 916	11 383	10 669	12 616	12 916	12 916	14 217	15 158	16 214
Infrastructure Sanitation	7 880	8 871	10 227	12 394	17 414	17 414	11 369	12 115	12 957
Infrastructure Other	4 981	4 873	4 948	4 307	4 520	4 520	5 695	5 953	6 153
Community	0	1 105	194	533	576	576	669	704	740
Other assets	9 016	6 187	5 609	9 394	7 206	7 206	9 276	9 500	9 794
<b>Total Operating expenditure</b>	<b>62 974</b>	<b>66 638</b>	<b>59 567</b>	<b>79 733</b>	<b>72 369</b>	<b>72 369</b>	<b>85 672</b>	<b>86 058</b>	<b>95 995</b>

For the 2015/16 financial year, 81.7 per cent or R70 million of total repairs and maintenance will be spent on infrastructure assets. Electricity infrastructure has received a significant proportion of this allocation totalling 19.5 per cent (R16.7 million), road infrastructure at 32.4 per cent (R27.7 million), water at 16.6 per cent (R14.2 million) and sanitation at 13.3 per cent (R11.4 million). Community assets have been allocated R669 000 of total repairs and maintenance equating to 0.8 per cent.

### 1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. It is anticipated that there would be 10 000 indigent households during the 2015/16 financial year. Details relating to free services, cost of free basic services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 110.

The threshold to qualify as indigent is two times the state old age pension plus R1 000.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.



## 1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

**Table 16 2015/16 Medium-term capital budget per vote**

Capital expenditure by vote	2014/15		2015/16		2016/17		2017/18	
	Adjusted Budget	%	MTREF	%	MTREF	%		%
	R'000		R'000		R'000		R'000	
<b>Exec. &amp; Council</b> (MM, Executive Mayor, Council)	<b>558</b>	<b>0,71</b>	<b>4 733</b>	<b>2,55</b>	<b>6 170</b>	<b>6,68</b>	<b>5 396</b>	<b>6,49</b>
<b>Corporate Services</b>	<b>10</b>	<b>0,01</b>	<b>1 150</b>	<b>0,62</b>	<b>600</b>	<b>0,65</b>	<b>300</b>	<b>0,36</b>
<b>Social Services</b>	<b>150</b>	<b>0,19</b>	<b>40 358</b>	<b>21,72</b>	<b>50 096</b>	<b>54,20</b>	<b>3 986</b>	<b>4,79</b>
Refuse Removal	50	0,06	6 000	3,23	2 500	2,70		0,00
Public Safety	50	0,06	16 960	9,13	3 156	3,41	2 012	2,42
Sport and Recreation		0,00	10 854	5,84	29 375	31,78	758	0,91
Community Services	50	0,06	6 544	3,52	15 065	16,30	1 216	1,46
<b>Technical Services</b>	<b>77 547</b>	<b>99,08</b>	<b>139 371</b>	<b>74,99</b>	<b>35 561</b>	<b>38,47</b>	<b>73 480</b>	<b>88,36</b>
Streets and Storm water	7 000	8,94	37 560	20,21	9 033	9,77	45 320	54,50
Sewerage	40 262	51,44	35 236	18,96	342	0,37	345	0,41
Water supply	3 710	4,74	5 825	3,13	2 226	2,41	145	0,17
Electricity supply	11 175	14,28	52 860	28,44	23 830	25,78	27 390	32,94
Mechanical Workshop/Buildings	0	0,00	1 389	0,75	130	0,14		0,00
Administration	15 400	19,68	6 501	3,50	0	0,00	280	0,34
<b>Financial Services</b>			<b>240</b>	<b>0,13</b>		<b>0,00</b>		<b>0,00</b>
<b>Economic Dev. and Planning</b>								
Housing & Urban Planning								
Economic Development								
	<b>78 265</b>	<b>100</b>	<b>185 852</b>	<b>100</b>	<b>92 427</b>	<b>100</b>	<b>83 162</b>	<b>100</b>

The biggest single portion of capital expenditure is allocated to **Technical Services** which amounts to **R139** million in 2015/2016 decreasing to **R73.4 million** in 2017/2018.

It is projected that capital expenditure will decrease over the next three years. This mainly due to delays in confirmation of funding from external sources (province and district) inadequate planning by departments of their capital projects over the medium term. This issue is continuously being addressed as part of the municipality's budget reform programme. However, the two outer years will be populated with projects during the 2015/2016 budget and IDP process. Roads receive R37.5 million in 2015/16 which equates to 20 per cent, electricity at

28.4per cent, R52.8 million, water at 3.1 per cent, R5.8 million and sewer 18.9 per cent, R37.6 million.

Further detail relating to asset classes and proposed capital expenditure is contained in Table 26 MBRR A9 (Asset Management) on page 107. In addition to the MBRR Table A9, MBRR Tables 47; 48 and 49 -SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 180 and 181).Some of the salient projects to be undertaken over the medium-term includes, amongst others:

#### **Conditional Grants R70 million**

- Gortin sewer R33.3m (2015/16)
- Construction of roads & storm water R4.9 m (2016/17),R45m(2017/18)
- Construction of sports complex Refengkgotso: R16.5 m (2016/17)
- Construction of sports complex Metsimaholo: R7.3m (2015/16);R7.7m(2016/17)
- Zamdela cemetery boundary fence: R13.4m (2016/17)
- Amelia / Gortin & Mooidraai bulk electricity supply: R29 m (2015/16); R11m (2016/17); R13m (2017/18)
- Water demand management project:R5m(2015/16)
- Refurbishment of Deneysville water treatment works: R3.5m (2015/16);R1.5m(2016/17)

#### **Own funding**

- Upgrading of electricity substation R2.5million
- Resealing of roads R14.6 million
- Office furniture R1million
- Rehabilitation of landfill site R2 million
- Cemeteries boundary fence:R4 million
- Paving of Roads: R12 million
- Water pumps: R1.5 million
- Sewer pumps: R1.5 million
- Electricity network strengthening: R2 million
- Resorts:R3m
- Zamdela swimming pool R5M (2016/17)

#### **Loan**

- Vehicles and heavy equipment R16.8 million
- Printing equipment R1 million
- DBSA front loading funding of DoE: Electricity R14million

#### **Rejuvenation**

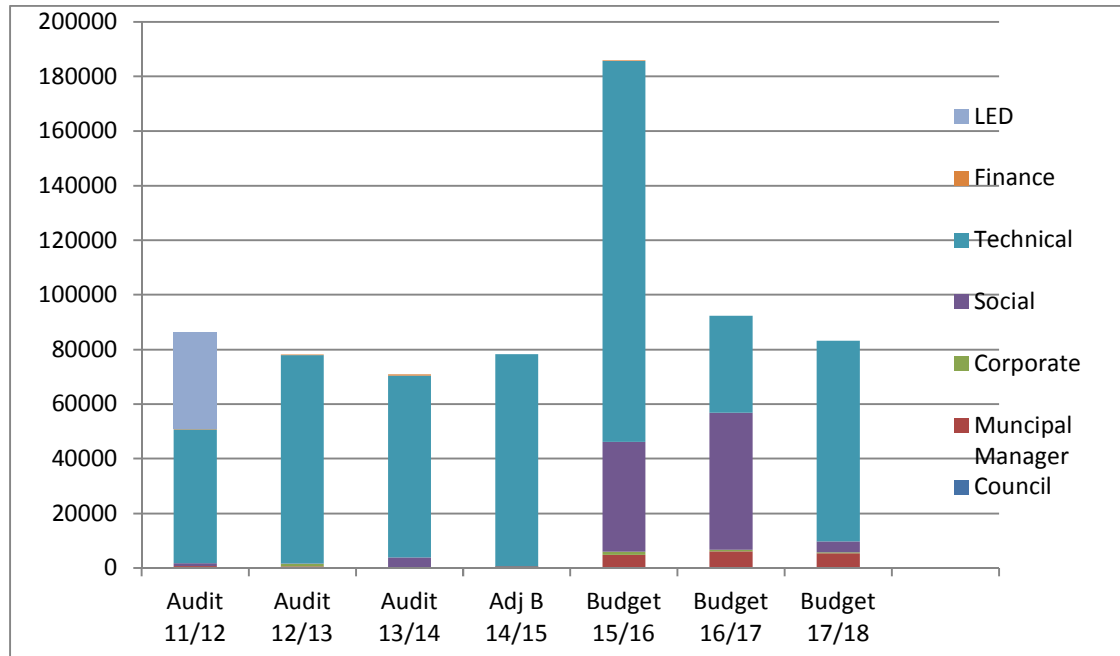
- Roads R7.5 million

The Housing Development Agency and Department Human Settlements initiated projects within the area of jurisdiction of the municipality to eradicate backlogs and to stimulate development through:

- Formalization of Moidraai (Zamdela) Township
- Land purchases projects for urban expansion in Sasolburg and Refengkgotso (Deneysville)
- Secure transit area for Informal Settlements
- Consolidation Subsidized Houses in Zamdela Ext 7 to be upgraded
- Formalization of Themba Khubeka Township (Refengkgotso)
- Community Residential Rental Project
- In partnership with the Sasol Factory to build 100 FLISP houses in Zamdela for their employees
- Top structures (RDP) for qualifying beneficiaries

Furthermore Annexure A on pages \_\_ to \_\_ contains a detailed breakdown of the capital budget per project over the medium-term.

The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the MTREF.



**Figure 2 Capital Infrastructure Programme**

The municipality is highly dependent on conditional grant funding for its capital expenditure. The cash flow of the municipality is under strain and there is no operating surplus on the budget which could be used for capital expenditure.

## 1.7 Annual Budget Tables

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's **2014/15 budget and MTREF** as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

**Table 17MBRRTable A1 - Budget Summary**

**FS204 Metsimaholo - Table A1 Budget Summary**

Description	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Financial Performance</b>										
Property rates	86 652	92 485	105 296	102 114	111 014	111 014	–	107 386	113 292	119 296
Service charges	328 477	378 039	422 040	568 088	564 507	564 507	–	618 471	663 516	710 901
Investment revenue	2 357	1 543	1 694	2 400	1 300	1 300	–	2 000	2 000	2 000
Transfers recognised - operational	91 482	97 822	104 642	118 259	117 948	117 948	–	125 831	141 244	156 463
Other own revenue	35 470	31 639	43 891	38 124	36 192	36 192	–	40 507	37 434	43 922
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>544 438</b>	<b>601 528</b>	<b>677 563</b>	<b>828 986</b>	<b>830 961</b>	<b>830 961</b>	<b>–</b>	<b>894 195</b>	<b>957 485</b>	<b>1 032 582</b>
Employee costs	159 027	170 173	188 370	207 771	189 867	189 867	–	222 960	233 740	254 911
Remuneration of councillors	11 916	12 102	13 152	14 685	14 685	14 685	–	15 519	16 590	17 734
Depreciation & asset impairment	59 179	43 309	32 887	62 640	50 221	50 221	–	70 084	76 600	81 710
Finance charges	3 312	1 174	2 648	3 034	774	774	–	2 331	1 900	1 423
Materials and bulk purchases	228 521	258 726	270 754	349 236	345 781	319 841	–	358 401	398 849	444 072
Transfers and grants	17 690	30 958	32 193	40 389	31 757	31 757	–	37 745	42 226	45 141
Other expenditure	169 009	151 501	181 151	190 751	246 026	246 026	–	224 933	228 343	222 287
<b>Total Expenditure</b>	<b>648 654</b>	<b>667 942</b>	<b>721 155</b>	<b>868 506</b>	<b>879 111</b>	<b>853 171</b>	<b>–</b>	<b>931 972</b>	<b>998 247</b>	<b>1 067 279</b>
<b>Surplus/(Deficit)</b>	<b>(104 216)</b>	<b>(66 414)</b>	<b>(43 592)</b>	<b>(39 520)</b>	<b>(48 150)</b>	<b>(22 210)</b>	<b>–</b>	<b>(37 778)</b>	<b>(40 762)</b>	<b>(34 697)</b>
Transfers recognised - capital	40 873	67 136	83 124	60 731	51 042	51 042	–	78 855	69 238	58 060
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(63 342)</b>	<b>722</b>	<b>39 532</b>	<b>21 211</b>	<b>2 893</b>	<b>28 832</b>	<b>–</b>	<b>41 077</b>	<b>28 476</b>	<b>23 363</b>
<b>Surplus/(Deficit) for the year</b>	<b>(63 342)</b>	<b>722</b>	<b>39 532</b>	<b>21 211</b>	<b>2 893</b>	<b>28 832</b>	<b>–</b>	<b>41 077</b>	<b>28 476</b>	<b>23 363</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>86 427</b>	<b>78 113</b>	<b>70 910</b>	<b>136 861</b>	<b>78 265</b>	<b>78 265</b>	<b>–</b>	<b>185 852</b>	<b>92 427</b>	<b>83 162</b>
Transfers recognised - capital	37 594	64 639	67 809	75 731	66 042	66 042	–	96 355	55 238	58 060
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	9 000	–	45 400	7 000	7 000	–	31 880	–	–
Internally generated funds	48 833	4 475	3 101	15 730	5 223	5 223	–	57 617	37 189	25 102
<b>Total sources of capital funds</b>	<b>86 427</b>	<b>78 113</b>	<b>70 910</b>	<b>136 861</b>	<b>78 265</b>	<b>78 265</b>	<b>–</b>	<b>185 852</b>	<b>92 427</b>	<b>83 162</b>
<b>Financial position</b>										
Total current assets	151 686	155 493	180 873	217 942	264 147	249 147	–	199 685	220 337	252 523
Total non current assets	911 532	944 986	1 017 211	1 062 941	1 041 284	1 041 284	–	1 157 053	1 172 879	1 174 333
Total current liabilities	148 457	170 611	187 544	167 325	138 086	138 086	–	158 199	173 631	196 607
Total non current liabilities	70 747	85 130	87 214	122 736	95 055	95 055	–	109 424	113 401	117 337
Community wealth/Equity	844 014	844 738	923 326	990 822	1 072 290	1 057 290	–	1 089 115	1 106 184	1 112 912

<b>Cash flows</b>										
Net cash from (used) operating	<b>66 724</b>	68 124	103 698	124 538	81 624	66 624	–	113 162	111 708	102 986
Net cash from (used) investing	<b>(78 612)</b>	(75 524)	(73 254)	(131 861)	(73 265)	(73 265)	–	(166 852)	(91 427)	(77 237)
Net cash from (used) financing	<b>(15 631)</b>	11 324	(13 500)	39 381	4 681	4 681	–	29 680	(2 631)	(3 608)
<b>Cash/cash equivalents at the year end</b>	<b>7 676</b>	11 600	26 129	1 917	39 169	24 169	–	159	17 808	39 949
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	<b>7 676</b>	16 184	26 129	15 220	39 169	24 169	–	159	17 808	39 949
Application of cash and investments	<b>61 708</b>	76 595	144 836	36 128	(103 284)	(99 106)	–	(3 388)	4 972	16 408
<b>Balance - surplus (shortfall)</b>	<b>(54 032)</b>	(60 410)	(118 707)	(20 908)	142 453	123 275	–	3 547	12 836	23 541
<b>Asset management</b>										
Asset register summary (WDV)	<b>910 028</b>	943 311	1 013 352	1 062 941	1 041 284	1 041 284	1 157 053	1 157 053	1 172 879	1 174 333
Depreciation & asset impairment	<b>59 179</b>	43 309	32 887	62 640	50 221	50 221	70 084	70 084	76 600	81 710
Renewal of Existing Assets	<b>12 316</b>	–	–	10 730	–	–	–	2 020	2 500	–
Repairs and Maintenance	<b>62 974</b>	66 638	59 567	79 733	72 369	72 369	85 672	85 672	86 058	95 995
<b>Free services</b>										
Cost of Free Basic Services provided	<b>41 498</b>	45 080	68 447	70 705	70 704	55 180	79 016	79 016	95 142	111 444
Revenue cost of free services provided	<b>52 674</b>	55 160	73 256	75 265	69 634	69 634	66 199	66 199	72 139	76 640
<b>Households below minimum service level</b>										
Water:	2	2	3	1	2	2	8	8	8	8
Sanitation/sewerage:	2	2	12	9	8	8	14	14	14	14
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	45	30	69	72	72	72	72	72	72	630

### Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
  - a. The operating surplus/deficit (after Total Expenditure) is negative over the MTREF
  - b. Capital expenditure is balanced by capital funding sources, of which
    - i. Transfers recognised is reflected on the Financial Performance Budget;
    - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
    - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. If the municipality's cash flow is positive, and is improving it indicates that the necessary cash resources are available to fund the Capital Budget. Capital from own funding (accumulated surplus) will only be used based on the availability of cash.
4. Even though the Council is placing great emphasis on financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

**Table 18 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)****FS204 Metsimaholo - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)**

Standard Classification Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>	<b>1</b>									
<b>Revenue - Standard</b>										
<i>Governance and administration</i>		<b>147 057</b>	<b>142 958</b>	<b>167 481</b>	<b>177 876</b>	<b>190 092</b>	<b>190 092</b>	<b>199 916</b>	<b>205 796</b>	<b>225 019</b>
Executive and council		461	414	407	350	450	450	250	250	250
Budget and treasury office		145 140	140 276	165 443	170 073	182 124	182 124	192 454	202 157	216 304
Corporate services		1 457	2 268	1 630	7 453	7 518	7 518	7 211	3 390	8 465
<i>Community and public safety</i>		<b>12 238</b>	<b>10 651</b>	<b>25 179</b>	<b>26 547</b>	<b>13 905</b>	<b>13 905</b>	<b>23 320</b>	<b>53 422</b>	<b>16 081</b>
Community and social services		417	1 021	3 317	2 886	2 886	2 886	3 277	16 831	3 408
Sport and recreation		1 430	1 655	1 759	14 662	2 020	2 020	9 825	26 486	2 339
Public safety		6 541	4 503	16 282	5 499	5 499	5 499	6 519	6 104	6 134
Housing		3 849	3 472	3 820	3 500	3 500	3 500	3 700	4 000	4 200
<i>Economic and environmental services</i>		<b>19 948</b>	<b>36 952</b>	<b>36 404</b>	<b>646</b>	<b>646</b>	<b>646</b>	<b>983</b>	<b>5 706</b>	<b>45 816</b>
Planning and development		498	289	504	646	646	646	680	717	756
Road transport		19 450	36 662	35 900	-	-	-	302	4 989	45 060
<i>Trading services</i>		<b>407 113</b>	<b>479 086</b>	<b>536 177</b>	<b>684 647</b>	<b>677 360</b>	<b>677 360</b>	<b>748 831</b>	<b>761 798</b>	<b>803 726</b>
Electricity		160 965	190 370	232 422	240 627	241 628	241 628	284 562	308 637	324 138
Water		186 761	215 936	223 766	325 640	311 204	311 204	346 550	362 631	383 545
Waste water management		24 652	28 272	36 047	59 985	71 272	71 272	66 520	34 992	36 796
Waste management		34 735	44 507	43 942	58 396	53 256	53 256	51 198	55 537	59 248
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Standard</b>	<b>2</b>	<b>586 356</b>	<b>669 647</b>	<b>765 240</b>	<b>889 716</b>	<b>882 003</b>	<b>882 003</b>	<b>973 049</b>	<b>1 026 723</b>	<b>1 090 642</b>
<b>Expenditure - Standard</b>	-									
<i>Governance and administration</i>		<b>125 819</b>	<b>93 742</b>	<b>131 885</b>	<b>144 143</b>	<b>131 453</b>	<b>131 453</b>	<b>155 743</b>	<b>166 507</b>	<b>167 983</b>
Executive and council		42 719	44 196	42 799	65 662	52 635	52 635	67 616	70 095	74 458
Budget and treasury office		41 608	36 738	62 946	35 245	36 828	36 828	40 192	44 630	38 152
Corporate services		41 493	12 809	26 139	43 237	41 990	41 990	47 935	51 782	55 373
<i>Community and public safety</i>		<b>62 374</b>	<b>61 758</b>	<b>76 062</b>	<b>84 541</b>	<b>137 951</b>	<b>137 951</b>	<b>92 315</b>	<b>99 168</b>	<b>106 361</b>
Community and social services		7 210	6 626	7 362	10 646	9 727	9 727	11 006	11 865	12 596
Sport and recreation		23 337	21 326	28 538	28 968	26 913	26 913	33 515	35 904	38 163
Public safety		28 751	30 972	32 876	40 849	97 178	97 178	43 790	47 134	51 114
Housing		3 075	2 834	7 286	4 078	4 133	4 133	4 003	4 266	4 488
<i>Economic and environmental services</i>		<b>46 366</b>	<b>45 674</b>	<b>34 446</b>	<b>58 271</b>	<b>37 029</b>	<b>37 029</b>	<b>59 551</b>	<b>57 500</b>	<b>64 479</b>
Planning and development		4 063	3 169	4 710	6 401	6 882	6 882	7 062	7 520	7 985
Road transport		42 303	42 505	29 736	51 870	30 147	30 147	52 488	49 981	56 493
<i>Trading services</i>		<b>415 138</b>	<b>467 751</b>	<b>483 315</b>	<b>581 551</b>	<b>572 677</b>	<b>546 738</b>	<b>624 363</b>	<b>675 071</b>	<b>728 457</b>
Electricity		177 612	207 570	200 041	266 768	265 827	239 888	260 328	291 247	323 224
Water		165 276	178 441	190 026	203 232	206 893	206 893	250 481	260 553	273 733
Waste water management		36 036	39 906	47 980	53 282	50 931	50 931	54 280	58 602	63 331
Waste management		36 214	41 834	45 269	58 269	49 026	49 026	59 275	64 669	68 169
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Standard</b>	<b>3</b>	<b>649 698</b>	<b>668 925</b>	<b>725 708</b>	<b>868 506</b>	<b>879 110</b>	<b>853 171</b>	<b>931 972</b>	<b>998 247</b>	<b>1 067 279</b>
<b>Surplus/(Deficit) for the year</b>		<b>(63 342)</b>	<b>722</b>	<b>39 532</b>	<b>21 211</b>	<b>2 893</b>	<b>28 832</b>	<b>41 077</b>	<b>28 476</b>	<b>23 363</b>



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

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification.

The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

2. Note the **Total Revenue on this table includes capital revenues** (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case **for** only for Water.
4. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
5. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Financial Services.

**Table 19MBRRTableA3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)****FS204 Metsimaholo - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

Vote Description R thousand	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue by Vote</b>	1									
Vote 1 - Council/Mayor, Speaker and Councillors		500	20	–	–	–	–	–	–	–
Vote 2 - Municipal Manager		24 262	1 560	7 408	2 108	2 207	2 207	1 958	2 224	2 374
Vote 3 - Organisational Development & Corporate Services		423	545	362	585	651	651	398	411	411
Vote 4 - Social Services		44 795	52 217	65 868	81 933	64 267	64 267	71 553	105 738	71 955
Vote 5 - Infrastructure Services		400 901	484 137	559 945	625 772	650 127	650 127	729 945	745 175	825 252
Vote 6 - Financial Services		129 883	140 276	126 926	170 073	182 124	182 124	192 454	202 157	216 304
Vote 7 - Local Economic Development		4 347	4 037	4 731	9 246	9 246	9 246	9 480	5 717	10 881
<b>Total Revenue by Vote</b>	2	<b>605 111</b>	<b>682 793</b>	<b>765 240</b>	<b>889 716</b>	<b>908 621</b>	<b>908 621</b>	<b>1 005 789</b>	<b>1 061 421</b>	<b>1 127 176</b>
<b>Expenditure by Vote to be appropriated</b>	1									
Vote 1 - Council/Mayor, Speaker and Councillors		23 643	27 907	30 354	35 143	35 207	35 207	39 800	40 895	43 344
Vote 2 - Municipal Manager		62 120	5 675	14 557	41 480	88 234	88 234	49 043	53 758	58 311
Vote 3 - Organisational Development & Corporate Services		22 077	13 413	11 637	20 087	16 963	16 963	16 192	17 861	18 365
Vote 4 - Social Services		96 382	92 277	103 502	125 352	110 591	110 591	129 996	139 561	148 264
Vote 5 - Infrastructure Services		417 240	494 157	515 874	589 842	596 329	570 389	667 168	712 587	771 736
Vote 6 - Financial Services		36 312	36 462	34 343	35 245	36 828	36 828	40 192	44 630	38 152
Vote 7 - Local Economic Development		10 679	12 180	15 439	21 356	21 577	21 577	22 320	23 653	25 641
<b>Total Expenditure by Vote</b>	2	<b>668 453</b>	<b>682 071</b>	<b>725 707</b>	<b>868 506</b>	<b>905 729</b>	<b>879 789</b>	<b>964 712</b>	<b>1 032 945</b>	<b>1 103 812</b>
<b>Surplus/(Deficit) for the year</b>	2	<b>(63 342)</b>	<b>722</b>	<b>39 532</b>	<b>21 211</b>	<b>2 893</b>	<b>28 832</b>	<b>41 077</b>	<b>28 476</b>	<b>23 363</b>

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

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

The following table is an analysis of the surplus or deficit for the electricity and water trading services as well as sanitation and waste removal as economic services.

**Table 20 Surplus/(Deficit) calculations for the trading services**

Description	2011/2012	2012/2013	2013/2014	2014/15	2014/15	2014/15	2015/16	2016/17	2017/18
R Thousand	Audit outcome	Audit outcome	Audit outcome	Original Budget	Adjusted Budget	Full Year Forecast	MTREF	MTREF	MTREF
<b>Electricity</b>									
Total Revenue	172 876	201 889	257 536	258 727	261 438	261 438	308 850	334 376	351 243
Total Expenditure	189 524	219 353	225 154	284 912	285 637	259 698	284 615	316 985	350 329
Surplus/(Deficit) for the year	(16 648)	(17 464)	32 382	(26 185)	(24 199)	1 740	24 235	17 391	914
Percentage Surplus	(9.63)%	(8.65)%	12.57	(10.12)%	(9.26)	0.67	7.85	5.20	0.26
<b>Water</b>									
Total Revenue	187 217	217 129	230 279	331 271	317 238	317 238	354 055	370 587	391 907
Total Expenditure	165 877	179 635	196 538	208 865	212 927	212 927	257 986	268 508	282 096
Surplus/(Deficit) for the year	21 340	37 494	33 741	122 406	104 311	104 311	96 069	102 079	109 811
Percentage Surplus	11.40%	17.27%	14.65	36.95%	32.88	32.88	27.13	27.55	28.02
<b>Sanitation</b>									
Total Revenue	24 849	28 452	36 230	60 182	71 442	71 442	66 733	35 218	37 036
Total Expenditure	36 233	40 085	48 163	53 480	51 101	51 101	54 493	58 828	63 570
Surplus/(Deficit) for the year	(11 384)	(11 633)	(11 933)	6 702	20 341	20 341	12 240	(23 610)	(26 534)
Percentage Surplus	(45.81)%	(40.89)%	(32.94)%	11.14%	28.47	28.47	18.34	(67.04)	(71.64)

<b>Waste Removal</b>									
Total Revenue	35 238	45 038	44 509	58 885	53 861	53 861	51 933	56 316	60 073
Total Expenditure	36 717	42 365	45 837	58 758	49 631	49 631	60 009	65 448	68 995
Surplus/(Deficit) for the year	(1 479)	2 673	(1 328)	127	4 230	4 230	(8 076)	(9 132)	(8 922)
Percentage Surplus	(4.20)%	5.93%	(2.98)%	0.22%	7.85	7.85	(15.55)	(16.22)	(14.85)

1. The **electricity** trading surplus decreases over the 2015/16 MTREF from a **surplus of 7.9 % or R24 million** in 2015/16 to a surplus of 0.26 per cent by 2017/18.  
This is primarily as a result of the high increases in Eskom bulk purchases and the tariff setting policy of the municipality to buffer the impact of these increases on individual consumers.  
Problems are also experienced with NERSA regarding the approval of tariffs.  
The capital grants that are reflected as revenue decreases over the period.
2. The surplus on the **water** account remains relatively constant over the MTREF translating into a **surplus of 27.1 %** per cent, 27.6 % and 28.0 % for each of the respective financial years and is as a result of the implementation of the inclining tariff.
3. The **sanitation** surplus is deteriorating over the 2015/16MTREF from a **surplus of 18.3% or R12.2 million** in 2015/16 to a deficit of 71.6 per cent by 2017/18.  
The capital grants that are reflected as revenue decreases over the period.
4. The **waste removal** deficit is stable over the 2015/16 MTREF from a **deficit of 15.6% or R8.1 m** in 2015/16 to a deficit of 14.9 per cent by 2017/18.

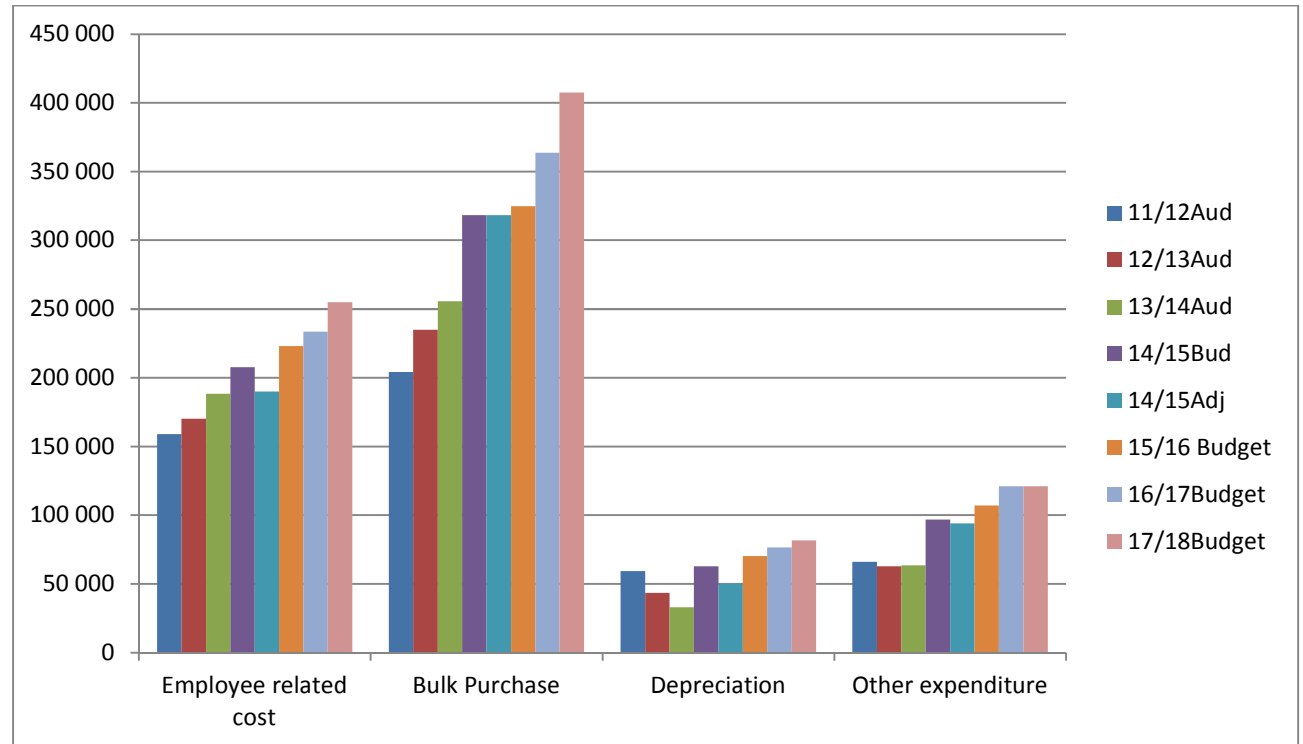
**Table 21MBRRTable A4 - Budgeted Financial Performance (revenue and expenditure)****FS204 Metsimaholo - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue By Source</b>											
Property rates	2	86 652	92 485	105 296	102 114	111 014	111 014	-	107 386	113 292	119 296
Service charges - electricity revenue	2	137 388	164 079	179 303	219 951	219 951	219 951	-	243 223	267 546	294 300
Service charges - water revenue	2	141 717	159 701	179 907	276 185	273 185	273 185	-	307 067	324 059	341 236
Service charges - sanitation revenue	2	18 996	19 990	21 737	22 837	22 837	22 837	-	24 250	25 583	26 939
Service charges - refuse revenue	2	25 259	27 526	29 606	39 978	39 978	39 978	-	35 618	37 577	39 569
Service charges - other		5 116	6 743	11 487	9 136	8 556	8 556		8 313	8 751	8 857
Rental of facilities and equipment		4 727	4 514	4 858	5 002	5 002	5 002		5 272	5 658	6 091
Interest earned - external investments		2 357	1 543	1 694	2 400	1 300	1 300		2 000	2 000	2 000
Interest earned - outstanding debtors		19 203	13 900	17 139	18 600	15 300	15 300		18 171	18 940	19 745
Dividends received		59	-	-	-	-	-		-	-	-
Fines		6 308	4 194	15 855	5 023	5 023	5 023		6 024	5 575	5 576
Licences and permits		66	120	146	172	172	172		181	191	201
Transfers recognised - operational		91 482	97 822	104 642	118 259	117 948	117 948		125 831	141 244	156 463
Other revenue	2	4 379	4 779	2 857	4 328	5 695	5 695	-	5 860	6 070	6 383
Gains on disposal of PPE		728	4 132	3 036	5 000	5 000	5 000		5 000	1 000	5 925
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>544 438</b>	<b>601 528</b>	<b>677 563</b>	<b>828 986</b>	<b>830 961</b>	<b>830 961</b>	<b>-</b>	<b>894 195</b>	<b>957 485</b>	<b>1 032 582</b>
<b>Expenditure By Type</b>											
Employee related costs	2	159 027	170 173	188 370	207 771	189 867	189 867	-	222 960	233 740	254 911
Remuneration of councillors		11 916	12 102	13 152	14 685	14 685	14 685		15 519	16 590	17 734
Debt impairment	3	79 875	62 594	91 918	64 300	64 300	64 300		84 279	71 406	63 126
Depreciation & asset impairment	2	59 179	43 309	32 887	62 640	50 221	50 221	-	70 084	76 600	81 710
Finance charges		3 312	1 174	2 648	3 034	774	774		2 331	1 900	1 423
Bulk purchases	2	204 194	235 118	255 573	318 550	318 550	292 611	-	324 864	363 809	407 534
Other materials	8	24 327	23 608	15 181	30 685	27 230	27 230		33 537	35 040	36 538
Contracted services		15 953	20 022	23 972	29 660	87 646	87 646	-	33 601	35 881	38 244
Transfers and grants		17 690	30 958	32 193	40 389	31 757	31 757	-	37 745	42 226	45 141
Other expenditure	4, 5	66 151	62 910	63 625	96 790	94 080	94 080	-	107 053	121 056	120 918
Loss on disposal of PPE		7 030	5 975	1 636	-	-	-		-	-	-
<b>Total Expenditure</b>		<b>648 654</b>	<b>667 942</b>	<b>721 155</b>	<b>868 506</b>	<b>879 111</b>	<b>853 171</b>	<b>-</b>	<b>931 972</b>	<b>998 247</b>	<b>1 067 279</b>
<b>Surplus/(Deficit)</b>		<b>(104 216)</b>	<b>(66 414)</b>	<b>(43 592)</b>	<b>(39 520)</b>	<b>(48 150)</b>	<b>(22 210)</b>	<b>-</b>	<b>(37 778)</b>	<b>(40 762)</b>	<b>(34 697)</b>
Transfers recognised - capital		40 873	67 136	83 124	60 731	51 042	51 042		78 855	69 238	58 060
Contributions recognised - capital	6	-	-	-	-	-	-		-	-	-
Contributed assets		-	-	-	-	-	-		-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(63 342)</b>	<b>722</b>	<b>39 532</b>	<b>21 211</b>	<b>2 893</b>	<b>28 832</b>	<b>-</b>	<b>41 077</b>	<b>28 476</b>	<b>23 363</b>
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(63 342)</b>	<b>722</b>	<b>39 532</b>	<b>21 211</b>	<b>2 893</b>	<b>28 832</b>	<b>-</b>	<b>41 077</b>	<b>28 476</b>	<b>23 363</b>
<b>Surplus/(Deficit) for the year</b>		<b>(63 342)</b>	<b>722</b>	<b>39 532</b>	<b>21 211</b>	<b>2 893</b>	<b>28 832</b>	<b>-</b>	<b>41 077</b>	<b>28 476</b>	<b>23 363</b>

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

1. Total revenue is R973 050 million in 2015/16 and escalates to R1 090 642 million by 2017/18. This represents a year-on-year increase of 6 per cent for the 2016/17 financial year and 6.2 per cent for the 2017/18 financial year.
2. Revenue to be generated from property rates is R107.4 million in the 2015/16 financial year and increases to R119.3 million by 2017/18 which represents 11 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 6 per cent, 5.5 per cent and 5.3 per cent for each of the respective financial years of the MTREF.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R610 158 million for the 2015/16 financial year and increasing to R702 million by 2017/18. For the 2015/16 financial year services charges amount to 62.7 per cent of the total revenue base and increase over the medium-term to 63.8 per cent and 64.4 per cent.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are growing over the MTREF by 13 per cent and 13.8 per cent 14.3 per cent for the two outer years. The percentage share of this revenue source declines due to the more rapid relative growth in service charge revenues.
5. The budget reflects a deficit before transfer of capital grants of R38 million, R41 million and R35 million for the years related to MTREF. Capital transfers are done in terms of GRAP and Circular 42.

6. The following graph illustrates the major expenditure items per type.



**Figure 3 Expenditure by major type**

7. Bulk purchases have significantly increased over the 2011/12 to 2017/18 period escalating from R204.1million to R407.5 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom and water from Rand Water.
8. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

**Table 22 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source****FS204 Metsimaholo - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding**

Vote Description R thousand	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - Council/Mayor, Speaker and Councillors		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	700	30	30	-	5 035	6 170	5 396
Vote 3 - Organisational Development & Corporate Services		-	-	42	1 100	10	10	-	1 150	600	300
Vote 4 - Social Services		-	-	3 644	13 742	150	150	-	40 358	50 096	3 986
Vote 5 - Infrastructure Services		-	-	66 697	120 719	77 547	77 547	-	139 069	35 561	73 480
Vote 6 - Financial Services		-	-	375	-	-	-	-	-	-	-
Vote 7 - Local Economic Development		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	<b>70 758</b>	<b>136 261</b>	<b>77 737</b>	<b>77 737</b>	-	<b>185 612</b>	<b>92 427</b>	<b>83 162</b>
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - Council/Mayor, Speaker and Councillors		-	23	152	600	528	528	-	-	-	-
Vote 2 - Municipal Manager		661	484	-	-	-	-	-	-	-	-
Vote 3 - Organisational Development & Corporate Services		-	1 002	-	-	-	-	-	-	-	-
Vote 4 - Social Services		1 200	115	-	-	-	-	-	-	-	-
Vote 5 - Infrastructure Services		48 931	76 291	-	-	-	-	-	-	-	-
Vote 6 - Financial Services		335	200	-	-	-	-	-	240	-	-
Vote 7 - Local Economic Development		35 300	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		<b>86 427</b>	<b>78 113</b>	<b>152</b>	<b>600</b>	<b>528</b>	<b>528</b>	-	<b>240</b>	-	-
<b>Total Capital Expenditure - Vote</b>		<b>86 427</b>	<b>78 113</b>	<b>70 910</b>	<b>136 861</b>	<b>78 265</b>	<b>78 265</b>	-	<b>185 852</b>	<b>92 427</b>	<b>83 162</b>
<b>Capital Expenditure - Standard</b>											
<b>Governance and administration</b>		<b>996</b>	<b>11 451</b>	<b>569</b>	<b>24 400</b>	<b>16 512</b>	<b>16 512</b>	-	<b>13 263</b>	<b>6 150</b>	<b>5 976</b>
Executive and council		661	1 024	152	1 700	777	777	-	1 802	600	300
Budget and treasury office		335	200	375	-	235	235	-	240	-	-
Corporate services		-	10 227	42	22 700	15 500	15 500	-	11 221	5 550	5 676
<b>Community and public safety</b>		<b>36 500</b>	<b>215</b>	<b>3 644</b>	<b>12 692</b>	<b>100</b>	<b>100</b>	-	<b>35 108</b>	<b>48 346</b>	<b>3 986</b>
Community and social services		1 102	12	2 338	-	-	-	-	4 524	13 793	340
Sport and recreation		96	100	1 306	12 692	100	100	-	12 874	30 648	1 633
Public safety		2	102	-	-	-	-	-	17 710	3 906	2 012
Housing		35 300	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>9 827</b>	<b>10 042</b>	<b>1 408</b>	<b>38 700</b>	<b>7 000</b>	<b>7 000</b>	-	<b>37 560</b>	<b>9 033</b>	<b>45 320</b>
Planning and development		-	-	-	-	-	-	-	-	-	-
Road transport		9 827	10 042	1 408	38 700	7 000	7 000	-	37 560	9 033	45 320
<b>Trading services</b>		<b>37 019</b>	<b>56 405</b>	<b>65 288</b>	<b>61 069</b>	<b>54 653</b>	<b>54 653</b>	-	<b>99 921</b>	<b>28 898</b>	<b>27 880</b>
Electricity		13 632	7 550	23 873	17 200	10 330	10 330	-	52 860	23 830	27 390
Water		14 539	20 712	6 873	15 200	4 010	4 010	-	5 825	2 226	145
Waste water management		8 848	28 143	34 542	27 619	40 263	40 263	-	35 236	342	345
Waste management		-	-	-	1 050	50	50	-	6 000	2 500	-
<b>Other</b>		<b>2 084</b>	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	3	<b>86 427</b>	<b>78 113</b>	<b>70 910</b>	<b>136 861</b>	<b>78 265</b>	<b>78 265</b>	-	<b>185 852</b>	<b>92 427</b>	<b>83 162</b>



<b>Funded by:</b>											
National Government		37 594	64 639	67 809	75 731	66 042	66 042		96 355	55 238	58 060
Provincial Government		-	-	-	-	-	-				
District Municipality		-	-	-	-	-	-				
Other transfers and grants		-	-	-	-	-	-				
<b>Transfers recognised - capital</b>	4	<b>37 594</b>	<b>64 639</b>	<b>67 809</b>	<b>75 731</b>	<b>66 042</b>	<b>66 042</b>	-	<b>96 355</b>	<b>55 238</b>	<b>58 060</b>
<b>Public contributions &amp; donations</b>	5	-	-	-	-	-	-				
<b>Borrowing</b>	6	-	9 000	-	45 400	7 000	7 000		31 880	-	-
<b>Internally generated funds</b>		<b>48 833</b>	<b>4 475</b>	<b>3 101</b>	<b>15 730</b>	<b>5 223</b>	<b>5 223</b>		<b>57 617</b>	<b>37 189</b>	<b>25 102</b>
<b>Total Capital Funding</b>	7	<b>86 427</b>	<b>78 113</b>	<b>70 910</b>	<b>136 861</b>	<b>78 265</b>	<b>78 265</b>	-	<b>185 852</b>	<b>92 427</b>	<b>83 162</b>

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

1. Table A5 is a breakdown of the capital program in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Single-year capital expenditure has been appropriated at R240 000 for the 2015/16 financial year and flattens out over the MTREF at levels of zero respectively for the two outer years.
4. Multi-year capital expenditure has been appropriated at R186 million for the 2015/16 financial year and flattens out over the MTREF at levels of R92 million and R83 million respectively for the two outer years.
5. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
6. The capital programs are funded from capital and provincial grants and transfers, borrowing and internally generated funds from current year surpluses. For 2015/16, capital transfers (grants) totals R78.9million (42 per cent) and escalates to R58 million by 2017/18 (70 per cent). Borrowing has been provided at R32 million over the MTREF. Included In the borrowing is R14 million as front loading for DoE grant. Internally generated funding totalling R57.6 million, R37.2 million and R25.1 million for each of the respective financial years of the MTREF. These funding sources are further discussed in detail in paragraph 2.6 (Overview of Budget Funding).

Table 23 MBRR Table A6 -Budgeted Financial Position

## FS204 Metsimaholo - Table A6 Budgeted Financial Position

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>ASSETS</b>											
<b>Current assets</b>											
Cash		5 491	9 184	9 303	–	8 423	8 423		159	17 808	39 949
Call investment deposits	1	2 185	7 000	16 826	15 220	30 746	15 746	–	–	–	–
Consumer debtors	1	91 789	93 536	110 667	145 722	145 381	145 381	–	148 326	151 129	153 674
Other debtors		16 208	19 202	12 792	25 000	51 472	51 472		15 000	13 000	17 000
Current portion of long-term receivables		17 914	5 612	15 218	12 000	12 000	12 000		16 200	17 400	18 900
Inventory	2	18 099	20 959	16 067	20 000	16 125	16 125		20 000	21 000	23 000
<b>Total current assets</b>		<b>151 686</b>	<b>155 493</b>	<b>180 873</b>	<b>217 942</b>	<b>264 147</b>	<b>249 147</b>	<b>–</b>	<b>199 685</b>	<b>220 337</b>	<b>252 523</b>
<b>Non current assets</b>											
Long-term receivables		1 504	1 676								
Investments		–	–								
Investment property		79 260	77 881	87 339	79 260	87 313	87 313		87 313	87 313	87 313
Investment in Associate		–	–								
Property, plant and equipment	3	830 635	865 241	925 533	983 595	953 576	953 576	–	1 069 345	1 085 171	1 086 625
Agricultural			–								
Biological			–								
Intangible		134	189	480	86	395	395		395	395	395
Other non-current assets				3 859							
<b>Total non current assets</b>		<b>911 532</b>	<b>944 986</b>	<b>1 017 211</b>	<b>1 062 941</b>	<b>1 041 284</b>	<b>1 041 284</b>	<b>–</b>	<b>1 157 053</b>	<b>1 172 879</b>	<b>1 174 333</b>
<b>TOTAL ASSETS</b>		<b>1 063 218</b>	<b>1 100 479</b>	<b>1 198 084</b>	<b>1 280 883</b>	<b>1 305 431</b>	<b>1 290 431</b>	<b>–</b>	<b>1 356 738</b>	<b>1 393 216</b>	<b>1 426 856</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft	1	–	–	–	–	–	–	–	–	–	–
Borrowing	4	9 599	20 420	1 941	2 325	2 319	2 319	–	4 199	4 631	5 107
Consumer deposits		10 648	12 170	13 800	14 000	15 091	15 091	–	17 000	19 000	21 500
Trade and other payables	4	128 211	138 021	171 803	151 000	120 676	120 676	–	137 000	150 000	170 000
Provisions											
<b>Total current liabilities</b>		<b>148 457</b>	<b>170 611</b>	<b>187 544</b>	<b>167 325</b>	<b>138 086</b>	<b>138 086</b>	<b>–</b>	<b>158 199</b>	<b>173 631</b>	<b>196 607</b>
<b>Non current liabilities</b>											
Borrowing		–	8 017	6 947	39 141	12 699	12 699	–	18 498	13 434	7 850
Provisions		70 747	77 113	80 267	83 595	82 356	82 356	–	90 926	99 967	109 487
<b>Total non current liabilities</b>		<b>70 747</b>	<b>85 130</b>	<b>87 214</b>	<b>122 736</b>	<b>95 055</b>	<b>95 055</b>	<b>–</b>	<b>109 424</b>	<b>113 401</b>	<b>117 337</b>
<b>TOTAL LIABILITIES</b>		<b>219 204</b>	<b>255 741</b>	<b>274 758</b>	<b>290 061</b>	<b>233 141</b>	<b>233 141</b>	<b>–</b>	<b>267 623</b>	<b>287 032</b>	<b>313 944</b>
<b>NET ASSETS</b>	5	<b>844 014</b>	<b>844 738</b>	<b>923 326</b>	<b>990 822</b>	<b>1 072 290</b>	<b>1 057 290</b>	<b>–</b>	<b>1 089 115</b>	<b>1 106 184</b>	<b>1 112 912</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated Surplus/(Deficit)		844 014	844 738	923 326	990 822	1 072 290	1 057 290		1 089 115	1 106 184	1 112 912
Reserves	4	–	–	–	–	–	–	–	–	–	–
Minorities' interests											
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	5	<b>844 014</b>	<b>844 738</b>	<b>923 326</b>	<b>990 822</b>	<b>1 072 290</b>	<b>1 057 290</b>	<b>–</b>	<b>1 089 115</b>	<b>1 106 184</b>	<b>1 112 912</b>

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

1. Table A6 is consistent with international standards of good financial management practice, and improves understand ability for councillors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 52 is supported by an extensive table of notes (SA3 which can be found on [page188](#)) providing a detailed analysis of the major components of a number of items, including:
  - Call investments deposits;
  - Consumer debtors;
  - Property, plant and equipment;
  - Trade and other payables;
  - Provisions non- current;
  - Changes in net assets; and
  - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

**Table 24MBRRTable A7 - Budgeted Cash Flow Statement****FS204 Metsimaholo - Table A7 Budgeted Cash Flows**

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates, penalties & collection charges		454 562	416 024	419 536	634 518	630 373	615 373		91 279	99 700	107 367
Service charges		95 398	95 390	-	118 259	117 948	117 948		547 103	602 635	656 888
Other revenue		-	67 136	33 573	60 731	51 042	51 042		16 055	16 265	17 044
Government - operating	1	2 416	15 443	105 275	19 140	15 070	15 070		125 831	141 244	156 463
Government - capital	1	-	-	83 124		-	-		78 855	69 238	58 060
Interest			2 416	10 210					17 446	18 667	19 771
Dividends			-	-					-	-	-
<b>Payments</b>											
Suppliers and employees		(436 788)	(527 112)	(513 179)	(664 687)	(700 279)	(700 279)		(723 331)	(791 917)	(866 043)
Finance charges		(24 860)	(1 174)	(2 648)	(3 034)	(773)	(773)		(2 331)	(1 900)	(1 423)
Transfers and Grants	1	(24 004)	-	(32 193)	(40 389)	(31 757)	(31 757)		(37 745)	(42 225)	(45 141)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>66 724</b>	<b>68 124</b>	<b>103 698</b>	<b>124 538</b>	<b>81 624</b>	<b>66 624</b>	<b>-</b>	<b>113 162</b>	<b>111 708</b>	<b>102 986</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	(75 524)		5 000	5 000	5 000		5 000	1 000	5 925
Decrease (Increase) in non-current debtors		7 725	-	(2 344)					-	-	-
Decrease (increase) other non-current receivables		-	-						-	-	-
Decrease (increase) in non-current investments		-	-						-	-	-
<b>Payments</b>											
Capital assets		(86 337)		(70 910)	(136 861)	(78 265)	(78 265)		(171 852)	(92 427)	(83 162)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(78 612)</b>	<b>(75 524)</b>	<b>(73 254)</b>	<b>(131 861)</b>	<b>(73 265)</b>	<b>(73 265)</b>	<b>-</b>	<b>(166 852)</b>	<b>(91 427)</b>	<b>(77 237)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-			400	-	-		-	-	-
Borrowing long term/refinancing		-	-	(12 517)	45 000	7 000	7 000		31 880	-	-
Increase (decrease) in consumer deposits		-	-	-					2 000	2 000	1 500
<b>Payments</b>											
Repayment of borrowing		(15 631)	11 324	(983)	(6 019)	(2 319)	(2 319)		(4 200)	(4 631)	(5 108)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(15 631)</b>	<b>11 324</b>	<b>(13 500)</b>	<b>39 381</b>	<b>4 681</b>	<b>4 681</b>	<b>-</b>	<b>29 680</b>	<b>(2 631)</b>	<b>(3 608)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(27 519)</b>	<b>3 924</b>	<b>16 945</b>	<b>32 058</b>	<b>13 040</b>	<b>(1 960)</b>	<b>-</b>	<b>(24 010)</b>	<b>17 649</b>	<b>22 141</b>
Cash/cash equivalents at the year begin:	2	35 195	7 676	9 184	(30 141)	26 129	26 129		24 169	159	17 808
Cash/cash equivalents at the year end:	2	7 676	11 600	26 129	1 917	39 169	24 169		159	17 808	39 949

**Table 25 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation****FS204 Metsimaholo - Table A8 Cash backed reserves/accumulated surplus reconciliation**

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Cash and investments available</b>											
Cash/cash equivalents at the year end	1	7 676	11 600	26 129	1 917	39 169	24 169	-	159	17 808	39 949
Other current investments > 90 days		(0)	4 584	(0)	13 303	-	-	-	(0)	(0)	0
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and investments available:</b>		<b>7 676</b>	<b>16 184</b>	<b>26 129</b>	<b>15 220</b>	<b>39 169</b>	<b>24 169</b>	<b>-</b>	<b>159</b>	<b>17 808</b>	<b>39 949</b>
<b>Application of cash and investments</b>											
Unspent conditional transfers		8 040	5 109	3 504	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	(3 369)	(5 627)	(5 627)	-	-	-	-	-	-	-
Other working capital requirements	3	(13 710)	-	69 846	(47 467)	(103 284)	(99 106)	-	(3 388)	4 972	16 408
Other provisions		70 747	77 113	77 113	83 595	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>61 708</b>	<b>76 595</b>	<b>144 836</b>	<b>36 128</b>	<b>(103 284)</b>	<b>(99 106)</b>	<b>-</b>	<b>(3 388)</b>	<b>4 972</b>	<b>16 408</b>
<b>Surplus(shortfall)</b>		<b>(54 032)</b>	<b>(60 410)</b>	<b>(118 707)</b>	<b>(20 908)</b>	<b>142 453</b>	<b>123 275</b>	<b>-</b>	<b>3 547</b>	<b>12 836</b>	<b>23 541</b>

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

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

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

3. As part of the 2014/15 mid-year review and Adjustments Budget the cash position had to be addressed as a matter of urgency and various interventions were implemented such as the reduction of expenditure allocations and rationalization of spending priorities.
4. In addition the Municipality will undertake an extensive debt collection drive.
5. The 2015/16 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.
6. Cash and cash equivalents totals a project favourable R24 million as at the end of the 2014/15 financial year and decrease to a favourable cash and cash equivalents of R159 000 by 2015/16.

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
5. From the table it can be seen that for the period 2011/12 to 2013/14 the surplus (cash and cash equivalent) increase from R7.6 million to R26 million.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2015/16 MTREF was funded owing to the significant surplus.
7. As part of the budgeting and planning guidelines that informed the compilation of the 2015/16 MTREF the end objective of the medium-term framework was to ensure the budget is funded aligned to section 18 of the MFMA.
8. As can be seen the budget has been modelled to progressively increase from a surplus of R3.5million in 2015/16 to a surplus of R23.5 million by 2017/18.
9. Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions. Ordinarily, unless there are special circumstances, the municipality is obligated to return unspent conditional grant funds to the national revenue fund at the end of the financial year. In the past these have been allowed to 'roll-over' and be spent in the ordinary course of business, but this practice has been discontinued. During the 2010/11 financial year the municipality was required to supply National Treasury with a detailed analysis of the unspent grants as well as an action plan of spending the grants. For the 2011/12 financial year the unspent grant from Department of Energy of R7.1 million was deducted from the transfer of Equitable Share grant transfer in 2011/2012 and R3.5million was deducted in 2012/2013.

Table 26MBRRTable A9 - Asset Management

## FS204 Metsimaholo - Table A9 Asset Management

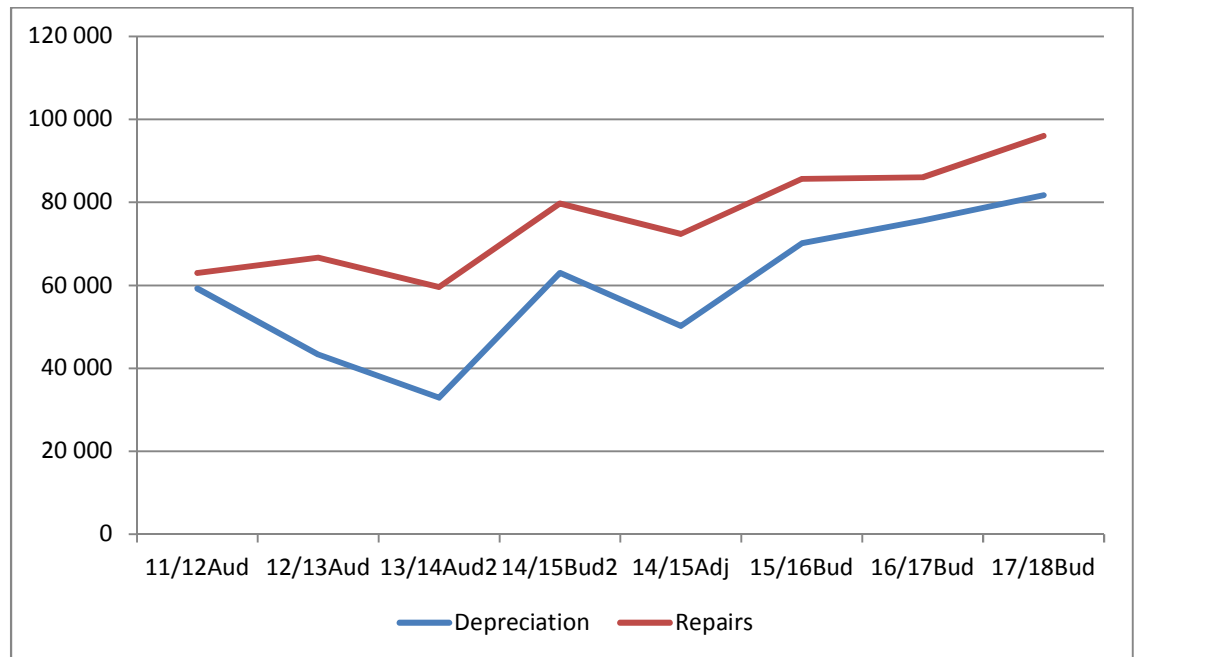
Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>										
<b>CAPITAL EXPENDITURE</b>										
<b>Total New Assets</b>	1	74 111	78 113	70 910	126 131	78 265	78 265	183 832	89 927	83 162
Infrastructure - Road transport		9 827	10 042	1 408	33 000	7 000	7 000	37 560	9 033	45 320
Infrastructure - Electricity		10 632	7 289	23 873	13 500	10 330	10 330	53 419	23 830	27 390
Infrastructure - Water		10 539	20 712	6 873	29 700	4 010	4 010	5 825	2 226	145
Infrastructure - Sanitation		7 070	27 544	34 542	27 389	40 263	40 263	35 236	342	345
Infrastructure - Other		-	-	-	1 000	50	50	2 000	-	-
Infrastructure		38 069	65 588	66 696	104 589	61 653	61 653	134 039	35 431	73 200
Community		35 302	100	3 343	12 642	0	0	18 148	45 190	1 974
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	740	12 425	870	8 900	16 612	16 612	31 645	9 306	7 988
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	2	12 316	-	-	10 730	-	-	2 020	2 500	-
Infrastructure - Road transport		11 000	-	-	5 700	-	-	-	-	-
Infrastructure - Electricity		-	-	-	3 300	-	-	-	-	-
Infrastructure - Water		-	-	-	1 200	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	230	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure	-	11 000	-	-	10 430	-	-	-	-	-
Community	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-
Other assets	6	1 316	-	-	300	-	-	2 020	2 500	-
Intangibles		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>	4									
Infrastructure - Road transport		20 827	10 042	1 408	38 700	7 000	7 000	37 560	9 033	45 320
Infrastructure - Electricity		10 632	7 289	23 873	16 800	10 330	10 330	53 419	23 830	27 390
Infrastructure - Water		10 539	20 712	6 873	30 900	4 010	4 010	5 825	2 226	145
Infrastructure - Sanitation		7 070	27 544	34 542	27 619	40 263	40 263	35 236	342	345
Infrastructure - Other		-	-	-	1 000	50	50	2 000	-	-
Infrastructure		49 069	65 588	66 696	115 019	61 653	61 653	134 039	35 431	73 200
Community		35 302	100	3 343	12 642	0	0	18 148	45 190	1 974
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		2 056	12 425	870	9 200	16 612	16 612	33 665	11 806	7 988
Intangibles		-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	2	86 427	78 113	70 910	136 861	78 265	78 265	185 852	92 427	83 162
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5									
Infrastructure - Road transport		259 802	248 241	235 678	252 129	227 044	227 044	241 802	227 634	249 752
Infrastructure - Electricity		119 856	121 218	131 120	162 412	125 786	125 786	169 905	183 735	200 476
Infrastructure - Water		157 803	172 343	179 216	175 972	183 226	183 226	181 142	175 159	166 945
Infrastructure - Sanitation		108 492	133 095	161 098	178 264	194 044	194 044	221 099	211 260	199 424
Infrastructure - Other		19 901	3 673	3 673	21 160	3 723	3 723	5 081	3 939	2 697
Infrastructure		665 854	678 570	710 785	789 937	733 823	733 823	819 029	801 727	819 294

Community		6 422	–	2 233	20 542			15 171	56 833	55 035
Heritage assets		561	561	561	561	561	561	561	561	561
Investment properties		79 260	77 881	87 339	79 260	87 313	87 313	87 313	87 313	87 313
Other assets		157 798	186 110	211 954	172 555	219 192	219 192	234 584	226 050	211 735
Intangibles		134	189	480	86	395	395	395	395	395
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>5</b>	<b>910 028</b>	<b>943 311</b>	<b>1 013 352</b>	<b>1 062 941</b>	<b>1 041 284</b>	<b>1 041 284</b>	<b>1 157 053</b>	<b>1 172 879</b>	<b>1 174 333</b>
<b>EXPENDITURE OTHER ITEMS</b>										
<b>Depreciation &amp; asset impairment</b>		59 179	43 309	32 887	62 640	50 221	50 221	70 084	76 600	81 710
<b>Repairs and Maintenance by Asset Class</b>	<b>3</b>	62 974	66 638	59 567	79 733	72 369	72 369	85 672	86 058	95 995
<i>Infrastructure - Road transport</i>		18 434	19 665	14 602	23 909	13 399	13 399	27 748	24 775	31 200
<i>Infrastructure - Electricity</i>		11 747	14 553	13 318	16 579	16 338	16 338	16 698	17 853	18 937
<i>Infrastructure - Water</i>		10 916	11 383	10 669	12 616	12 916	12 916	14 217	15 158	16 214
<i>Infrastructure - Sanitation</i>		7 880	8 871	10 227	12 394	17 414	17 414	11 369	12 115	12 957
<i>Infrastructure - Other</i>		4 981	4 873	4 948	4 307	4 520	4 520	5 695	5 953	6 153
Infrastructure		53 958	59 345	53 764	69 806	64 587	64 587	75 727	75 854	85 461
Community		–	1 105	194	533	576	576	669	704	740
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6, 7	9 016	6 187	5 609	9 395	7 206	7 206	9 276	9 500	9 794
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>122 153</b>	<b>109 947</b>	<b>92 454</b>	<b>142 373</b>	<b>122 590</b>	<b>122 590</b>	<b>155 756</b>	<b>162 659</b>	<b>177 705</b>
<i>Renewal of Existing Assets as % of total capex</i>		14.3%	0.0%	0.0%	7.8%	0.0%	0.0%	1.1%	2.7%	0.0%
<i>Renewal of Existing Assets as % of deprecn"</i>		20.8%	0.0%	0.0%	17.1%	0.0%	0.0%	2.9%	3.3%	0.0%
<i>R&amp;M as a % of PPE</i>		7.6%	7.7%	6.4%	8.1%	7.6%	7.6%	8.0%	7.9%	8.8%
<i>Renewal and R&amp;M as a % of PPE</i>		8.0%	7.0%	6.0%	9.0%	7.0%	7.0%	8.0%	8.0%	8.0%

### Explanatory notes to Table A9 - Asset Management

- Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
- National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The requirements on repair and maintenance are met when the employee related cost is added to materials, 2015/16 8.0 per cent, 2016/17 7.9 per cent and 2017/18 8.8 per cent.
- The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the Municipality's strategy to address the maintenance backlog.





**Figure 4 Depreciation in relation to repairs and maintenance over the MTREF**

Table 27 MBRR Table A10 - Basic Service Delivery Measurement

## FS204 Metsimaholo - Table A10 Basic service delivery measurement

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Household service targets</b>	1									
<b>Water:</b>										
Piped water inside dwelling		25 000	25 000	25 000	27 000	27 000	27 000	27 000	27 000	27 000
Piped water inside yard (but not in dwelling)		2 000	2 000	2 000	-	-	-	-	-	-
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>		27 000	27 000	27 000	27 000	27 000	27 000	27 000	27 000	27 000
Using public tap (< min.service level)	3	2 000	2 000	3 424	887	1 500	1 500	7 670	7 670	7 670
Other water supply (< min.service level)	4									
No water supply										
<i>Below Minimum Service Level sub-total</i>		2 000	2 000	3 424	887	1 500	1 500	7 670	7 670	7 670
<b>Total number of households</b>	5	<b>29 000</b>	<b>29 000</b>	<b>30 424</b>	<b>27 887</b>	<b>28 500</b>	<b>28 500</b>	<b>34 670</b>	<b>34 670</b>	<b>34 670</b>
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		19 000	19 000	19 000	19 000	19 000	19 000	19 368	19 368	19 368
Flush toilet (with septic tank)		1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000
Chemical toilet		6 000	6 000	6 000	-	-	-	-	-	-
Pit toilet (ventilated)										
Other toilet provisions (> min.service level)										
<i>Minimum Service Level and Above sub-total</i>		26 000	26 000	26 000	20 000	20 000	20 000	20 368	20 368	20 368
Bucket toilet		2 000	2 000	2 383	2 025	1 657	1 657	1 657	1 657	1 657
Other toilet provisions (< min.service level)				9 769	6 512	6 512	6 512	12 645	12 645	12 645
No toilet provisions										
<i>Below Minimum Service Level sub-total</i>		2 000	2 000	12 152	8 537	8 169	8 169	14 302	14 302	14 302
<b>Total number of households</b>	5	<b>28 000</b>	<b>28 000</b>	<b>38 152</b>	<b>28 537</b>	<b>28 169</b>	<b>28 169</b>	<b>34 670</b>	<b>34 670</b>	<b>34 670</b>
<b>Energy:</b>										
Electricity (at least min.service level)		4 000	6 000	7 000	7 000	-	-	1 500	2 000	-
Electricity - prepaid (min.service level)		27 000	28 000	34 500	34 850	34 900	34 900	35 000	35 100	-
<i>Minimum Service Level and Above sub-total</i>		31 000	34 000	41 500	41 850	34 900	34 900	36 500	37 100	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	5	<b>31 000</b>	<b>34 000</b>	<b>41 500</b>	<b>41 850</b>	<b>34 900</b>	<b>34 900</b>	<b>36 500</b>	<b>37 100</b>	<b>-</b>
<b>Refuse:</b>										
Removed at least once a week		40 000	45 000	49 000	52 000	52 000	52 000	52 000	52 000	52 000
<i>Minimum Service Level and Above sub-total</i>		40 000	45 000	49 000	52 000	52 000	52 000	52 000	52 000	52 000
Removed less frequently than once a week		15 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	100 000
Using communal refuse dump		15 000	10 000	49 000	52 000	52 000	52 000	52 000	52 000	520 000
Using own refuse dump										
Other rubbish disposal										
No rubbish disposal		15 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000
<i>Below Minimum Service Level sub-total</i>		45 000	30 000	69 000	72 000	72 000	72 000	72 000	72 000	630 000
<b>Total number of households</b>	5	<b>85 000</b>	<b>75 000</b>	<b>118 000</b>	<b>124 000</b>	<b>124 000</b>	<b>124 000</b>	<b>124 000</b>	<b>124 000</b>	<b>682 000</b>
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		26 161	24 956	24 151	25 266	25 266	25 266	27 000	28 000	30 000
Sanitation (free minimum level service)		19 149	27 805	31 605	29 165	29 165	23 696	23 696	23 696	23 696

Electricity/other energy (50kwh per household per month)		27 228	28 743	29 023	25 654	25 654	25 654	5 000	6 500	8 000
Refuse (removed at least once a week)		7 787	11 734	11 576	7 271	7 271	7 271	10 000	12 000	14 000
<b>Cost of Free Basic Services provided (R'000)</b>	8									
Water (6 kilolitres per household per month)		19 170	18 043	21 381	13 153	13 153	24 685	27 867	28 784	29 557
Sanitation (free sanitation service)		4 218	5 293	16 132	19 624	19 624	12 822	23 407	30 304	37 890
Electricity/other energy (50kwh per household per month)		11 470	10 160	16 845	27 120	27 120	11 763	7 963	10 119	12 319
Refuse (removed once a week)		6 640	11 584	14 089	10 807	10 807	5 909	19 778	25 934	31 678
<b>Total cost of FBS provided (minimum social package)</b>		<b>41 498</b>	<b>45 080</b>	<b>68 447</b>	<b>70 705</b>	<b>70 704</b>	<b>55 180</b>	<b>79 016</b>	<b>95 142</b>	<b>111 444</b>
<b>Highest level of free service provided</b>										
Property rates (R value threshold)		35 000	35 000	35 000	35 000	35 000	35 000	35 000	35 000	35 000
Water (kilolitres per household per month)		10	10	10	10	10	10	10	10	10
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)		64	68	73	79	79	79	85	90	95
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		77	82	88	95	95	95	103	108	114
<b>Revenue cost of free services provided (R'000)</b>	9									
Property rates (R15 000 threshold rebate)		9 529	9 214	10 077	10 449	10 449	10 449	11 071	11 680	12 299
Property rates (other exemptions, reductions and rebates)		–	–							
Water		19 170	22 498	28 735	23 789	24 053	24 053	21 796	22 889	24 102
Sanitation		5 865	1 704	8 086	8 809	7 754	7 754	8 053	8 496	8 947
Electricity/other energy		11 470	10 160	14 146	9 578	9 578	9 578	5 150	5 665	6 231
Refuse		6 640	11 584	12 212	14 840	10 000	10 000	12 329	15 608	17 260
Municipal Housing - rental rebates										
Housing - top structure subsidies	6				7 800	7 800	7 800	7 800	7 800	7 800
Other										
<b>Total revenue cost of free services provided (total social package)</b>		<b>52 674</b>	<b>55 160</b>	<b>73 256</b>	<b>75 265</b>	<b>69 634</b>	<b>69 634</b>	<b>66 199</b>	<b>72 139</b>	<b>76 640</b>

### Explanatory notes to Table A10 - Basic Service Delivery Measurement

- Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.
- The Municipality continues to make good progress with the eradication of backlogs:
  - Water services – in process to contrasted a water reservoir.
  - Sanitation services – backlog will be reduced by 4 000 households in 2015/16
  - Electricity services – the municipality is in process to build a new substation and the backlog will be reduced after the completion of the substation.
- Refuse services – additional refuse removal trucks will assist in delivering more efficient and extended services
- The budget provides for a total 10 000 households to be registered as indigent in 2015/16, and therefore entitled to receive Free Basic Services. The number is set to increase given the rapid rate of in-migration to the Municipality, especially by poor people seeking economic opportunities.
- It is anticipated that Free Basic Services to indigent will cost the municipality R79 million in 2015/16 and it increases to R111million in 2017/18. This is covered by the municipality's equitable share allocation from national government.
- The forgone income on Rates for valuation less than R35 000 that all households receives is R11 million.**

## Part 2 – Supporting Documentation

### 2.1 Overview of the annual budget process

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

#### 2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2012) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 17 September 2014. Attached as Annexure B on page\_\_\_ the time table for IDP and Budget process. Key dates applicable to the process were:

- **November and December 2014** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **January and February 2015** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations ;
- **February 2015** –Multi-year budget proposals are submitted to the Portfolio Committee for endorsement;
- **January 2015** - Council considers the 2014/15 Mid-year Review and Adjustments Budget;
- **March 2015** - Recommendations are communicated to the respective departments.
- **20 March 2015**- Recommendations are communicated to Informal Council Meeting, and on to the respective departments. The draft 2015/16MTREF is revised accordingly;
- **27 March 2015** - Tabling in Council of the draft 2015/16 IDP and 2015/16 MTREF for public consultation;
- **April -May 2015** – Public consultation
- **12 May 2015** - Closing date for written comments;
- **1 to 15 May 2015**– finalisation of the 2015/16 IDP and 2015/16 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework;
- **20 May 2015**- Informal Council meeting, and
- **29 May 2015** - Tabling of the 2015/16 MTREF before Council for consideration and approval.

There were deviations from the key dates set out in the Budget Time Schedule tabled in Council.

### **2.1.2 IDP and Service Delivery and Budget Implementation Plan**

The Council of the Metsimaholo Local Municipality (MLM) adopted a five-year Integrated Development Plan (IDP) covering the period 2012/13 to 2016/17 in June 2012. The 2015/16 IDP therefore represents the third annual review of the adopted five-year IDP.

The principal legislation in so far as the development of IDP is concerned is the Municipal Systems Act 32 of 2000. Section 25 of the Act mandates each municipal council to adopt a single, inclusive and strategic plan for the development of the municipality. As a strategic plan of the municipality, the IDP should therefore provide a clear road map for the municipality that would take it from the current situation to its desired state in five years. To this effect, the IDP must:

- Link, integrate and coordinate plans and take into account proposals for the development of the municipality.
- Align the resources and capacity of the municipality with the implementation for the plan.
- Form the policy framework and general basis on which annual budgets must be based.
- Be compatible with national and provincial development plans and planning requirements that are binding on the municipality in terms of legislation.

Integrated development planning and the product of this process, the IDP is a constitutional and legal process required of municipalities. Planning in general and the IDP in particular, is a critically important management tool to help transformation, growth and development at local government level. It is an approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good long-term development,

The contents of the first review have been aligned to the Revised IDP Framework for Municipalities outside Metros and Secondary Cities, issued by the Department of Cooperative Governance and Traditional Affairs (CoGTA) in June 2012. It further includes the data from Census 2011 and revised service delivery targets for 2014/15, where appropriate.

### **2.1.3 Financial Modelling and Key Planning Drivers**

As part of the compilation of the 2015/16 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2015/16 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2014/15 adjustments budget and performance against the SDBIP

- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51, 51, 58, 64, 66, 67, 70, 72,74 and 75 has been taken into consideration in the planning and prioritisation process.

#### 2.1.4 Community Consultation

The draft 2015/16 MTREF as tabled before Council on 31 March 2015 for community consultation was published on the municipality's website, and hard copies were made available at municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) will be provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

The following table provides a clear illustration of the types of consultations, stakeholders involved, dates on which the various consultations took place and the respective venues.



P O Box 60  
SASOLBURG  
1947

#### **DRAFT BUDGET and IDP: PUBLIC MEETINGS**

Notice is hereby given in terms of Section 16 read with Section 17 of the Local Government Municipal Systems Act, 2000 (Act 32 of 2000) and Section 22 and 23 of the Local Government: Municipal Finance Management Act, (Act No. 56 of 2003) that the Metsimaholo Local Municipality invites members of the public and stakeholders to participate in the Public meetings as indicated below for the 2015/2016 Draft Budget and IDP.

The documents will be available for perusal and public comment from 13 April 2015 to 29 April 2015

And

Notice is hereby given in terms of Section 21 of the Municipal Systems Act, 32 of 2000 and

---

May 2015

Section 22(2) of the Municipal Finance Management Act, 56 of 2003 that the amended IDP for 2014– 2015 has been tabled and be available from 1 April 2015 to 6 May 2015.

Copies of the IDP documents and draft Budget are available for inspection on the municipality's web-site ([www.metsimaholo.gov.za](http://www.metsimaholo.gov.za)) and in all public libraries within Metsimaholo Local Municipality from 1 April 2015 to 6 May 2015. All comments and inputs on IDP, draft Budget and should be submitted in writing in the relevant comment boxes provided at the libraries or may be sent by e-mail to the following e-mail address: [sello.mokoena@metsimaholo.gov.za](mailto:sello.mokoena@metsimaholo.gov.za) (IDP) or [amanda.vorster@metsimaholo.gov.za](mailto:amanda.vorster@metsimaholo.gov.za).

Any person, who cannot write, may come during office hours to a place where a staff member of the municipality named in the invitation, will assist that person to transcribe that person's comments or representations.

Enquiries:

For IDP Comments must be made to Sello Mokoena (IDP Manager), (016) 973 8348

For Budget Comments must be made to Amanda Vorster (Budget Manager), 016 973 8377

<b>Week 1</b>	<b>Ward</b>	<b>Date</b>	<b>Venue</b>	<b>Time</b>
<b>Zamdela</b>	<b>1,2, &amp; 7</b>	<b>20 April 2015  (Monday)</b>	<b>Lehutso Primary School</b>	<b>17h00</b>
<b>Zamdela</b>	<b>6,19 &amp; 21</b>	<b>21 April 2015  (Tuesday)</b>	<b>Harry Gwala Multi-Purpose Centre</b>	<b>17h00</b>
<b>Zamdela</b>	<b>1 &amp; 13</b>	<b>22 April 2015  (Wednesday)</b>	<b>Sakubutjha Secondary School</b>	<b>17h00</b>
<b>Sasolburg</b>	<b>15,16, &amp; 17</b>	<b>23 April 2015  (Thursday)</b>	<b>Council Foyer Civic Centre- Sasolburg</b>	<b>18h00</b>
<b>Week 2</b>				

Vaal park	14 & 18	28 April 2015 (Tuesday)	Vaal park Primary School	18h00
Oranjeville	5	29 April 2015 (Wednesday)	Oranjeville Primary School	18h00
Deneysville	5,20	30 April 2015 (Thursday)	Deneysville Primary School	18h00
<b>Week 3</b>	<b>Ward</b>	<b>Date</b>	<b>Venue</b>	<b>Time</b>
Metsimaholo Township	5	4 May 2015 (Monday)	Metsimaholo Hall	17h00
Refengkgotso	3,4 & 20	5 May 2015 (Tuesday)	Refengkgotso Community Hall	17h00
Zamdela	8,9,10,11 & 12	6 May 2015 (Wednesday)	Zamdela Hall	17h00

*S M Molala*

**MUNICIPAL MANAGER**

April 2015

(Notice No.: 9/2015)

The documents were available for perusal and public comments from 1 April 2015 to 6 May 2015.

The following are some of the issues and concerns raised as well as comments received during the consultation process:

- Sports complex of Metsimaholo and Refengkgotso
- Paving of streets in Refengkgotso, Zamdela, Metsimaholo
- Roads in Deneysville, Oranjeville, Zamdela, Sasolburg and Vaalpark to be repaired
- Services to Themba Khubheka



- Taxi rank at Refengkgotso
- Funds of taxi rank re-allocate to roads in Vaalpark
- Fence grave yard in Sasolburg
- Electricity – Amelia
- Sewer project – Amelia
- Unemployment high
- Upgrade of cemeteries Refengkgotso not in budget
- New cemetery for Metsimaholo
- Repair of street lights and green belts
- Fixing pot holes – poor quality work
- Service delivery issues lack of grass cutting, and lack of communication
- Poor customer service from officials
- Reasons for not receiving 25 kWh of free electricity from 1 July 2015.
- No development in Zamdela
- Water, electricity and sanitation services in Motshekuwa
- Salary increases of councillors and officials
- Proper toilets in Zamdela
- Upgrade of electricity sub-stations
- Increase of electricity tariff by Eskom
- Taxi rank in Sasolburg
- Consultants used by Municipality
- Water loss
- Collection rate is decreasing
- Tariff of suction tank services increase more than 8% (nearly 40%) R400 to R550
- Water born sewer not in Oranjeville
- Scott street is not on the Capital budget
- Oranjeville and Deneysville propose only a 2% increase in property rates for their areas

- Oranjeville and Deneysville propose only a 5% increase in business tariffs for their areas
- All vehicles be taken off the budget
- Establishment of Credit Committee
- Cancel of debt
- Upgrade swimming pool and stadium in Zamdela
- Incomplete RDP houses
- Mayor and MM to attend meetings
- Hostels –pay for electricity
- Credit Control Policy – residents must signed on receiving the warning letters
- Rates Policy – threshold for pensioners to qualify for rebate is currently R7 500 and must increase by 10%

## 2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realised through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities.

The aim of this IDP compilation process was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- National Development Plan (Vision 2030);
- The New Growth Path (2010);
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (PGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans, legislation and policy;
- National Key Performance Indicators (NKPIs);
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2014/15 MTREF and further planning refinements that have directly informed the compilation of the budget:

In order to ensure integrated and focused service delivery between all spheres of government it was important for the municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

The municipality has through its strategic planning and public participation processes ensured that the Municipal Strategic Priorities were unpacked by developing key performance areas (KPAs), programmes, objectives, key performance indicators (KPIs) and targets for each of the KPAs and programmes.

The said objectives, indicators and targets have been aligned to the Provincial Priority Outputs, where possible and will form the basis for the development of the municipality's Service Delivery and Budget Implementation Plan (SDBIP) and Annual Performance Plans of Senior Management for the 2014/15 financial year.

The table below provides a summary of the strategic priorities, KPA and programmes.

**Table 28: Municipal Strategic Priorities**

Strategic Priority	Key Performance Area	Programmes
<b>SP1: Build our local economy to create more employment, decent work and sustainable livelihoods</b>	KPA2: Local Economic Development	P8-Local Economic Development P9-Job Creation P10-Sustainable livelihoods
<b>SP2: Broaden access to and improve the quality of municipal services</b>	KPA1: Service delivery and infrastructure development	P1-Water P2-Sanitation P3-Electricity P4-Roads and storm water P11-Waste management P12-Community facilities
<b>SP3: Build united, non-racial, integrated and safer communities</b>	KPA3: Community development and social cohesion	P13-Clean communities P14-Safe communities P15-Healthy communities P16-Arts and culture P17-Disaster management
	KPA1: Service delivery and infrastructure development	P5-Human settlements P6-Spatial development P7-Public transport

Strategic Priority	Key Performance Area	Programmes
<b>SP4: Promote active community participation</b>	KPA4: Public participation and Good governance	P18-Participatory governance
<b>SP5: Ensure more effective, accountable and clean local government that works together with national and provincial government</b>	KPA4: Public participation and Good governance	P19-Corporate governance P20-Intergovernmental Relations P21-Customer care
	KPA5: Financial management and viability	P22-Revenue and cash flow management P23-SCM and Expenditure management P24-Budgeting and reporting P25-Clean Audit P26-Asset management P27-Facilities management
	KPA6: Institutional development and Transformation	P28-Human capital P29-Institutional excellence

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the municipality by identifying the key performance areas to achieve the five the strategic priorities mentioned above.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2015/16 MTREF has therefore been directly informed by the IDP compilation process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

**Table 29MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

**FS204 Metsimaholo - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)**

Strategic Objective	Goal		2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>											
Good governance and community participation	Corporate and democratic governance		–	–	–	–	–	–	–	–	–
Good governance and community participation	Institutional and capacity development		–	2 372	7 408	2 108	2 207	2 207	2 261	2 224	2 374
Financial viability and financial management	Financial liquidity and viability		111 150	55 413	160 362	170 073	182 124	182 124	192 388	202 087	216 230
Transformation and institutional development	Institutional and capacity development		–	513	362	585	651	651	398	411	411
Community development and social cohesion	Refuse removal		36 406	52 073	44 509	58 885	53 861	53 861	51 933	56 316	60 073
Community development and social cohesion	Safety and security		6 541	12 508	16 282	5 499	5 499	5 499	6 519	6 104	6 134
Community development and social cohesion	Sports, recreation and community facilities		1 428	3 429	4 120	15 502	2 869	2 869	10 714	27 420	3 319
Community development and social cohesion	Cemeteries		419	270	295	202	202	202	212	13 713	234
Community development and social cohesion	Education		–	148	661	1 844	1 844	1 844	1 781	1 790	1 800
Basic service delivery and infrastructure investment	Electricity provision		160 965	239 270	255 413	240 627	261 438	261 438	308 850	337 376	351 243
Basic service delivery and infrastructure investment	Road and storm water		–	1 320	36	10	–	–	–	4 989	45 060
Basic service delivery and infrastructure investment	Sanitation provision		78 837	73 114	36 230	60 182	71 442	71 442	66 733	35 218	37 036
Basic service delivery and infrastructure investment	Water provision		185 716	212 289	230 278	324 953	290 620	290 620	316 315	335 889	355 374
Basic service delivery and infrastructure investment	Housing		3 849	12 415	3 825	8 500	8 500	8 500	8 700	5 000	10 125
Basic service delivery and infrastructure investment	Land availability		–	530	404	100	646	646	680	717	756
Local economic development and poverty alleviation	Local economic development		–	3 000	502	646	100	100	100	–	–
<b>Allocations to other priorities</b>		2									

Total Revenue (excluding capital transfers and contributions)			1	585 311	668 664	760 687	889 717	882 003	882 003	967 583	1 029 254	1 090 169
---	--	--	---	---------	---------	---------	---------	---------	---------	---------	-----------	-----------

**Table 30MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure**

**FS204 Metsimaholo - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)**

Strategic Objective	Goal			2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand												
Good governance and community participation	Corporate and democratic governance			23 642	27 907	30 353	35 143	35 207	35 207	38 516	40 817	42 453
Good governance and community participation	Institutional and capacity development			48 257	5 675	26 448	41 480	88 234	88 234	53 634	58 710	63 455
Financial viability and financial management	Financial liquidity and viability			34 640	32 826	63 333	35 245	36 828	36 828	39 972	44 380	45 150
Transformation and institutional development	Institutional and capacity development			22 076	13 413	11 637	20 087	16 963	16 963	16 288	18 221	18 335
Community development and social cohesion	Refuse removal			34 504	42 790	45 837	58 758	49 631	49 631	51 073	55 808	58 430
Community development and social cohesion	Safety and security			24 804	21 340	20 894	26 164	23 601	23 601	22 839	24 353	25 367
Community development and social cohesion	Sports, recreation and community facilities			26 801	14 765	28 749	10 006	42 804	42 804	85 747	90 838	96 624
Community development and social cohesion	Cemeteries			1 738	1 659	1 649	1 206	833	833	740	819	855
Community development and social cohesion	Education			4 792	4 916	5 255	4 800	4 811	4 811	5 088	5 420	5 776
Basic service delivery and infrastructure investment	Electricity provision			180 730	207 570	225 155	290 198	288 816	262 877	288 115	320 227	350 732
Basic service delivery and infrastructure investment	Road and storm water			27 236	61 377	2 976	61 719	34 441	34 441	51 071	53 073	54 666

Basic service delivery and infrastructure investment	Sanitation provision		41 400	39 906	48 163	53 480	51 101	51 101	55 466	59 840	64 132	
Basic service delivery and infrastructure investment	Water provision		161 360	178 441	196 538	208 865	186 309	186 309	229 308	238 028	246 097	
Basic service delivery and infrastructure investment	Housing		10 887	9 834	9 569	12 672	10 709	10 709	10 487	11 047	11 627	
Basic service delivery and infrastructure investment	Land availability		4 384	3 954	3 331	4 988	5 031	5 031	5 155	5 497	5 841	
Local economic development and poverty alleviation	Local economic development		1 403	1 569	1 269	3 695	3 791	3 791	3 957	4 248	5 026	
<b>Allocations to other priorities</b>												
<b>Total Expenditure</b>			1	648 654	667 942	721 156	868 505	879 110	853 171	957 455	1 031 326	1 094 567

**Table 31MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure**

**FS204 Metsimaholo - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)**

Strategic Objective	Goal			2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Good governance and community participation	Corporate and democratic governance	A		5 383	106	152	1 700	528	528	-	-	-
Good governance and community participation	Institutional and capacity development	B		1 541	1 024	3 000	-	500	500	4 433	6 170	5 396
Financial viability and financial management	Financial liquidity and viability	C		528	215	375	-	235	235	240	-	-
Transformation and institutional development	Institutional and capacity development	D		3 628	8 313	42	22 700	250	250	1 750	3 600	5 300
Community development and social cohesion	Refuse removal	E		3 433	1 904	-	1 050	50	50	6 000	2 500	-



Community development and social cohesion	Safety and security	F	8 343	102	-	-	-	-	5 186	3 306	3 212
Community development and social cohesion	Sports, recreation and community facilities	G	1 530	112	3 644	12 692	330	330	11 181	31 430	1 763
Community development and social cohesion	Cemeteries	H	1 845	-	-	-	-	-	4 102	13 754	324
Community development and social cohesion	Education	I	-	-	-	-	-	-	61	38	16
Basic service delivery and infrastructure investment	Electricity provision	J	10 609	7 289	23 874	17 200	10 330	10 330	53 419	23 830	27 390
Basic service delivery and infrastructure investment	Road and storm water	K	15 950	10 042	1 408	38 700	7 000	7 000	15 923	9 033	45 320
Basic service delivery and infrastructure investment	Sanitation provision	L	12 673	27 544	31 542	27 619	40 032	40 032	44 873	342	345
Basic service delivery and infrastructure investment	Water provision	M	20 964	20 712	6 873	15 200	19 010	19 010	7 055	2 226	295
Basic service delivery and infrastructure investment	Housing	N	-	-	-	-	-	-	-	-	-
Basic service delivery and infrastructure investment	Land availability	O	-	750	-	-	-	-	-	-	-
Local economic development and poverty alleviation	Local economic development	P	-	-	-	-	-	-	-	-	-
<b>Allocations to other priorities</b>		3									
<b>Total Capital Expenditure</b>		1	<b>86 427</b>	<b>78 113</b>	<b>70 910</b>	<b>136 861</b>	<b>78 265</b>	<b>78 265</b>	<b>154 222</b>	<b>96 230</b>	<b>89 362</b>

### 2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee’s performance (at this stage only for the municipal manager and managers reporting directly to the municipal manager).

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

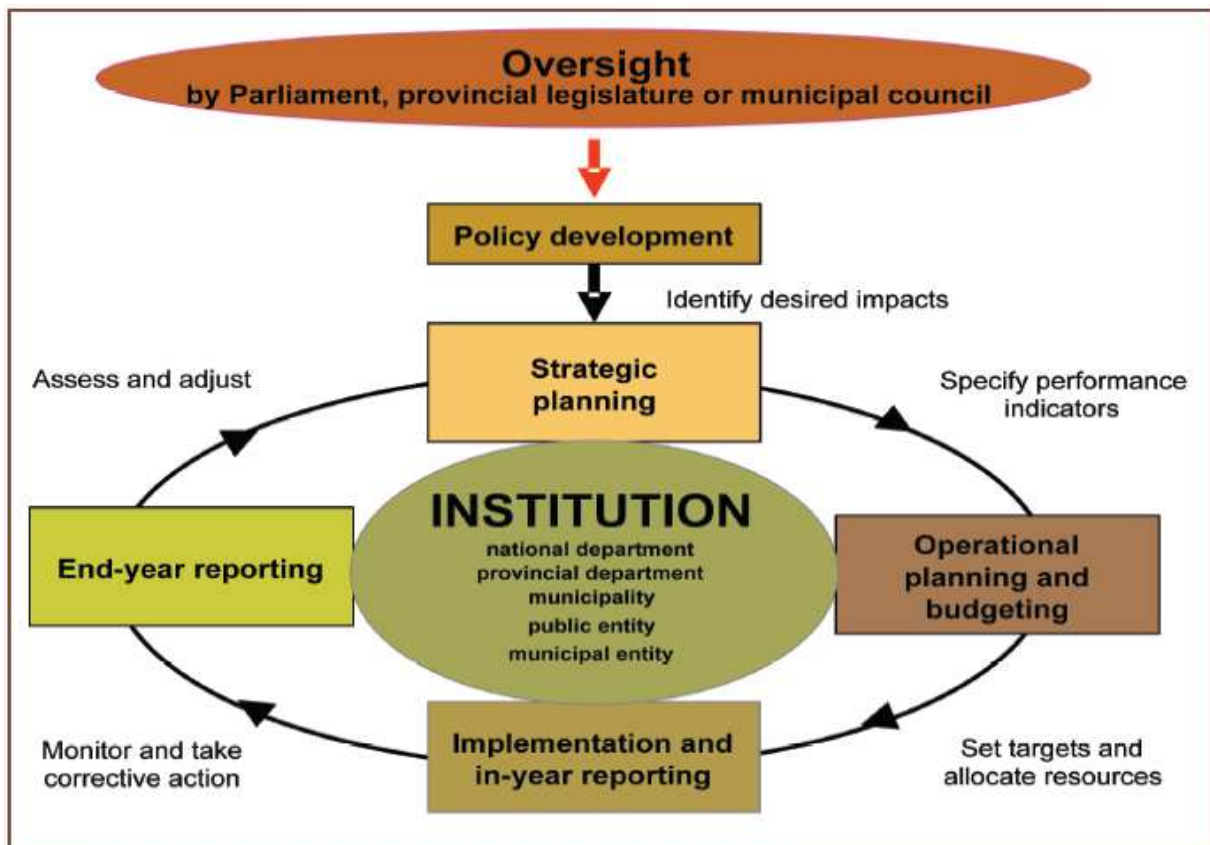


Figure 5 Planning, budgeting and reporting cycle

The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting

stakeholder expectations. The municipality therefore has adopted one integrated performance management system (framework) which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

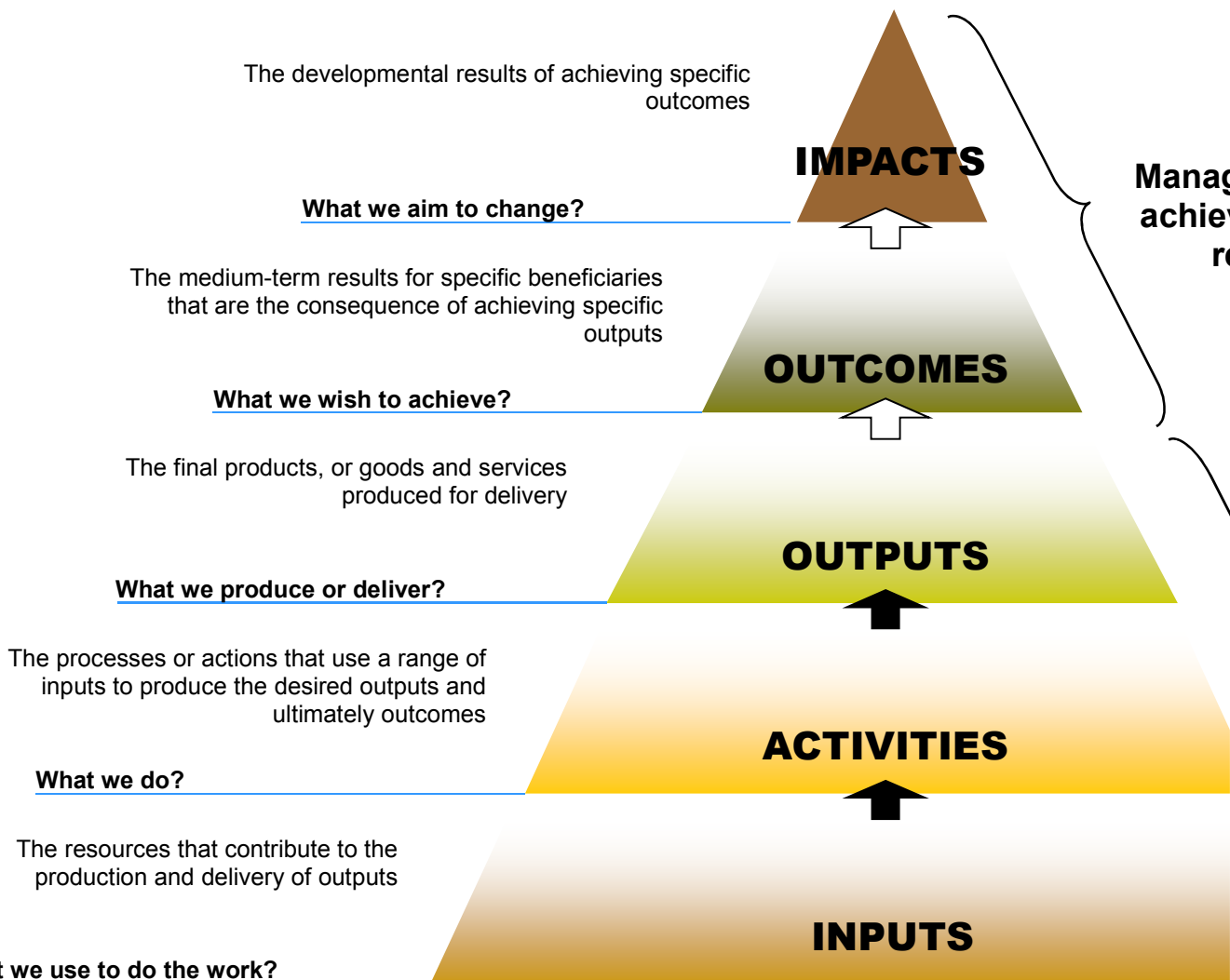


Figure 6 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve over the next five financial years

**Table 32MBRR Table SA7 - Measurable performance objectives**

*(Table to be updated after MTREF is approved)*

**FS204 Metsimaholo - Supporting Table SA7 Measurable performance objectives**

Description	Unit of measurement	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Basic Service delivery and infrastructure</b>										
<b>Technical Services</b>										
<b>Water provision</b>										
<i>Access to potable water</i>	Bulk water supply baseline	80,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Reservoir</b>	Bulk water supply baseline	75,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Water</b>										
<i>Water household connections in yard</i>	Formal	97,0%	94,0%	94,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Water household communal standpipe</b>	Informal	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Water</b>										
<i>Blue drop accreditationsystems</i>	Compliance	90,0%	89,0%	10,0%	30,0%	89,0%	89,0%	90,0%	92,0%	94,0%
<b>Water leaks</b>	Number	95,0%	96,0%	25,0%	35,0%	50,0%	50,0%	92,0%	93,0%	93,0%
<b>Technical Services</b>										
<b>Sanitation</b>										
<i>Sewer network address backlog</i>	4400	22,7%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Water borne system(decent)</b>	Number of new	75,0%	86,0%	93,0%	95,0%	95,0%	95,0%	92,0%	94,0%	91,0%
<b>Sanitation</b>										
<i>Maintenance</i>	Maintenance plan	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Blockages</b>	% blockages attend in 24	90,0%	91,0%	93,0%	95,0%	60,0%	65,0%	90,0%	91,0%	92,0%
<b>Roads</b>										
<i>Roads and stormwater</i>	% roads maintenance plan	100,0%	100,0%	100,0%	100,0%	50,0%	50,0%	70,0%	80,0%	95,0%
<b>Basic service delivery and infrastructure</b>										
<b>Technical Services</b>										
<b>Roads</b>										
<i>Sufficient roads</i>	Number of km roads	57,1%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%	100,0%
<b>Stormwater</b>										
<i>Sufficient stormwater network</i>	kms of stormwater erected	44,8%	100,0%	0,0%	0,0%	0,0%	0,0%	100,0%	100,0%	100,0%
<b>Roads and stormwater</b>										
<i>Improving accessibility of roads</i>	Developed masterplan	50,0%	100,0%	0,0%	20,0%	20,0%	25,0%	60,0%	60,0%	75,0%

<b>Technical Services</b>										
<b>Electricity</b>										
<i>Access to electricity to all communities</i>	No. of new connections	90,0%	90,0%	90,0%	90,0%	90,0%	90,0%	92,0%	95,0%	95,0%
<b>Electricity</b>										
<i>Access to electricity to all communities</i>	Develop masterplan	50,0%	100,0%	95,0%	95,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<b>Electricity</b>										
<i>Reduce distribution losses</i>	kwh units	8,0%	8,0%	8,0%	8,0%	8,0%	8,0%	8,0%	8,0%	8,0%
<b>Basic Service delivery and infrastructure</b>										
<b>LED</b>										
<b>Housing</b>										
<i>Housing allocations</i>	Nr beneficiaries	100,0%	100,0%	0,0%	50,0%					
<b>Subsidy applications processed</b>	2 months	100,0%	100,0%	0,0%						
<b>Urban Planning</b>										
<i>Land availability</i>	Land secured per SDF	100,0%	100,0%	0,0%	10,0%					
<b>Effective land utilisation</b>	% rezoning, subdivision	100,0%	100,0%					50,0%	50,0%	50,0%
<b>LED and poverty alleviation</b>										
<i>Employment opportunities</i>	EPWP initiatives	10,0%	70,0%							
<b>Employment opportunities</b>	Other initiatives	50,0%	100,0%							
<b>Social Services</b>										
<b>Refuse removal</b>										
<i>Refuse removal</i>	Households	90,0%	92,0%	92,0%	92,0%	95,0%	98,0%	98,0%	99,0%	100,0%
<b>Waste management plan</b>	Compliance	25,0%	50,0%	50,0%	50,0%	65,0%	65,0%	70,0%	80,0%	90,0%
<b>Refuse removal</b>										
<i>New landfill site</i>	Legislation	20,0%	30,0%	30,0%	30,0%					
<b>Sufficient and well manage landfill sites</b>	Legislation	50,0%	50,0%	50,0%	50,0%					
<b>Sub-function 3 - (name)</b>										
<i>Promote clean and healthy environment</i>	Number awareness	0,0%	80,0%							
<b>And so on for the rest of the Votes</b>										

The following table sets out the municipalities main performance objectives and benchmarks for the 2015/16 MTREF.

**Table 33MBRR Table SA8 - Performance indicators and benchmarks****FS204 Metsimaholo - Supporting Table SA8 Performance indicators and benchmarks**

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b><u>Borrowing Management</u></b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2,9%	-1,5%	0,5%	1,0%	0,4%	0,4%	0,0%	0,6%	0,6%	0,5%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4,2%	-2,0%	0,6%	1,3%	0,4%	0,4%	0,0%	0,8%	0,7%	0,7%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0,0%	0,0%	-403,7%	74,3%	57,3%	57,3%	0,0%	41,2%	0,0%	0,0%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	1,0	0,9	1,0	1,3	1,9	1,8	-	1,2	1,0	0,9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1,0	0,9	1,0	1,3	1,9	1,8	-	1,2	1,0	0,9
Liquidity Ratio	Monetary Assets/Current Liabilities	0,1	0,1	0,1	0,1	0,3	0,2	-	0,0	0,0	0,0
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		134,3%	108,7%	79,1%	112,3%	110,8%	108,6%	0,0%	87,9%	90,4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		132,5%	108,7%	79,6%	112,3%	110,8%	108,6%	0,0%	87,9%	90,4%	92,1%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	23,4%	20,0%	20,5%	22,0%	25,1%	25,1%	0,0%	20,1%	19,0%	18,4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s	95,0%	97,0%	99,0%	90,0%	90,0%	80,0%		90,0%	90,0%	90,0%

	65(e)										
Creditors to Cash and Investments		1565,5%	1145,8%	644,1%	7823,6%	304,8%	493,9%	0,0%	2216,4%	157169,1%	31385,7%
<b>Other Indicators</b>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	8%	5,17%	11%	10	10			10%	10%	10%
	Total Cost of Losses (Rand '000)		–	25 758			3 408		28 625	30 347	31 638
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated		11 314	25 008			26 942		21 523	21 523	21 523
	Total Volume Losses (kℓ)		1 315	1 035			4 933		3 859	3 859	3 859
Employee costs	Total Cost of Losses (Rand '000)		7,10%	5,19%	10%	10%	21%		18%	18%	18%
	% Volume (units purchased and generated less units sold)/units purchased and generated		0	10 204			48 881		47 159	46 738	46 156
Employee costs	Employee costs/(Total Revenue - capital revenue)	29,2%	28,3%	27,8%	25,1%	22,8%	22,8%	0,0%	27,8%	27,7%	27,3%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	27,8%	31,5%	29,2%	27,9%	24,6%	24,6%		29,6%	29,5%	29,1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	11,6%	11,1%	8,8%	9,6%	8,7%	8,7%		7,7%	7,6%	7,4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	11,5%	7,4%	5,2%	7,9%	6,1%	6,1%	0,0%	8,1%	8,2%	8,0%
<b>IDP regulation financial viability indicators</b>	–										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	(50,8)	45,0	95,2	306,5	306,5	306,5	–	33,9	33,8	36,3
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	30,0%	24,9%	26,1%	27,1%	30,7%	30,7%	0,0%	24,6%	23,2%	22,7%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0,2	0,2	0,5	0,0	0,6	0,4	–	0,1	0,0	0,0

### 2.3.1 Performance indicators and benchmarks

#### 2.3.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Metsimaholo Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. The structure of the Municipality's debt portfolio is dominated by annuity loans.

The Municipality has raised mainly amortising loans over the past five years, hence effectively 'front-loading' its debt service costs.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs. As part of the compilation of the 2014/15 MTREF the potential of smoothing out the debt profile over the longer term will be investigated.

#### 2.3.1.2 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2014/15 MTREF the current ratio is 1.8 and 1.2 in the 2015/16 financial year and 1.0 and 0.9 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2014/15 financial year the ratio was 0.2 and stay deteriorate to 0. in the 2015/16 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

#### 2.3.1.3 Revenue Management

- As part of the financial sustainability strategy, an aggressive revenue management framework will be implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

#### 2.3.1.4 Creditors Management

- The Municipality has managed to ensure that 90 per cent of creditors are settled within the legislated 30 days of invoice. By applying daily cash flow management the municipality has managed to ensure creditors can be paid.



### 2.3.1.5 Other Indicators

- The electricity distribution losses have stayed unchanged at 10 per cent in the 2015/16 financial year the MTREF. The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity by rolling out smart metering systems, including prepaid meters.
- The water distribution losses have been unchanged at 18 per cent in 2014/15 to 18 per cent in 2015/16.
- Employee costs as a percentage of operating revenue continues to increase over the MTREF.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing.

### 2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, electricity and basic sewer, only registered indigents qualify for the free basic services.

For the 2015/16 financial year 10 000 registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 10kl fee water, 50 kWh of electricity, sanitation and free waste removal once a week, as well as a discount and additional up to maximum of R50.00 per month.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement) on page 110.

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

### 2.3.3 Providing clean water and managing waste water

The Municipality is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider. Approximately 71 per cent of the Municipality's bulk water needs are provided directly by Rand Water in the form of purified water. The remaining 29 per cent is generated from the Municipality's water treatment works in Deneysville and Oranjeville.

The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

The Municipality were awarded 89.4% on the Blue Drop status, with the Municipality's drinking water quality being within the desired standards. The Metsimaholo Water Treatment Plant was awarded the best medium sized drinking water treatment works by the Department of Water Affairs. The municipality is awaiting the score of the latest assessment.

The 2 waste water treatment works will require renewals/upgrading to meet the minimum Green Drop certification standards. The Municipality received a 68.6% score on the 2013 audit and was amended for the vast improvement shown across all the systems. The municipality is awaiting the score of the latest assessment.

The following is briefly the main challenges facing the Municipality in this regard:

- The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- Shortage of skilled personnel makes proper operations and maintenance difficult;
- Electrical power supply to some of the plants is often interrupted which hampers the purification processes; and
- There is a lack of proper regional catchment management, resulting in storm water entering the sewerage system.

The following are some of the steps that have been taken to address these challenges:

- Infrastructure shortcomings are being addressed through the capital budget in terms of a 5-year upgrade plan;
- The filling of vacancies has commenced and the Waste Water Division will embark on an in-house training programme and SETA programme, especially for operational personnel;
- The Electricity Division is to install dedicated power supply lines to the plants; and
- The Division is working in consultation with the Department of Water Affairs to address catchment management.

## **2.4 Overview of budget related-policies**

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

### **2.4.1 Budget Policy**

No changes to the policy

### **2.4.2 Property Rates Policy**

The policy is amended with the changes in the Rates Act.

- Categories of properties
- Frequency of the valuation roll

- ❖ The Council may levy different rates to different categories of rateable property. All rateable property will be classified in a category and will be rated based on the category of the property. For purposes of levying different rates based on the use, permitted use of the properties in terms of section 8(1)(b) read with section 3(3)(b) and 3(3)(c) of the Act, the following categories of property are determined:
  - Residential properties.
  - Industrial properties.
  - Business and commercial properties.
  - Agricultural properties
  - State-owned properties and used for public service purposes
  - Public service infrastructure properties
  - Properties used for multiple purposes
  - Mining properties
  
- ❖ The municipality shall prepare a new valuation roll every five (5) years and supplementary valuation rolls monthly

#### **2.4.3 Credit control and debt collection Policy**

Municipal officials and Councillors are allowed to sign arrangements and that it is deducted from their monthly salary/allowance.

#### **2.4.4 Indigent Policy**

The abovementioned policies were workshop on meeting of 20 March 2015 and will be part of the presentation during public participation.

#### **2.4.5 Virement Policy**

#### **2.4.6 Asset Policy**

#### **2.4.7 Cash Management and Investment Policy**

#### **2.4.8 Supply Chain Management Policy**

#### **2.4.9 Tariff Policy**

The Municipality's tariff policy provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policy has been reviewed and tariffs amended accordingly.

**The policies mentioned in paragraph 2.4.5 to 2.4.9 will be revised and workshop before adoption of the budget in May 2015.**

## 2.5 Overview of budget assumptions

### 2.5.1 External factors

The global economic outlook has weakened and South Africa's economic performance has deteriorated over the past several years. It is expected that recovery from this deterioration will be slow and uneven, and that growth from 3.6 per cent in 2011 will be down to 1.4 per cent in 2014 and 3% projected in 2017.

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

The macro environment that influences the budget:

- Fuel increase exceeds 4.8% on a year-to year basis
- Depreciation of the Rand
- High unemployment rate
- Loss of jobs in manufacturing and construction industry
- Interest rate movement
- Increase in fuel cost leads to increases in all other input costs
- Growth forecast are below actual achieved

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

There are five key factors that have been taken into consideration in the compilation of the 2015/16 MTREF:

- (a) National Government macro-economic targets;
- (b) The general inflationary outlook and the impact on Municipality's residents and businesses;
- (c) The impact of municipal cost drivers;
- (d) The increase in prices for bulk electricity and water; and
- (e) The increase in the cost of remuneration. Employee related costs comprise 26 per cent of total operating expenditure in the 2015/16 MTREF and therefore this increase above inflation places a disproportionate upward pressure on the expenditure budget. A new wage agreement must conclude between SALGBC and the municipal workers unions. The re-employment of previous dismissed staff is a factor to take into account.

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

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (85 per cent) of annual billings. Cash flow is assumed to be 85 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

### **2.5.4 Growth or decline in tax base of the municipality**

Debtors' revenue is assumed to increase at a rate that is influenced by the consumer debtors' collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

### **2.5.5 Salary increases**

The collective agreement regarding salaries/wages came into operation on 1 July 2012 and shall remain in force until 30 June 2015. New negotiations will take place for collective agreement for the period commencing 1 July 2015.

### **2.5.6 Impact of national, provincial and local policies**

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

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

It is estimated that a spending rate of between 88 and 100 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2015/16 MTREF of which performance has been factored into the cash flow budget.

## 2.6 Overview of budget funding

### 2.6.1 Medium-term outlook: operating revenue

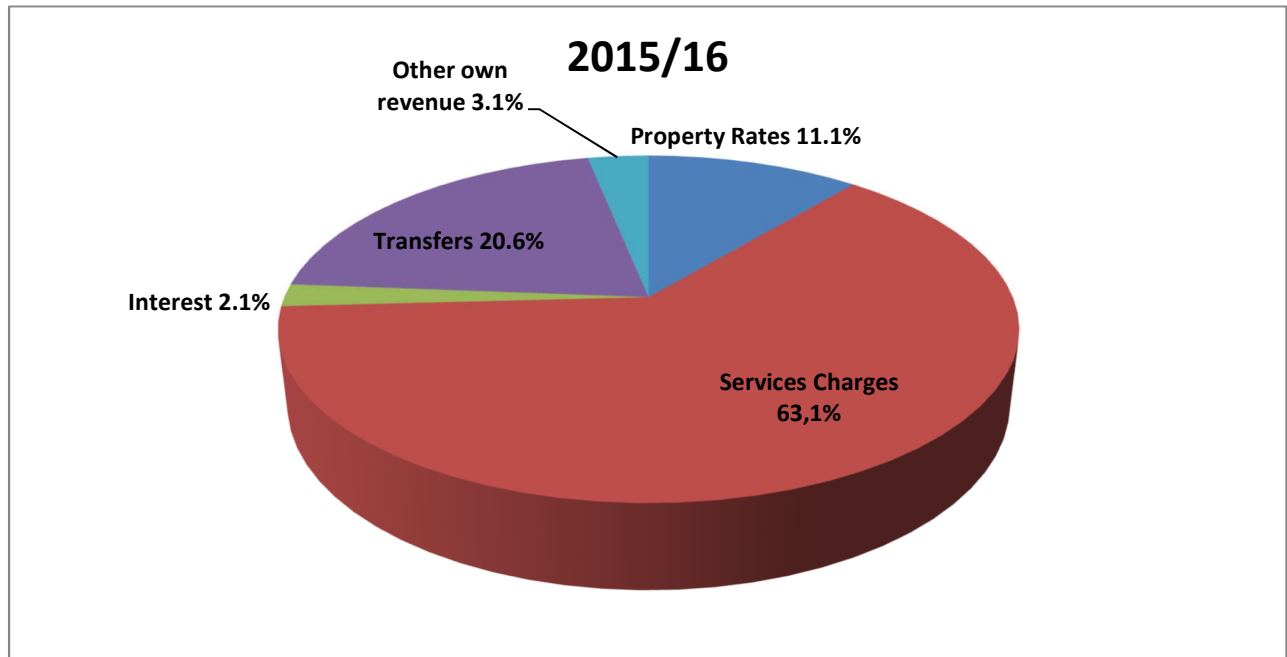
The following table is a breakdown of the operating revenue over the medium-term:

**Table 34 Breakdown of the operating revenue over the medium-term**

	Medium Term Revenue and Expenditure Framework					
	2015/2016		2016/2017		2017/2018	
	R'000	%	R'000	%	R'000	%
Property rates	107 319	11,09	113 222	11,00	119 223	10,94
Electricity	243 223	25,14	267 546	25,99	294 300	27,00
Water	307 067	31,74	324 059	31,48	341 236	31,30
Sanitation	24 250	2,51	25 583	2,49	26 939	2,47
Refuse removal	35 618	3,68	37 577	3,65	39 569	3,63
Interest	20 171	2,08	20 940	2,03	21 745	1,99
Transfers and Grants	199 289	20,60	213 082	20,70	214 123	19,64
Other own revenue	30 646	3,17	27 244	2,65	33 034	3,03
<b>Total Operating revenue</b>	<b>967 583</b>	<b>100</b>	<b>1 029 253</b>	<b>100</b>	<b>1 090 169</b>	<b>100</b>
<b>Total Operating Expenditure</b>	<b>957 455</b>		<b>1 031 326</b>		<b>1 094 567</b>	
<b>Surplus/(Deficit)</b>	<b>10 128</b>		<b>(2 073)</b>		<b>(4 398)</b>	

The surplus / (deficit) included in transfers and grants the capital grants of R73.5 million in 2015/2016, R72.2 million in 2016/2017 and R58 million in 2017/2018 financial years.

The following graph is a breakdown of the operational revenue per main category for the 2015/16 financial year.



**Figure 7 Breakdown of operating revenue over the 2015/16 MTREF**

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc) from the remainder of the operating revenue.

The revenue strategy is a function of key components such as:

- Growth in the Municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 85 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA),

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.



**Proposed tariff increases over the medium-term**

Revenue category	2015/16 proposed tariff increase	2016/17 proposed tariff increase	2017/18 proposed tariff increase
	%	%	%
Property rates	6	5.5	5.3
Sanitation	8	5.5	5.3
Solid Waste	8	5.5	5.3
Water	10	5.5	5.3
Electricity	12.2	10.0	10.0

The Municipality is still in a process of further data verification and validation relating to the valuation roll. It is anticipated that the process will be concluded by the end of 2016. As the levying of property rates is considered a strategic revenue source the five year valuation of property started in the 4th quarter of the 2011/12 financial year. The new valuation roll was implemented on 1 July 2013. A supplementary valuation roll will be made available at the end of March 2015.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R610 million for the 2015/16 financial year and increasing to R662 million by 2017/18. For the 2015/16 financial year services charges amount to 63.1 per cent of the total revenue base and increase by less than 1 per cent per annum over the medium-term.

Operational grants and subsidies amount to R125.7 million, R140.8 million and R156 million for each of the respective financial years of the MTREF.

Interest revenue contributes marginally to the revenue base of the Municipality with a budget allocation of R20 million, R20.9 million and R21.7 million for the respective three financial years of the 2015/16 MTREF. Interest is mainly made up from outstanding debtors.

The tables below provide detail investment information and investment particulars by maturity.

**Table 35MBRR SA15 – Detail Investment Information**

FS204 Metsimaholo - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>										
<b>Parent municipality</b>										
Securities - National Government Listed Corporate Bonds										
Deposits - Bank		2 185	7 000	16 826	15 220	30 746	15 746	-	-	-
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
<b>Consolidated total:</b>		<b>2 185</b>	<b>7 000</b>	<b>16 826</b>	<b>15 220</b>	<b>30 746</b>	<b>15 746</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 36MBRR SA16 – Investment particulars by maturity**

FS204 Metsimaholo - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Variable or Fixed interest rate	Interest Rate 3.	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months									
<b>Parent municipality</b>											
Absa call			Call	Variable		None	823	150	(18 000)	17 027	-
RMB call			Call	Variable		None	4 263	220	(13 220)	8 737	-
Nedbank call			Call	Variable		None	2 268	310	(20 000)	17 422	-
Standard Bank call			Call	Variable		None	4 213	390	(21 000)	16 397	-
32days		32 days	32 days	Fixed	5,2	01 August 2014	4 240		(4 240)		-
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>1</b>						<b>15 807</b>		<b>(76 460)</b>	<b>59 583</b>	<b>-</b>

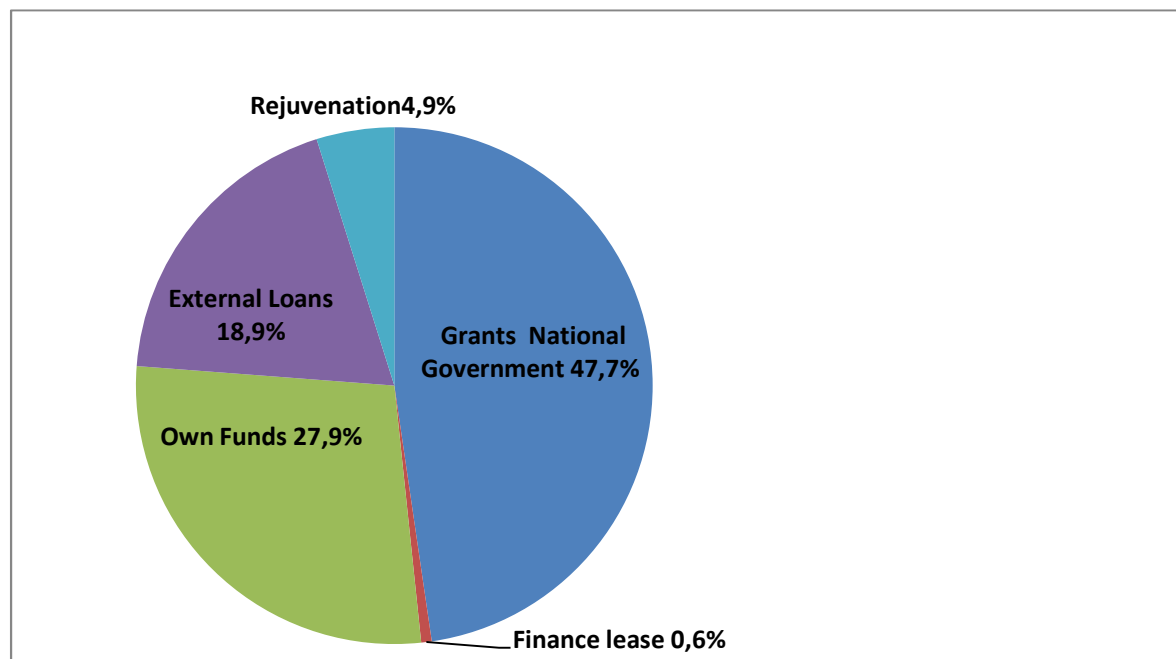
### 2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2015/16 medium-term capital programme:

**Table 37 Sources of capital revenue over the MTREF**

Capital funding per Source	14/15 Adjustment Budget	%	15/16Budget	%	16/17Budget	%	17/18Budget	%
	R'000		R'000		R'000			
Budget Grants								
National Government Grants	66 042	84.4	73 552	47.7	55 238	57.4	58 060	65.0
Rejuvenation			7 500	4.9				
Lease			1 000	0.6				
Own Funds	5 223	6.7	42 990	27.9	40 992	42.6	31 302	35.0
External Loans	7 000	8.9	29 180	18.9				
<b>Total Capital Funding by Source</b>	<b>78 265</b>	<b>100</b>	<b>154 222</b>		<b>96 230</b>	<b>100</b>	<b>89 362</b>	<b>100</b>

The above table is graphically represented as follows for the 2015/16 financial year.



**Figure 8 Sources of capital revenue for the 2015/16 financial year**

Capital grants and receipts equates to 47.7per cent of the total funding source which represents R73.5 million for the 2015/16 financial year and steadily decrease to R58 million or 65 per cent by 2017/2018, Grants received from MIG,COGTA, DoE and DWA.

Loan from Development Bank of South Africa of R14 million is front loading of DoE grant. A new loan (R15 million) over five years be considered for purchase of vehicles.

Internally generated funds consist of R42.9 million in 2015/16, R40.9 million in 2016/17 and R31.3 million in 2017/18.

### 2.6.3 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA.

Table 38MBRR SA10 – Funding compliance measurement

FS204 Metsimaholo Supporting Table SA10  
Funding measurement

Description	MF MA se cti on	Re f	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Funding measures</b>												
Cash/cash equivalents at the year end - R'000	18(1)b	1	7 676	11 600	26 129	1 917	39 169	24 169	–	6 768	109	654
Cash + investments at the yr end less applications - R'000	18(1)b	2	(54 032)	(60 410)	(118 707)	(20 908)	142 453	123 275	–	(2 851)	(25 878)	(50 976)
Cash year end/monthly employee/supplier payments	18(1)b	3	0,2	0,2	0,5	0,0	0,6	0,4	–	0,1	0,0	0,0
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(63 342)	723	39 532	21 211	2 893	28 832	–	10 128	(2 073)	(4 398)
Service charge rev % change - macro CPIX target exclusive	18(1)a ,(2) 18(1)a	5	N.A.	7,3%	6,1%	21,1%	(5,2%)	(6,0%)	(106,0%)	1,4%	1,0%	0,9%
Cash receipts % of Ratepayer & Other revenue	18(1)a ,(2) 18(1)a	6	122,3%	116,2%	79,7%	115,7%	113,1%	111,0%	0,0%	86,0%	88,4%	90,0%
Debt impairment expense as a % of total billable revenue	18(1)a ,(2) 18(1)c	7	19,0%	13,2%	17,3%	9,5%	9,4%	9,4%	0,0%	11,5%	9,1%	7,5%
Capital payments % of capital expenditure	18(1)c	8	99,9%	0,0%	100,0%	100,0%	100,0%	100,0%	0,0%	95,1%	100,0%	100,0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0,0%	0,0%	(403,7%)	73,6%	57,3%	57,3%	0,0%	37,4%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100,0%	100,0%	100,0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(6,0%)	17,2%	31,8%	14,3%	0,0%	(100,0%)	(14,0%)	1,1%	4,4%
Long term receivables % change - incr(decr)	18(1)a 20(1)	12	N.A.	11,4%	(100,0%)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	7,6%	7,7%	6,4%	8,1%	7,6%	7,6%	0,0%	6,6%	6,9%	7,2%
Asset renewal % of capital budget	20(1)(vi)	14	14,3%	2,2%	0,0%	7,8%	0,0%	0,0%	0,0%	1,3%	2,6%	0,0%

**References**

1. Positive cash balances indicative of minimum compliance - subject to 2
2. Deduct cash and investment applications (defined) from cash balances
3. Indicative of sufficient liquidity to meet average monthly operating payments
4. Indicative of funded operational requirements
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
6. Realistic average cash collection forecasts as % of annual billed revenue
7. Realistic average increase in debt impairment (doubtful debt) provision
8. Indicative of planned capital expenditure level & cash payment timing

9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing											
10. Substantiation of National/Province allocations included in budget											
11. Indicative of realistic current arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)											
12. Indicative of realistic long term arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)											
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection											
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection											
<b>Supporting indicators</b>											
% incr total service charges (incl prop rates)	18(1)a		13,3%	12,1%	27,1%	0,8%	0,0%	(100,0%)	7,4%	7,0%	6,9%
% incr Property Tax	18(1)a		6,7%	13,9%	(3,0%)	8,7%	0,0%	(100,0%)	(3,3%)	5,5%	5,3%
% incr Service charges - electricity revenue	18(1)a		19,4%	9,3%	22,7%	(0,0%)	0,0%	(100,0%)	10,6%	10,0%	10,0%
% incr Service charges - water revenue	18(1)a		12,7%	12,7%	53,5%	(1,1%)	0,0%	(100,0%)	12,4%	5,5%	5,3%
% incr Service charges - sanitation revenue	18(1)a		5,2%	8,7%	5,1%	0,0%	0,0%	(100,0%)	6,2%	5,5%	5,3%
% incr Service charges - refuse revenue	18(1)a		9,0%	7,6%	35,0%	0,0%	0,0%	(100,0%)	(10,9%)	5,5%	5,3%
% incr in Service charges - other	18(1)a		31,8%	70,4%	(20,5%)	(6,4%)	0,0%	(100,0%)	(2,8%)	5,3%	1,2%
Total billable revenue	18(1)a	419 855	475 038	532 194	675 204	680 523	680 523	-	731 062	782 396	836 215
Service charges		415 129	470 524	527 336	670 202	675 521	675 521	-	725 790	776 738	830 124
Property rates		86 652	92 485	105 296	102 114	111 014	111 014	-	107 319	113 222	119 223
Service charges - electricity revenue		137 388	164 079	179 303	219 951	219 951	219 951	-	243 223	267 546	294 300
Service charges - water revenue		141 717	159 701	179 907	276 185	273 185	273 185	-	307 067	324 059	341 236
Service charges - sanitation revenue		18 996	19 990	21 737	22 837	22 837	22 837	-	24 250	25 583	26 939
Service charges - refuse removal		25 259	27 526	29 606	39 978	39 978	39 978	-	35 618	37 577	39 569
Service charges - other		5 116	6 743	11 487	9 136	8 556	8 556	-	8 313	8 751	8 857
Rental of facilities and equipment		4 727	4 514	4 858	5 002	5 002	5 002	-	5 272	5 658	6 091
Capital expenditure excluding capital grant funding		48 833	13 474	3 101	61 130	12 223	12 223	-	80 670	40 992	31 302
Cash receipts from ratepayers	18(1)a	549 960	578 550	453 109	813 508	799 363	784 363	-	654 380	718 539	781 232
Ratepayer & Other revenue	18(1)a	449 811	498 031	568 191	703 326	706 713	706 713	-	761 297	813 171	868 121
Change in consumer debtors (current and non-current)		23 172	(7 389)	18 651	44 045	70 176	70 176	(138 677)	(3 205)	1 994	8 039
Operating and Capital Grant Revenue	18(1)a	132 355	164 958	187 766	178 990	168 990	168 990	-	199 286	213 082	214 123
Capital expenditure - total	20(1)(vi)	86 427	78 113	70 910	136 861	78 265	78 265	-	154 222	96 230	89 362
Capital expenditure - renewal	20(1)(vi)	12 316	1 723	-	10 730	-	-	-	2 020	2 500	-
<b>Supporting benchmarks</b>											
Growth guideline maximum		6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%
CPI guideline		4,3%	3,9%	4,6%	5,0%	5,0%	5,0%	5,0%	5,4%	5,6%	5,4%
DoRA operating grants total MFY									124 134	139 244	154 463
DoRA capital grants total MFY									73 552	72 238	58 060

Provincial operating grants										1 600	1 600	1 600
Provincial capital grants												
District Municipality grants												
Total gazetted/advised national, provincial and district grants										199 286	213 082	214 123
Average annual collection rate (arrears inclusive)												
<b>DoRA operating</b>												
<i>Equitable share</i>										115 423	124 038	135 456
<i>Municipal infrastructure Grant</i>										2 161	2 124	2 274
Local government financial management grant										1 600	1 625	1 700
Other										4 950	11 457	15 033
										<b>124 134</b>	<b>139 244</b>	<b>154 463</b>
<b>DoRA capital</b>												
<i>Municipal infrastructure Grant</i>										41 052	42 738	45 060
Integrated national electrification programme										29 000	28 000	13 000
Water services operating grant										3 500	1 500	
										<b>73 552</b>	<b>72 238</b>	<b>58 060</b>
<b>Trend</b>												
Change in consumer debtors (current and non-current)		23 172	(7 389)	18 651	(138 677)	(3 205)	1 994	8 039	-	-	-	
<b>Total Operating Revenue</b>		544 438	601 528	677 563	828 986	830 961	830 961	-	894 031	957 015	1 032 108	
<b>Total Operating Expenditure</b>		648 654	667 942	721 155	868 506	879 111	853 171	-	957 455	1 031 326	1 094 567	
<b>Operating Performance Surplus/(Deficit)</b>		(104 216)	(66 414)	(43 592)	(39 520)	(48 150)	(22 210)	-	(63 424)	(74 311)	(62 459)	
<b>Cash and Cash Equivalents (30 June 2012)</b>									6 768			
<b>Revenue</b>												
% Increase in Total Operating Revenue			10,5%	12,6%	22,3%	0,2%	0,0%	(100,0%)	7,6%	7,0%	7,8%	
% Increase in Property Rates Revenue			6,7%	13,9%	(3,0%)	8,7%	0,0%	(100,0%)	(3,3%)	5,5%	5,3%	
% Increase in Electricity Revenue			19,4%	9,3%	22,7%	(0,0%)	0,0%	(100,0%)	10,6%	10,0%	10,0%	
% Increase in Property Rates & Services Charges			13,3%	12,1%	27,1%	0,8%	0,0%	(100,0%)	7,4%	7,0%	6,9%	
<b>Expenditure</b>												
% Increase in Total Operating Expenditure			3,0%	8,0%	20,4%	1,2%	(3,0%)	(100,0%)	8,9%	7,7%	6,1%	
% Increase in Employee Costs			7,0%	10,7%	10,3%	(8,6%)	0,0%	(100,0%)	30,7%	6,9%	6,4%	
% Increase in Electricity Bulk Purchases			15,0%	7,6%	28,6%	0,0%	(13,0%)	(100,0%)	(4,5%)	13,5%	13,5%	
Average Cost Per Budgeted Employee Position (Remuneration)				183596,0224	202506,0				200083,6			
Average Cost Per Councillor (Remuneration)				313152,1905	349650,23				387063,8			
R&M % of PPE		7,6%	7,7%	6,4%	8,1%	7,6%	7,6%		6,6%	6,9%	7,2%	
Asset Renewal and R&M as a % of PPE		8,0%	7,0%	6,0%	9,0%	7,0%	7,0%		6,0%	7,0%	7,0%	
Debt Impairment % of Total Billable Revenue		19,0%	13,2%	17,3%	9,5%	9,4%	9,4%	0,0%	11,5%	9,1%	7,5%	

<b>Capital Revenue</b>											
Internally Funded & Other (R'000)		48 833	4 475	3 101	15 730	5 223	5 223	–	50 490	40 992	31 302
Borrowing (R'000)		–	9 000	–	45 400	7 000	7 000	–	30 180	–	–
Grant Funding and Other (R'000)		37 594	64 639	67 809	75 731	66 042	66 042	–	73 552	55 238	58 060
Internally Generated funds % of Non Grant Funding		100,0%	33,2%	100,0%	25,7%	42,7%	42,7%	0,0%	62,6%	100,0%	100,0%
Borrowing % of Non Grant Funding		0,0%	66,8%	0,0%	74,3%	57,3%	57,3%	0,0%	37,4%	0,0%	0,0%
Grant Funding % of Total Funding		43,5%	82,8%	95,6%	55,3%	84,4%	84,4%	0,0%	47,7%	57,4%	65,0%
<b>Capital Expenditure</b>											
Total Capital Programme (R'000)		86 427	78 113	70 910	136 861	78 265	78 265	–	154 222	96 230	89 362
Asset Renewal		12 316	1 723	–	10 730	–	–	–	2 020	2 500	–
Asset Renewal % of Total Capital Expenditure		14,3%	2,2%	0,0%	7,8%	0,0%	0,0%	0,0%	1,3%	2,6%	0,0%
<b>Cash</b>											
Cash Receipts % of Rate Payer & Other		122,3%	116,2%	79,7%	115,7%	113,1%	111,0%	0,0%	86,0%	88,4%	90,0%
Cash Coverage Ratio		0	0	0	0	0	0	–	0	0	0
<b>Borrowing</b>											
Credit Rating (2009/10)									0		
Capital Charges to Operating		2,9%	(1,5%)	0,5%	1,0%	0,4%	0,4%	0,0%	0,6%	0,6%	0,5%
Borrowing Receipts % of Capital Expenditure		0,0%	0,0%	(403,7%)	73,6%	57,3%	57,3%	0,0%	37,4%	0,0%	0,0%
<b>Reserves</b>											
Surplus/(Deficit)		(54 032)	(60 410)	(118 707)	(20 908)	142 453	123 275	–	(2 851)	(25 878)	(50 976)
<b>Free Services</b>											
Free Basic Services as a % of Equitable Share		47,1%	48,0%	67,3%	65,7%	65,7%	51,3%		68,5%	76,7%	82,3%
Free Services as a % of Operating Revenue (excl operational transfers)		11,6%	11,0%	12,8%	10,6%	9,8%	9,8%		8,6%	8,8%	8,7%
<b>High Level Outcome of Funding Compliance</b>											
Total Operating Revenue		544 438	601 528	677 563	828 986	830 961	830 961	–	894 031	957 015	1 032 108
Total Operating Expenditure		648 654	667 942	721 155	868 506	879 111	853 171	–	957 455	1 031 326	1 094 567
Surplus/(Deficit) Budgeted Operating Statement		(104 216)	(66 414)	(43 592)	(39 520)	(48 150)	(22 210)	–	(63 424)	(74 311)	(62 459)
Surplus/(Deficit) Considering Reserves and Cash Backing		(54 032)	(60 410)	(118 707)	(20 908)	142 453	123 275	–	(2 851)	(25 878)	(50 976)
<b>MTREF Funded (1) / Unfunded (0)</b>	15	0	0	0	0	1	1	1	0	0	0
<b>MTREF Funded ✓ / Unfunded ✗</b>	15	✗	✗	✗	✗	✓	✓	✓	✗	✗	✗



## 2.7 Expenditure on grants and reconciliations of unspent funds

### Table 39 MBRR SA19 - Expenditure on transfers and grant programmes

#### FS204 Metsimaholo - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>EXPENDITURE:</b>	1									
<b>– Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		91 149	101 095	107 850	114 485	114 175	114 175	118 973	131 120	146 189
Local Government Equitable Share		88 125	93 903	101 698	107 542	107 542	107 542	115 423	124 038	135 456
Finance Management		1 450	1 500	1 550	1 600	1 600	1 600	1 600	1 625	1 700
Municipal Systems Improvement		790	800	890	934	934	934	930	957	1 033
Water Services Operating Subsidy		784	3 497	2 712	3 300	2 990	2 990	–	4 500	8 000
EPWP Incentive		–	1 395	1 000	1 109	1 109	1 109	1 020	–	–
<b>Provincial Government:</b>		–	–	500	1 666	1 666	1 666	4 600	7 600	7 600
Department of Sport Energy efficient and demand side management grant				500	1 666	1 666	1 666	1 600	1 600	1 600
								3 000	6 000	6 000
<b>District Municipality:</b>		–	–	–	–	–	–	–	–	–
<i>IDP</i>										
<b>Other grant providers:</b>		1 942	2 361	2 237	2 108	2 107	2 107	2 161	2 124	2 274
<i>MIG(National Government)</i>		1 942	2 361	2 237	2 108	2 107	2 107	2 161	2 124	2 274
<b>Total operating expenditure of Transfers and Grants:</b>		93 091	103 456	110 587	118 259	117 948	117 948	125 734	140 844	156 063
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		39 901	49 670	42 497	42 731	43 042	43 042	44 552	44 238	45 060
Municipal Infrastructure Grant (MIG)		36 901	49 670	42 497	40 031	40 032	40 032	41 052	42 738	45 060
DWAF(Water Affairs)		3 000			2 700	3 010	3 010	3 500	1 500	–
<b>Provincial Government:</b>		131 124	2 354	–	11 000	–	–	–	–	–
COGTA		131 124	2 354		11 000	–				
<b>District Municipality:</b>		5 643	–	–	–	–	–	–	–	–
<i>Fire Services</i>		5 643								
<b>Other grant providers:</b>		17 500	10 575	34 500	7 000	8 000	8 000	29 000	28 000	13 000
<i>DOE(National Grant)</i>		2 000	10 575	34 500	7 000	8 000	8 000	29 000	28 000	13 000
<i>Anglo Coal</i>		15 500								
<b>Total capital expenditure of Transfers and Grants</b>		194 168	62 599	76 997	60 731	51 042	51 042	73 552	72 238	58 060
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		287 259	166 056	187 584	178 990	168 990	168 990	199 286	213 082	214 123

**Table 40MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds****FS204 Metsimaholo - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds**

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Operating transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year										
Current year receipts		81 918	91 149	101 095	114 485	114 175	114 175	118 973	131 120	146 189
<b>Conditions met - transferred to</b>		81 918	91 149	101 095	114 485	114 175	114 175	118 973	131 120	146 189
Conditions still to be met - transferred to liabilities										
<b>Provincial Government:</b>										
Balance unspent at beginning of the year								4 600	7 600	7 600
Current year receipts				500	1 666	1 666	1 666	4 600	7 600	7 600
<b>Conditions met - transferred to revenue</b>		-	-	500	1 666	1 666	1 666	4 600	7 600	7 600
Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts		97								
<b>Conditions met - transferred to revenue</b>		97	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts		1 942	2 361	2 237	2 108	2 107	2 107	2 161	2 124	2 274
<b>Conditions met - transferred to revenue</b>		1 942	2 361	2 237	2 108	2 107	2 107	2 161	2 124	2 274
Conditions still to be met - transferred to liabilities										
<b>Total operating transfers and grants revenue</b>		83 957	93 510	103 832	118 259	117 948	117 948	119 734	128 844	144 063
<b>Total operating transfers and grants - CTBM</b>	2	-	-	-	-	-	-			
<b>Capital transfers and grants:</b>	1,3									
<b>National Government:</b>										
Balance unspent at beginning of the year										
Current year receipts		39 901	49 670	42 497	42 731	43 042	43 042	44 552	44 238	45 060
<b>Conditions met - transferred to revenue</b>		39 901	49 670	42 497	42 731	43 042	43 042	44 552	44 238	45 060
Conditions still to be met - transferred to liabilities										
<b>Provincial Government:</b>										
Balance unspent at beginning of the year										
Current year receipts		131 124	2 354		11 000					
<b>Conditions met - transferred to revenue</b>		131 124	2 354	-	11 000	-	-	-	-	-

Conditions still to be met - transferred to liabilities										
<b>District Municipality:</b>										
Balance unspent at beginning of the year										
Current year receipts		5 643	-							
<b>Conditions met - transferred to revenue</b>		<b>5 643</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities										
<b>Other grant providers:</b>										
Balance unspent at beginning of the year										
Current year receipts		17 500	10 575	34 500	7 000	8 000	8 000	29 000	28 000	13 000
<b>Conditions met - transferred to revenue</b>		<b>17 500</b>	<b>10 575</b>	<b>34 500</b>	<b>7 000</b>	<b>8 000</b>	<b>8 000</b>	<b>29 000</b>	<b>28 000</b>	<b>13 000</b>
Conditions still to be met - transferred to liabilities										
<b>Total capital transfers and grants revenue</b>		<b>194 168</b>	<b>62 599</b>	<b>76 997</b>	<b>60 731</b>	<b>51 042</b>	<b>51 042</b>	<b>73 552</b>	<b>72 238</b>	<b>58 060</b>
<b>Total capital transfers and grants - CTBM</b>	2	-	-	-	-	-	-	-	-	-
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		<b>278 125</b>	<b>156 109</b>	<b>180 829</b>	<b>178 990</b>	<b>168 990</b>	<b>168 990</b>	<b>193 286</b>	<b>201 082</b>	<b>202 123</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		-	-	-	-	-	-			

## 2.8 Councillor and employee benefits

### Table 41MBRR SA22 - Summary of councillor and staff benefits

#### FS204 Metsimaholo - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		7 118	8 079	8 549	10 448	10 448	10 448	11 563	12 361	13 176
Pension and UIF Contributions		146	161	10	11	11	11	10	11	12
Medical Aid Contributions		101	107	13	-	-	-	21	22	24
Motor Vehicle Allowance		1 897	3 580	2 715	3 311	3 311	3 311	3 509	3 751	3 998
Cellphone Allowance		475	475	617	698	698	698	920	984	1 048
Housing Allowances				620	217	217	217	234	250	267
Other benefits and allowances				-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>9 737</b>	<b>12 402</b>	<b>12 524</b>	<b>14 685</b>	<b>14 685</b>	<b>14 685</b>	<b>16 257</b>	<b>17 378</b>	<b>18 525</b>
% increase	4		27,4%	1,0%	17,3%	-	-	10,7%	6,9%	6,6%
<b>Senior Managers of the Municipality</b>	2									
Basic Salaries and Wages		3 395	4 377	6 263	7 226	7 226	7 226	7 606	8 131	8 668
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	26	36	36	36	2	2	2
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		766	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	852	1 157	1 720	1 773	1 773	1 773	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>5 013</b>	<b>5 534</b>	<b>8 010</b>	<b>9 035</b>	<b>9 035</b>	<b>9 035</b>	<b>7 608</b>	<b>8 133</b>	<b>8 670</b>
% increase	4		10,4%	44,7%	12,8%	-	-	(15,8%)	6,9%	6,6%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		88 288	120 631	109 177	120 013	108 102	108 102	154 041	164 671	175 772
Pension and UIF Contributions		13 823	15 993	18 766	20 184	20 202	20 202	16 124	17 237	18 374
Medical Aid Contributions		7 937	9 079	9 466	11 283	11 281	11 281	9 777	10 454	11 142
Overtime		12 530	10 446	18 838	18 411	16 163	16 163	18 109	19 358	20 636
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	4 121	3 233	6 649	13 040	11 371	11 371	-	-	-
Cellphone Allowance	3	-	-	-	455	455	455	-	-	-
Housing Allowances	3	784	826	1 218	1 081	1 081	1 081	-	-	-
Other benefits and allowances	3	8 886	11 143	13 510	20 657	9 550	9 550	38 904	41 590	43 574
Payments in lieu of leave				-	2 647	2 647	2 647	3 541	3 785	4 035
Long service awards										
<b>Sub Total - Other Municipal Staff</b>		<b>136 369</b>	<b>171 351</b>	<b>177 624</b>	<b>207 771</b>	<b>180 852</b>	<b>180 852</b>	<b>240 496</b>	<b>257 095</b>	<b>273 533</b>
% increase	4		25,7%	3,7%	17,0%	(13,0%)	-	33,0%	6,9%	6,4%
<b>Total Parent Municipality</b>		<b>151 119</b>	<b>189 287</b>	<b>198 158</b>	<b>231 491</b>	<b>204 572</b>	<b>204 572</b>	<b>264 360</b>	<b>282 606</b>	<b>300 728</b>
			25,3%	4,7%	16,8%	(11,6%)	-	29,2%	6,9%	6,4%
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>151 119</b>	<b>189 287</b>	<b>198 158</b>	<b>231 491</b>	<b>204 572</b>	<b>204 572</b>	<b>264 360</b>	<b>282 606</b>	<b>300 728</b>
% increase	4		25,3%	4,7%	16,8%	(11,6%)	-	29,2%	6,9%	6,4%
<b>TOTAL MANAGERS AND STAFF</b>	5,7	<b>141 382</b>	<b>176 885</b>	<b>185 634</b>	<b>216 806</b>	<b>189 887</b>	<b>189 887</b>	<b>248 104</b>	<b>265 228</b>	<b>282 203</b>

**Table 42MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)****FS204 Metsimaholo - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)**

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b>Councillors</b>	3							
Speaker	4	1	407 230	–	270 980			678 210
Chief Whip		1	475 960	–	170 540			646 500
Executive Mayor		1	628 679	–	241 380			870 059
Deputy Executive Mayor			–	–	–			–
Executive Committee		9	3 809 120	20 870	1 508 160			5 338 150
Total for all other councillors		30	6 235 880	10 200	2 465 830			8 711 910
<b>Total Councillors</b>	8	42	11 556 869	31 070	4 656 890			16 244 829
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)		1	1 565 080	1 790	276 000			1 842 870
Chief Finance Officer		1	1 664 830	–	54 000			1 718 830
Director Social Services		1	1 127 170	–	340 000	–		1 467 170
Director Technical Services		1	980 510	–	439 290	–		1 419 800
Director Economic Development and Planning		1	1 063 570	–	400 000	–		1 463 570
Director Organisational Development and Corporate Services		1	1 205 050	–	270 000	–		1 475 050
<b>Total Senior Managers of the Municipality</b>	8,10	6	7 606 210	1 790	1 779 290	–		9 387 290
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	48	19 163 079	32 860	6 436 180	–		25 632 119

**Table 43MBRR SA24–Summary of personnel numbers****FS204 Metsimaholo - Supporting Table SA24 Summary of personnel numbers**

Summary of Personnel Numbers Number	R e f 1 2	2013/14			Current Year 2014/15			Budget Year 2015/16		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council</b>										
Councillors (Political Office Bearers plus Other Councillors)		42		42	42		42	42		42
Board Members of municipal entities	4									
<b>Municipal employees</b>	5									
Municipal Manager and Senior Managers	3	6		6	6		6	6		6
Other Managers	7	49	46	3	49	46	3	49	45	1
Professionals		18	18	–	18	18	–	24	24	–
<i>Finance</i>		5	5	–	5	5	–	7	7	–
<i>Spatial/town planning</i>		1	1	–	1	1	–	2	2	–
<i>Information Technology</i>		4	4	–	4	4	–	5	5	–
<i>Roads</i>		2	2	–	2	2	–	2	2	–
<i>Electricity</i>		5	5	–	5	5	–	5	5	–
<i>Water</i>		1	1	–	1	1	–	1	1	–
<i>Sanitation</i>										
<i>Refuse</i>										
<i>Other</i>								2	2	–
Technicians		140	140	–	140	138	–	159	159	–
<i>Finance</i>										
<i>Spatial/town planning</i>		4	4	–	4	4	–	4	4	–
<i>Information Technology</i>								1	1	–
<i>Roads</i>		35	35	–	35	34	–	44	44	–
<i>Electricity</i>		65	65	–	65	64	–	69	69	–
<i>Water</i>		31	31	–	31	31	–	36	36	–
<i>Sanitation</i>										
<i>Refuse</i>		5	5	–	5	5	–	5	5	–
<i>Other</i>										
Clerks (Clerical and administrative)		214	212	2	214	210	2	244	218	26
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators		83	83	–	83	81	–	140	115	25
Elementary Occupations		516	516	–	516	500	–	618	588	30
<b>TOTAL PERSONNEL NUMBERS</b>	9	<b>1 068</b>	<b>1 015</b>	<b>53</b>	<b>1 068</b>	<b>993</b>	<b>53</b>	<b>1 282</b>	<b>1 149</b>	<b>130</b>
<b>% increase</b>					–	(2,2%)	–	20,0%	15,7%	145,3%

## **2.9 Monthly targets for revenue, expenditure and cash flow**

**Table 44MBRR SA25 - Budgeted monthly revenue and expenditure**

FS204 Metsimaholo - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue By Source</b>	-															
Property rates		14 000	8 484	8 484	8 484	8 484	8 484	8 484	8 484	8 484	8 484	8 484	8 484	107 319	113 222	119 223
Service charges - electricity revenue		28 788	25 498	18 245	15 645	14 478	14 478	14 478	14 478	17 578	20 978	24 897	33 682	243 223	267 546	294 300
Service charges - water revenue		18 900	23 700	28 000	28 500	28 900	33 300	33 900	29 000	24 000	20 500	18 408	19 959	307 067	324 059	341 236
Service charges - sanitation revenue		2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 021	2 020	24 250	25 583	26 939
Service charges - refuse revenue		2 968	2 968	2 968	2 968	2 968	2 968	2 968	2 968	2 968	2 968	2 968	2 968	35 618	37 577	39 569
Service charges - other		693	693	693	693	693	693	693	693	693	693	693	693	8 313	8 751	8 857
Rental of facilities and equipment		439	439	439	439	439	439	439	439	439	439	439	439	5 272	5 658	6 091
Interest earned - external investments		167	167	167	167	167	167	167	167	167	167	167	2 000	2 000	2 000	
Interest earned - outstanding debtors		1 514	1 514	1 514	1 514	1 514	1 514	1 514	1 514	1 514	1 514	1 515	18 171	18 940	19 745	
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		502	502	502	502	502	502	502	502	502	502	502	502	6 024	5 575	5 576
Licences and permits		15	15	15	15	15	15	15	15	15	15	15	15	181	191	201
Transfers recognised - operational		41 911				41 911	-	-		41 911			(0)	125 734	140 844	156 063
Other revenue		488	488	488	488	488	488	488	488	488	488	488	488	5 860	6 070	6 383
Gains on disposal of PPE						2 000			2 000				1 000	5 000	1 000	5 925
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>112 407</b>	<b>66 489</b>	<b>63 536</b>	<b>61 436</b>	<b>104 580</b>	<b>65 069</b>	<b>65 669</b>	<b>62 769</b>	<b>100 780</b>	<b>58 769</b>	<b>60 596</b>	<b>71 931</b>	<b>894 031</b>	<b>957 015</b>	<b>1 032 108</b>
<b>Expenditure By Type</b>	-															
Employee related costs		20 675	20 675	20 675	20 675	20 675	20 675	20 675	20 675	20 675	20 675	20 675	20 675	248 104	265 227	282 202
Remuneration of councillors		1 355	1 355	1 355	1 355	1 355	1 355	1 355	1 355	1 355	1 355	1 355	1 354	16 257	17 378	18 525
Debt impairment		7 023	7 023	7 023	7 023	7 023	7 023	7 023	7 023	7 023	7 023	7 023	7 023	84 279	71 406	63 126
Depreciation & asset impairment		5 840	5 840	5 840	5 840	5 840	5 840	5 840	5 840	5 840	5 840	5 840	5 840	70 084	76 600	81 710
Finance charges							1 678						490	2 168	1 976	1 319
Bulk purchases		27 072	27 072	27 072	27 072	27 072	27 072	27 072	27 072	27 072	27 072	27 072	27 072	324 864	363 809	407 534
Other materials		2 731	2 731	2 731	2 731	2 731	2 731	2 731	2 731	2 731	2 731	2 731	2 730	32 771	34 275	35 772
Contracted services		2 800	2 800	2 800	2 800	2 800	2 800	2 800	2 800	2 800	2 800	2 800	2 800	33 601	35 881	38 244
Transfers and grants		3 145	3 145	3 145	3 145	3 145	3 145	3 145	3 145	3 145	3 145	3 146	37 745	42 226	45 141	
Other expenditure		8 965	8 965	8 965	8 965	8 965	8 965	8 965	8 965	8 965	8 965	8 965	107 583	122 547	120 993	
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>79 607</b>	<b>79 607</b>	<b>79 607</b>	<b>79 607</b>	<b>79 607</b>	<b>81 285</b>	<b>79 607</b>	<b>79 607</b>	<b>79 607</b>	<b>79 607</b>	<b>79 607</b>	<b>80 095</b>	<b>957 455</b>	<b>1 031 326</b>	<b>1 094 567</b>



<b>Surplus/(Deficit)</b>		32 799	(13 118)	(16 071)	(18 171)	24 973	(16 216)	(13 938)	(16 838)	21 173	(20 838)	(19 011)	(8 164)	(63 424)	(74 311)	(62 459)
Transfers recognised - capital		20 244				20 244				20 243			12 821	73 552	72 238	58 060
Contributions recognised - capital													-	-	-	-
Contributed assets													-	-	-	-
<b>Surplus/(Deficit)</b>	1	53 043	(13 118)	(16 071)	(18 171)	45 217	(16 216)	(13 938)	(16 838)	41 416	(20 838)	(19 011)	4 657	10 128	(2 073)	(4 398)

**Table 45MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)****FS204 Metsimaholo - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)**

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Multi-year expenditure to be appropriated</b>	1															
Vote 1 - Council/Mayor, Speaker and Councillors													-	-	-	-
Vote 2 - Municipal Manager		369	369	369	369	369	369	369	369	369	369	369	369	4 433	6 170	5 396
Vote 3 - Organisational Development & Corporate Services		146	146	146	146	146	146	146	146	146	146	146	146	1 750	3 600	5 300
Vote 4 - Social Services		2 144	2 144	2 144	2 144	2 144	2 144	2 144	2 144	2 144	2 144	2 144	2 144	25 731	50 899	5 186
Vote 5 - Infrastructure Services		10 172	10 172	10 172	10 172	10 172	10 172	10 172	10 172	10 172	10 172	10 172	10 172	122 069	35 561	73 480
Vote 6 - Financial Services													-	-	-	-
Vote 7 - Local Economic Development													-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	12 832	12 832	12 832	12 832	12 832	12 832	12 832	12 832	12 832	12 832	12 832	12 831	153 982	96 230	89 362
<b>Single-year expenditure to be appropriated</b>																
Vote 1 - Council/Mayor, Speaker and Councillors													-	-	-	-
Vote 2 - Municipal Manager													-	-	-	-
Vote 3 - Organisational Development & Corporate Services													-	-	-	-
Vote 4 - Social Services													-	-	-	-
Vote 5 - Infrastructure Services													-	-	-	-
Vote 6 - Financial Services			240										-	240	-	-
Vote 7 - Local Economic Development													-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	-	240	-	-	-	-	-	-	-	-	-	-	240	-	-
<b>Total Capital Expenditure</b>	2	12 832	13 072	12 832	12 832	12 832	12 832	12 832	12 832	12 832	12 832	12 832	12 831	154 222	96 230	89 362

**Table 46 MBRR SA30 - Budgeted monthly cash flow**  
**FS204 Metsimaholo - Supporting Table SA30 Budgeted monthly cash flow**

MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Cash Receipts By Source</b>													1			
Property rates	7 152	7 172	7 172	12 320	7 172	7 172	7 172	7 172	7 172	7 172	7 172	7 202	91 222	99 639	107 300	
Service charges - electricity revenue	22 000	21 000	18 928	17 928	16 928	16 000	16 000	18 920	18 920	19 000	19 500	22 023	227 147	253 398	281 332	
Service charges - water revenue	18 000	19 500	22 750	23 000	23 000	23 000	23 000	24 750	22 750	21 000	20 000	20 257	261 007	285 171	307 112	
Service charges - sanitation revenue	2 311	2 311	2 311	2 311	2 311	2 311	2 311	2 311	2 311	2 312	2 312	2 320	27 743	30 301	32 634	
Service charges - refuse revenue	1 928	1 928	1 928	1 928	1 928	1 928	1 928	1 928	1 928	1 928	1 928	1 935	23 143	25 278	27 224	
Service charges - other	671	671	671	671	671	671	671	671	680	671	671	673	8 063	8 487	8 586	
Rental of facilities and equipment	393	393	393	393	393	393	393	393	393	393	393	394	4 717	5 178	5 671	
Interest earned - external investments	200	160	160	100	160	160	160	160	200	200	200	140	2 000	2 000	2 000	
Interest earned - outstanding debtors	1 287	1 287	1 287	1 287	1 287	1 287	1 287	1 287	1 287	1 287	1 287	1 289	15 446	16 667	17 771	
Dividends received												-				
Fines	500	500	500	500	500	500	500	500	500	500	500	524	6 024	5 575	5 576	
Licences and permits	15	15	15	15	15	15	15	15	15	15	15	15	180	191	200	
Transfer receipts - operational	41 911						41 912			41 911			125 734	140 844	156 063	
Other revenue	427	427	427	427	427	427	427	427	427	427	427	437	5 134	5 321	5 597	
<b>Cash Receipts by Source</b>	<b>96 795</b>	<b>55 364</b>	<b>56 542</b>	<b>60 880</b>	<b>96 704</b>	<b>53 864</b>	<b>53 864</b>	<b>58 534</b>	<b>98 494</b>	<b>54 905</b>	<b>54 405</b>	<b>57 209</b>	<b>797 560</b>	<b>878 050</b>	<b>957 066</b>	
<b>Other Cash Flows by Source</b>																
Transfer receipts - capital	24 517						24 517			24 518			-	73 552	72 238	58 060
Contributions recognised - capital & Contributed assets													-			
Proceeds on disposal of PPE						5 000							-	5 000	1 000	5 925
Short term loans													-			
Borrowing long term/refinancing	14 000				1 000			15 180					-	30 180		
Increase (decrease) in consumer deposits	166	100	166	150	170	180	166	166	200	166	166	204	2 000	2 000	1 500	
Decrease (Increase) in non-current debtors													-			
Decrease (increase) other non-current receivables													-			
Decrease (increase) in non-current investments													-			
<b>Total Cash Receipts by Source</b>	<b>135 478</b>	<b>55 464</b>	<b>56 708</b>	<b>61 030</b>	<b>122 391</b>	<b>59 044</b>	<b>69 210</b>	<b>58 700</b>	<b>123 212</b>	<b>55 071</b>	<b>54 571</b>	<b>57 413</b>	<b>908 292</b>	<b>953 288</b>	<b>1 022 551</b>	

<b>Cash Payments by Type</b>															
Employee related costs	18 000	18 500	19 000	21 074	21 074	21 074	21 074	21 074	21 074	21 074	21 074	21 081	245 173	263 576	279 195
Remuneration of councillors	1 354	1 354	1 354	1 354	1 354	1 354	1 354	1 354	1 354	1 354	1 354	1 363	16 257	17 378	18 525
Finance charges						1 084						1 084	2 168	1 976	1 319
Bulk purchases - Electricity	21 000	20 500	17 000	17 000	15 000	15 000	11 000	11 000	13 000	15 000	16 000	19 391	190 891	216 662	249 911
Bulk purchases - Water & Sewer	9 000	9 000	11 000	12 000	12 000	15 000	15 000	12 000	10 500	9 500	9 500	9 472	133 972	147 147	161 623
Other materials	2 594	2 594	2 594	2 594	2 594	2 594	2 594	2 594	2 594	2 594	2 594	2 599	31 133	32 561	33 984
Contracted services	2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 689	2 696	32 275	34 805	37 097
Transfers and grants - other municipalities												-			
Transfers and grants - other	3 145	3 145	3 145	3 145	3 145	3 145	3 145	3 145	3 145	3 145	3 145	3 150	37 745	42 225	45 141
Other expenditure	7 143	7 143	7 143	7 143	7 143	7 143	7 143	7 143	7 143	7 143	7 143	7 147	85 720	103 392	101 462
<b>Cash Payments by Type</b>	<b>64 925</b>	<b>64 925</b>	<b>63 925</b>	<b>66 999</b>	<b>64 999</b>	<b>69 083</b>	<b>63 999</b>	<b>60 999</b>	<b>61 499</b>	<b>62 499</b>	<b>63 499</b>	<b>67 983</b>	<b>775 334</b>	<b>859 722</b>	<b>928 257</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	12 832	13 072	12 832	12 832	12 832	12 832	12 832	12 832	12 832	12 832	12 832	5 330	146 722	96 230	89 362
Repayment of borrowing						1 819						1 819	3 637	3 995	4 387
Other Cash Flows/Payments												-			
<b>Total Cash Payments by Type</b>	<b>77 757</b>	<b>77 997</b>	<b>76 757</b>	<b>79 831</b>	<b>77 831</b>	<b>83 734</b>	<b>76 831</b>	<b>73 831</b>	<b>74 331</b>	<b>75 331</b>	<b>76 331</b>	<b>75 132</b>	<b>925 693</b>	<b>959 947</b>	<b>1 022 006</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>57 721</b>	<b>(22 533)</b>	<b>(20 049)</b>	<b>(18 801)</b>	<b>44 560</b>	<b>(24 690)</b>	<b>(7 621)</b>	<b>(15 131)</b>	<b>48 881</b>	<b>(20 260)</b>	<b>(21 760)</b>	<b>(17 719)</b>	<b>(17 401)</b>	<b>(6 659)</b>	<b>545</b>
Cash/cash equivalents at the month/year begin:	24 169	81 890	59 357	39 308	20 507	65 067	40 378	32 757	17 626	66 507	46 247	24 487	24 169	6 768	109
Cash/cash equivalents at the month/year end:	81 890	59 357	39 308	20 507	65 067	40 378	32 757	17 626	66 507	46 247	24 487	6 768	6 768	109	654

## 2.10 Annual budgets and SDBIPs – internal departments

To be revised after tabling of MTREF

Information to be updated by IDP and PMS section

### EID Cluster

Strategic Priority (SP2): Broaden access to and improve the quality of municipal services				
Key Performance Area (KPA 1): Service delivery and infrastructure development				
Programme 1: Water (Lead Dept: Technical Services)				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target (2012/13-2016/17)	Annual Target 2014/15
To ensure access to potable water by 2014	1.1 No of total HHs with access to potable water in formalised areas (yard metered connection)	46 255	51 893	48 792
	1.2 No. of HHs provided with new metered yard connections	500	6 138 <sub>1</sub>	2 537
To ensure the effective and efficient management of water resources	1.7 % of maintenance plan developed and submitted for approval	100%	100%	100%
	1.8 % of water distribution loss maintained	14%	14%	14%
	1.9 % of reported water leaks repaired within an average of 48 hours	95%	100%	100%
	1.10 % compliance with the blue drop water quality accreditation system <sub>2</sub>	97%	99%	98%
	1.11 % of WSDP developed and approved	90%	90%	90%
	1.12 % of water demand management plan developed and approved	75%	100%	100%

<sup>1</sup>Backlog = Themba Kubheka (2 537); Moodraai (3 101)

<sup>1</sup> Practical completion of WTW achieved/Commissioning and handover & release of retention outstanding (1%)

2014/15: Themba Kubheka house connections, 2 537

2015/16: Moodraai 1 500 stands

2016/17: Moodraai 1 601 stands

<b>Strategic Priority (SP2):</b> Broaden access to and improve the quality of municipal services				
<b>Key Performance Area (KPA 1):</b> Service delivery and infrastructure development				
<b>Programme 2: Sanitation (Lead Dept: Technical Services)</b>				
<b>Objectives</b>	<b>Key Performance Indicator (KPI)</b>	<b>Baseline (2013/14)</b>	<b>Five Year Target (2012/13-2016/17)</b>	<b>Annual Target 2014/15</b>
To provide decent sanitation to all households by 2014	2.1 No HHs with access to decent sanitation	43 055	51 893	46 055
	2.2 No. of households provided with sewer house connections	3 187	11 888	3 000
To ensure sufficient bulk infrastructure	2.3 % WWTW capacity augmented in O/Ville and D/Ville	0%	100%	40%
	2.4 No. of kms of outfall sewer line replaced	0km	8km	2km
	2.5 % of maintenance plan developed and submitted for approval	100%	100%	100%
To ensure the effective and efficient management of the sanitation system and network	2.6 % of reported sewer blockages attended to within an average of 48 hours	92%	95%	93%
	2.7 % compliance with the green drop quality accreditation systems	70%	80%	80%

<b>Strategic Priority (SP2):</b> Broaden access to and improve the quality of municipal services				
<b>Key Performance Area (KPA 1):</b> Service delivery and infrastructure development				
<b>Programme 3: Electricity (Lead Dept.: Technical Services)</b>				
<b>Objectives</b>	<b>Key Performance Indicator (KPI)</b>	<b>Baseline (2013/14)</b>	<b>Five Year Target (2012/13-2016/17)</b>	<b>Annual Target 2014/15</b>
To ensure access to electricity by all communities	3.1 % of HHs with access to basic electricity in formal areas	43 175	51 893	(Amelia & Gortin) 46 675
	3.2 No. of HHs provided with new metered stand connections in formal areas	1 453	6 037	3 500
	3.5 % of maintenance plan developed and submitted for approval	100%	100%	100%
To ensure the effective and efficient management of the electricity network	3.6 % of electricity master plan developed and approved	75%	100%	100%
	3.7 % electricity distribution losses maintained	13%	10%	12%
	3.8 Average response time maintained for reported outages for households	2hrs	2hrs	2hrs
	3.9 Average response time maintained to reported outages by industrial consumers	24hrs	24hrs	24 hrs
	3.10 Average response time maintained for faulty street- and high mast lights	3 months	2 months	2 months

<b>Strategic Priority (SP2):</b> Broaden access to and improve the quality of municipal services				
<b>Key Performance Area (KPA 1):</b> Service delivery and infrastructure development				
<b>Programme 4:</b> Roads and storm water ( <b>Lead Dept.:</b> Technical Services)				
<b>Objectives</b>	<b>Key Performance Indicator (KPI)</b>	<b>Baseline (2013/14)</b>	<b>Five Year Target (2012/13-2016/17)</b>	<b>Annual Target 2014/15</b>
To ensure sufficient roads and storm water networks to all communities	4.1 Total kms of roads upgraded to surfaced roads (tar/paved)	10km	60km	10 km
	4.2 Total kms of un-engineered roads (dirt roads) graded	10km	50 km	10km
	4.3 % of maintenance plan developed and submitted for approval	100%	100%	100%
	4.5 % of roads and storm water master plan developed and approved	75%	100%	100%
To ensure sufficient roads and storm water networks to all communities	4.7 % actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget	60%	100%	100%
	4.8 % actual capital expenditure (OPEX) as a percentage of the approved/adjusted budget	70%	100%	100%
	4.9 % of Auditor General queries resolved by end of April	50%	10%	100%
	4.10 % of report submitted on performance assessment of the service providers	0%	100%	100%

<b>Strategic Priority (SP3):</b> Build united, non-racial, integrated and safer communities				
<b>Key Performance Area (KPA 1):</b> Service delivery and infrastructure development				
<b>Programme 5:</b> Human Settlements( <b>Lead Dept.:</b> Planning & LED)				
<b>Objectives</b>	<b>Key Performance Indicator (KPI)</b>	<b>Baseline (2013/14)</b>	<b>Five Year Target (2012/13-2016/17)</b>	<b>Annual Target 2014/15</b>
To provide sustainable human settlements and improved quality of household life through accelerated delivery of housing opportunities and access to basic services	5.1 All beneficiaries identified as per approved housing allocations( as per MEC announcement)	100%	100%	100%
	5.2 % of subsidy applications received submitted to Province within 3 months of receipt of approved allocations	100%	100%	100%
	5.3 Housing sector plan reviewed and submitted to Council for approval	100%	100%	100%
	5.4 Housing accreditation application submitted to Province (Level 1 & 2)	0%	100%	50%
	5.5 No. of informal areas formalised (Themba Khubeka & Mooidraai)	0	2	1
To stimulate development through effective and efficient spatial	5.6 Spatial development framework (SDF) reviewed and submitted to Council for approval	100%	100%	100%
	5.8 No. of re-zonings, sub-divisions and consolidation applications evaluated and submitted to Province within 60 working days of receipt	100%	100%	100%

<b>Strategic Priority (SP3):</b> Build united, non-racial, integrated and safer communities				
<b>Key Performance Area (KPA 1):</b> Service delivery and infrastructure development				
<b>Programme 5:</b> Human Settlements( <i>Lead Dept.: Planning &amp; LED</i> )				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target (2012/13-2016/17)	Annual Target 2014/15
planning and building control	5.9 No. of building plans approved within 30 days of receipt of fully completed applications	100%	100%	100%
	5.10 No. of building plan inspections conducted upon request within 30 days as per industry standard	90%	100%	100%
<b>Strategic Priority (SP1):</b> Build our local economy to create more employment, decent work and sustainable livelihoods				
<b>Key Performance Area (KPA 2):</b> Local Economic Development				
<b>Programme 6:</b> Public transport				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target (2012/13-2016/17)	Annual Target 2014/15
To ensure that an effective and efficient public transport system is developed and maintained	6.1 % of Integrated Transport Plan (ITP) developed and approved	0%	100%	50%
	6.2 No. of new taxi ranks completed	1	6	1

<b>Strategic Priority (SP1):</b> Build our local economy to create more employment, decent work and sustainable livelihoods				
<b>Key Performance Area (KPA 2):</b> Local Economic Development				
<b>Programme 7:</b> Local Economic Development ( <i>Lead Dept.: Planning &amp; LED</i> )				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target (2012/13-2016/17)	Annual Target 2014/15
To ensure support (non-financial and financial) for small enterprises, co-operatives and the informal sector	7.1 LED Strategy developed and approved by Council	0%	100%	100%
	7.2 No of LED platforms convened	0	6	2
	7.3 Incentive policy developed and approved by Council	0	100%	50%
	7.4 Development of tourism brochure	0	100%	50%
	7.6 No of tourism events organised	0	6	2

<b>Strategic Priority (SP1):</b> Build our local economy to create more employment, decent work and sustainable livelihoods				
<b>Key Performance Area (KPA 2):</b> Local Economic Development				
<b>Programme 7:</b> Local Economic Development ( <i>Lead Dept.: Planning &amp; LED</i> )				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target (2012/13-2016/17)	Annual Target 2014/15
	7.7 No. of social labour plan (SLP) projects completed	1	5	1
	7.8 No. of local jobs summit organised and convened	1	4	1

<b>Strategic Priority (SP1):</b> Build our local economy to create more employment, decent work and sustainable livelihoods				
<b>Key Performance Area (KPA 2):</b> Local Economic Development				
<b>Programme 8:</b> Job Creation ( <i>Lead Dept: Planning &amp; LED</i> )				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target (2012/13-2016/17)	Annual Target 2014/15
To ensure support (non-financial and financial) for small enterprises, co-operatives and the informal sector	8.1 Number of quarterly statistical reports compiled on employment opportunities created as part of LED ( <i>NKPI: 7</i> )	4	20	4
	8.2 Number of quarterly statistical reports compiled on employment opportunities created through EPWP initiatives ( <i>NKPI: 7</i> )	4	20	4
	8.3 Number of quarterly statistical reports compiled on employment opportunities created through CWP by 2014( <i>NKPI: 7</i> )	4	20	4
	8.4 % of actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget	60%	100%	100%
	8.5 % Of actual capital expenditure (OPEX) as a percentage of the approved/adjusted budget	70%	100%	100%
	8.6 % of Auditor General queries resolved by end of April	50%	100%	100%
	8.7 % of report submitted on performance assessment of the service providers	0%	100%	100%



<b>Strategic Priority (SP1):</b> Build our local economy to create more employment, decent work and sustainable livelihoods				
<b>Key Performance Area (KPA 2):</b> Local Economic Development				
<b>Programme 9:</b> Sustainable Livelihoods ( <i>Lead dept.: Financial Services</i> )				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target (2012/13-2016/17)	Annual Target 2014/15
To ensure that poor households have access to free basic municipal services (NKPI: 5)	9.1 Place an advert annually in the newspaper calling for IGG registrations	0	3	1
	9.2 Captured all new IGG applications on Indigent register within two months	47%	100%	100%
	9.3 Number of households on indigent register captured	8 433	12 000	11 000

### Social Protection and Community Development Cluster

<b>Strategic Priority (SP2):</b> Broaden access to and improve the quality of municipal services				
<b>Key Performance Area (KPA 1):</b> Service delivery and infrastructure development				
<b>Programme 10:</b> Waste Management ( <i>Lead dept.: Social Services</i> )				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To provide affordable, effective, efficient, economical and accessible waste management services to all communities.	10.1 No. of households having access to basic refuse removal services ( <i>removal at least once a week</i> )	47 000	50 000	48 000
	10.2 No of formal businesses receiving a daily refuse removal service	100%	100%	100%
	10.3 IWMP reviewed annually and submitted to Council for approval	100%	100%	100%
	10.4 % of Approved Integrated Waste Management Plan (IWMP) implemented	25%	100%	50%
	10.5 Functional waste management information system reported (NKPI: 1)monthly	12	12	12
	10.6 Existing landfill site closed	25%	100%	100%
	10.8 % of new landfill site established	25%	50%	25%

<b>Strategic Priority (SP2):</b> Broaden access to and improve the quality of municipal services				
<b>Key Performance Area (KPA 3):</b> Community Development and Social Cohesion				
<b>Programme 11: Community Facilities (Lead dept.: Social Services)</b>				
<b>Objectives</b>	<b>Key Performance Indicator (KPI)</b>	<b>Baseline (2013/14)</b>	<b>Five Year Target 2016/17</b>	<b>Annual Target 2014/15</b>
To promote access and utilisation of public and community amenities.	11.1 Number of new family parks established	2	10	2
	11.2 Number of new sports grounds established	4	18	2
	11.3 Number of new cemeteries established (Amelia & extension of O/Ville)	1	2	1
	11.4 Number of existing community halls maintained	7	7	7
	11.5 Number of existing swimming pools maintained	2	2	2
	11.6 Number of existing family parks maintained	14	14	14
	11.7 Number of existing sports grounds maintained	20	20	20
	11.8 Number of stadiums maintained	2	2	2
	11.9 High Performance Centres (HPCs) maintained	1	1	1
	11.10 MPC maintained	1	1	1
	11.11 Number of existing cemeteries maintained	8	8	8
	11.12 Abrahamsrust facility maintained as per approved maintenance plan	50%	100%	100%
		11.13 Day Visit Facilities (OV/DV) maintained and as per approved maintenance plan	70%	100%

<b>Strategic Priority (SP3):</b> Broaden access to and improve the quality of municipal services				
<b>Key Performance Area (KPA 3):</b> Community Development and Social Cohesion				
<b>Programme 12: Clean Communities (Lead dept.: Social Services)</b>				
<b>Objectives</b>	<b>Key Performance Indicator (KPI)</b>	<b>Baseline (2013/14)</b>	<b>Five Year Target 2016/17</b>	<b>Annual Target 2014/15</b>
To develop and promote a clean and environmentally-friendly town & communities	12.1 Annual clean & green-ward competition organised in identified wards	5 wards	100%	6 wards
	12.2 Number of waste management education and awareness programmes implemented	4	20	4
	12.3 Number of illegal dumps removed	40	135	20

<b>Strategic Priority (SP3):</b> Broaden access to and improve the quality of municipal services				
<b>Key Performance Area (KPA 3):</b> Community Development and Social Cohesion				
<b>Programme 13: Safe Communities (Lead dept.: Social Services)</b>				
<b>Objectives</b>	<b>Key Performance Indicator (KPI)</b>	<b>Baseline (2013/14)</b>	<b>Five Year Target 2016/17</b>	<b>Annual Target 2014/15</b>
To support and strengthen the fight against crime in all communities	13.1 Participation of MLM in established Security Cluster	100%	100%	100%
	13.2 By-Law enforcement unit established and functional	90%	100%	100%
	13.3 Number of school road safety programmes implemented ( <i>in consultation with Principals</i> )	15	75	15
	13.4 % support for local, provincial and national crime prevention initiatives	100%	100%	100%
	13.5 % community access to fire-fighting services (wards?)	100%	100%	100%
	13.6 Response time to fire-fighting emergencies	Within 20 mins	Within 10 mins	Within 20 mins
	13.7 Number of fire-safety programmes conducted	10per quarter	200	10per quarter
	13.8 % actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget	60%	100%	100%
	13.9 % actual capital expenditure (OPEX) as a percentage of the approved/adjusted budget	70%	100%	100%
	13.10 % of Auditor General queries resolved by end of April	50%	100%	100%
	13.11 % of report submitted on performance assessment of the service providers	0%	100%	100%
<b>Strategic Priority (SP3):</b> Broaden access to and improve the quality of municipal services				
<b>Key Performance Area (KPA 3):</b> Community Development and Social Cohesion				
<b>Programme 14: Healthy Communities (Lead dept.: Social Services)</b>				
<b>Objectives</b>	<b>Key Performance Indicator (KPI)</b>	<b>Baseline (2013/14)</b>	<b>Five Year Target 2016/17</b>	<b>Annual Target 2014/15</b>
To increase awareness and participation of communities in HIV/AIDS, TB, STIs, and other illnesses.	14.1 Number of community awareness programmes conducted on HIV/AIDS, TB and STIs	2	10	2
	14.2 Number of sport development programmes organised/offered	4	20	4
To increase access to community development services	14.3 Number of library development programmes organised/offered	900	4 600	900
	14.4 Number of new members to libraries	500	2500	500
	14.5 Number of youth development programmes organised	2	10	2
	14.6 Number of programmes organised for women	2	10	2
	14.7 Number of programmes organised for children	2	10	2
	14.8 Number of programmes organised with the aged	2	10	2

<b>Strategic Priority (SP3):</b> Broaden access to and improve the quality of municipal services				
<b>Key Performance Area (KPA 3):</b> Community Development and Social Cohesion				
<b>Programme 15:</b> Arts and Culture ( <i>Lead dept.: Social Services</i> )				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To improve access and maximise utilization of arts and culture resources	15.1 Annual arts and culture festival organised/hosted	0	3	1
	15.2 Number of arts and culture programmes organised	12	48	12
	15.3 Number of events/programmes held at theatre	4	20	4
	15.4 Number of local artists participating in theatre programmes	4	20	4

<b>Strategic Priority (SP3):</b> Broaden access to and improve the quality of municipal services				
<b>Key Performance Area (KPA 3):</b> Community Development and Social Cohesion				
<b>Programme 16:</b> Disaster Management ( <i>Lead dept.: Social Services</i> )				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To increase awareness and participation of communities in disaster management.	16.1 Increased number of disaster awareness programmes conducted in partnership with District and local Industries	4	20	4
	16.2 % of disaster management plan developed and implemented	100%	100%	100%
	16.3 Number of volunteers trained on disaster management	30	150	30

## Governance and Administration Cluster

<b>Strategic Priority (SP4):</b> Promote active community participation				
<b>Key Performance Area (KPA 4):</b> Public Participation and Good Governance				
<b>Programme 17:</b> Participatory Governance ( <i>Lead depts: Speaker's Office, Executive Mayor's Office &amp; MM's Office</i> )				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To improve the level of functionality of public participation systems in the municipality (NKPI: 10)	17.1 Number of Functional Ward Committees established	21	21	21
	17.2 Number of CDW's deployed in all 21 wards	17	21	21
	17.3 Number of ward committees trained on identified core skills areas	0	21	21
	17.4 Number of monthly community meetings held per ward	4 per ward	4 per ward Per annum	4 per ward
To actively support community-initiated social activities (2011 LGEM Local Priority 4)	17.5 Number of skills programmes implemented for burial societies, stokvels, religious groups, etc.	3 per annum	4 per annum	4 per annum
To improve external and internal communication	17.6 Number of monthly updates of municipal website completed	12 updates	12updates Per annum	12 updates
	17.7 Number of newsletters produced and published	6per annum	6	6

17.8	Number of interactions arranged with the print and electronic media	12 per annum	12	12
17.9	Number of quarterly interactions held with relevant municipal and community stakeholders (business, religious, etc.)	4	4	4
17.10	% actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget	60%	100%	100%
17.11	% actual capital expenditure (OPEX) as a percentage of the approved/adjusted budget	70%	100%	100%
17.12	% of Auditor General queries resolved by end of April	50%	100%	100%
17.13	% of report submitted on performance assessment of the service providers	0%	100%	100%

**Strategic Priority (SP5):** Ensure more effective, accountable and clean local government that works together with national and provincial government

**Key Performance Area (KPA 4):** Public Participation and Good Governance

**Programme 18:** Corporate Governance (*Lead dept.: Office of the Municipal Manager*)

Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To ensure that effective and efficient systems and processes of good governance are implemented and maintained (NKPI: 9)	18.2 % of annual review of approved 5-year IDP conducted in terms of MSA and MFMA ( <i>Annual Revised IDP must be adopted by Council by the end of May each year</i> )	100% (Second Review)	100%	100% (Third Review)
	18.3 % of compliant annual SDBIP approved within 28 days after the approval of the budget	100%	100%	100%
	18.4 % Security management strategy compiled and approved (reviewed annually)	0%	100%	100%
	18.5 % Security management policy and plan compiled and approved (reviewed annually)	0%	100%	100%
	18.6 % report on Security incidents submitted to senior management (monthly) and council (quarterly)	0%	100%	100%
	18.7 % of annual internal audit plan approved by audit committee before end of June each year	70%	100%	100%
	18.8 % execution of annual internal audit plan	100%	100%	100%
	18.9 % developed three rolling coverage plan	100%	100%	60%
	18.10 Number of audit committees held per annum	4	4 per annum	4
	18.11 % review of audit charters completed annually (reviewed charters must be approved by the Audit Committee)	100%	100%	100%
	18.12 % of risk register compiled and updated quarterly	100%	100%	100%
	18.13 % review of risk management strategy & policy (approved by risk management committee)	100%	100%	100%

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government				
<b>Key Performance Area (KPA 4):</b> Public Participation and Good Governance				
<b>Programme 18:</b> Corporate Governance ( <i>Lead dept.: Office of the Municipal Manager</i> )				
<b>Objectives</b>	<b>Key Performance Indicator (KPI)</b>	<b>Baseline (2013/14)</b>	<b>Five Year Target 2016/17</b>	<b>Annual Target 2014/15</b>
	18.14 Number of risk management committee meetings held	4	4	4
	18.15 % of approved fraud prevention and anti-corruption strategy annually reviewed	100%	100%	100%
To ensure that a functional and effective Organisational Performance Management System (PMS) is adopted and implemented ( <i>NKPI: 3</i> )	18.16 % of approved fraud prevention and anti-corruption strategy annually implemented	50%	100%	75%
	18.17 % of compliant performance agreements for MM and s56 managers compiled and signed on time ( <i>NKPI: 2</i> )	100%	100%	100%
	18.18 % of Employee PM & D policy submitted to Council for approval	0%	100%	100%
	18.19 % of PMS cascaded to all levels of employees in the municipality	0%	100%	60%
	18.20 No. of quarterly institutional performance reports submitted to Council within 30 days after the end of each quarter	4	4	4
	18.21 % of MSA and MFMA compliant Annual Report tabled in Council by 31 January each year	100%	100%	100%
	18.22 Oversight report submitted to Council within two months after tabling of Annual Report	End of March	End of March each year	End of March
	18.23 % of monthly report submitted to senior management regarding D/ville & O/ville units	0%	100%	100%
	18.24 % of actual revenue collected against budget from day visit areas (D/ville & O/ville)	0%	100%	100%

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government				
<b>Key Performance Area (KPA 4):</b> Public Participation and Good Governance				
<b>Programme 19:</b> Intergovernmental Relations (IGR) ( <i>Lead depts.: Executive Mayor's Office &amp; Office of the Municipal Manager</i> )				
<b>Objectives</b>	<b>Key Performance Indicator (KPI)</b>	<b>Baseline (2013/14)</b>	<b>Five Year Target 2016/17</b>	<b>Annual Target 2014/15</b>
To ensure effective participation by the municipality in all IGR forums and programmes ( <i>NKPI: 12</i> )	19.1 % of IGR meetings and forums at District, Provincial and National levels attended according to schedules (DCF, PCF, Provincial and National Forums)	100%	100%	100%
	19.2 % of relevant IGR reports submitted to senior management (14 days after each meeting)	100%	100%	100%
	19.3 % actual capital expenditure (CAPEX) as a percentage of the	60%	100%	100%

	approved/adjusted budget			
	19.4 % actual capital expenditure (OPEX) as a percentage of the approved/adjusted budget	70%	100%	100%
	19.5 % of Auditor General queries resolved by end of April	50%	100%	100%
	19.6 % of report submitted on performance assessment of the service providers	0%	100%	100%
	19.7 % of Communication strategy developed and approved (reviewed annually)	0%	100%	100%

**Strategic Priority (SP5):** Ensure more effective, accountable and clean local government that works together with national and provincial government

**Key Performance Area (KPA 4):** Public Participation and Good Governance

**Programme 20:** Customer Care (*Lead dept.: Corporate Services*)

Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To ensure that an effective and efficient customer care function is established	20.1 % of customer care policy and implementation plan compiled and approval	0%	100%	50%
	20.2 % of customer care model implemented (as per approved implementation plan)	0%	100%	50%

**Strategic Priority (SP5):** Ensure more effective, accountable and clean local government that works together with national and provincial government

**Key Performance Area (KPA 5):** Financial Management and Viability

**Programme 21:** Revenue and Cash Flow Management (*Lead dept.: Financial Services*)

Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To ensure the effective and efficient management of municipal revenue and cash flow according to national norms and standards	21.2 % of consumer debtors revenue collected ( <i>actual total collections as a percentage of total levies/billings</i> )	88%	95%	85%
	21.3 % actual revenue generated as a percentage of the approved/adjusted budget	98%	98%	98%
	21.4 Billing done monthly no later than month end	0	100%	100%
	21.5 All meter readings to be completed by no later than 25 <sup>th</sup> of every month	0	100%	100%
	21.6 Warning letters issued no later than 20 <sup>th</sup> of the month	0	100%	100%

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government				
<b>Key Performance Area (KPA 5):</b> Financial Management and Viability				
<b>Programme 21:</b> Revenue and Cash Flow Management ( <i>Lead dept.: Financial Services</i> )				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
	21.7 Ensure that all cut offs have been effected by the service provider by no later than 25 <sup>th</sup> of each month	0	100%	100%
	21.8 Implement data purification project	0	100%	100%
	21.9 Implementation of operations Patala	0	100%	100%
	21.10 Daily cash flow submitted to the Executive Mayor	100%	100%	100%

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government				
<b>Key Performance Area (KPA 5):</b> Financial Management and Viability				
<b>Programme 22:</b> Expenditure Management and SCM ( <i>Lead dept.: Financial Services</i> )				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To implement an effective and efficient system of expenditure and supply chain management	22.1 Creditors paid within 30 days of receipt of invoice(MFMA)	100%	100%	100%
	22.2 Bank recons done monthly	100%	100%	100%
	22.3 Salaries paid on time	27th of every month	27th of every month	27th of every month
	22.4 Salary deductions paid on time	7th of every month	7th of every month	7th of every month
	22.5 % of creditors paid within 30 days of receipt of invoice ( <i>includes implementing and maintaining an effective system of internal control</i> )	100%	100%	100%
	22.6 Insurance premium paid on time	100%	100%	100%
	22.7 Insurance claims received from depts. Submitted to insurer within 7 days	100%	100%	100%
	22.8 Annual review of insurance premiums	100%	100%	100%
	22.9 Awarding quotations between R30000 and R200000 within 21 days of receipt of the request	21 days	14 days	21 days
	22.10 Adjudication of tender for bids above R200 000 within 90 days of the closing date of advert	90 days	90 days	90 days
	22.11 Compliance with approved SCM policy, procedures and SCM legislation	100%	100%	100%



22.12 Annual update of database	100%	100%	100%
22.13 Quarterly reporting to Council on tenders awarded	100%	100%	100%
22.14 Quarterly reporting to Council on deviations	0	100 %	100 %
22.15 Quarterly reporting to Council on procurement from 30k – 200k	0	100 %	100 %
22.16 Reporting to Council on stock counts done bi- annually	0	100%	100%
22.17 Stock losses not to exceed 10% of physical stock	0	5%	10%
22.20 % compliance maintained with approved SCM policy and procedures ( <i>includes elimination of internal and external audit queries</i> )	100%	All Depts.	100%
22.7 Tender turnaround time maintained for bids above R200 000	No actual data	90 days	90 days
22.8 % compliance maintained with approved SCM policy and procedures ( <i>includes elimination of internal and external audit queries</i> )	100%	100%	100%

**Strategic Priority (SP5):** Ensure more effective, accountable and clean local government that works together with national and provincial government

**Key Performance Area (KPA 5):** Financial Management and Viability

**Programme 23:** Budgeting and Reporting (*Lead dept.: Financial Services*)

Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To ensure that the municipal budget and financial reporting process are compliant with applicable legislation	23.1 % actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget for finance	90%	90%	90%
	23.2 % actual operating expenditure (OPEX) as a percentage of the approved/adjusted budget for finance	90%	92%	90%
	23.3 % of MSIG allocation spent	100%	100%	100%
	23.4 Draft Budget compiled and tabled by no later than 31 March	100%	100%	100%
	23.5 Adjustment Budget tabled by no later than end February	100%	100%	100%
	23.6 % actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget	65%	80%	70%
	23.7 % actual operating expenditure (OPEX) as a percentage of the approved/adjusted budget	90%	95%	91%
	23.8 % actual expenditure on repairs and maintenance as a percentage of the approved/adjusted budget	6%	10%	7%
	23.9 % of MIG allocation spent	100%	100%	100%
	23.10 Annual Budget (MTREF) compiled and approved by end of May each year	100%	100%	100%
	23.11 Monthly budget statements (s71 of MFMA) are compiled and submitted to the Mayor by no later than 10 working days after the end of each month	100%	100%	100%

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government				
<b>Key Performance Area (KPA 5):</b> Financial Management and Viability				
<b>Programme 23:</b> Budgeting and Reporting ( <i>Lead dept.: Financial Services</i> )				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
	23.12 Monthly National Treasury returns submitted on time	100%	100%	100%
	23.13 Quarterly National Treasury returns submitted on time	100%	100%	100%
	23.14 DoRA returns submitted on time (FMG & DWA) monthly	100%	100%	100%
	23.15 Mid-year budget assessment and budget adjustments report submitted to Mayor by 25 January each year (s72 of MFMA)	100%	100%	100%

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government				
<b>Key Performance Area (KPA 5):</b> Financial Management and Viability				
<b>Programme 24:</b> Clean Audit ( <i>Lead dept.: Financial Services</i> )				
Objectives	Key Performance Indicator (KPI)	Baseline (2012/13)	Five Year Target 2016/17	Annual Target 2014/15
To ensure that the municipality received a Clean Audit Report by 2014	24.1 Annual Financial Statements submitted to the Auditor-General by the end of August	100%	100%	100%
	24.2 Actual improvement in annual audit outcomes received from the Auditor-General	Un-qualified	Clean audit	Unqualified
	24.3 PROPAC resolutions implemented annually affecting finance	100%	100%	100%

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government				
<b>Key Performance Area (KPA 5):</b> Financial Management and Viability				
<b>Programme 25:</b> Asset Management ( <i>Lead dept.: Financial Services</i> )				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To ensure the effective, efficient and economical management of municipal assets	25.1 % of Fixed Asset Register (FAR) compiled and updated annually in line with GRAP requirements	100%	100%	100%
	25.2 Physical verification of assets done annually	100%	100%	100%

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government				
<b>Key Performance Area (KPA 5):</b> Financial Management and Viability				
<b>Programme 26:</b> Facilities Management ( <i>Lead depts.: Corporate Services &amp; Office of the Municipal Manager</i> )				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To ensure the effective, efficient and economical management of municipal facilities	26.1 % of fleet management policy developed and submitted to Council for approval	0%	100%	100%
	26.2 % of centralised fleet management unit established	0%	100%	100%
	26.3 % of municipal buildings and corporate facilities managed effectively, efficiently and economically ( <i>includes council offices, equipment, furniture, etc.</i> )	20%	100%	100%
	26.4 % of ICT policy compiled and submitted to Council for approval	100%	100%	100%
	26.5 % of ICT Steering committee established	100%	100%	100%
	26.6 Downtime of critical systems reduced to less than 5% of total uptime required	5%	5%	5%
	26.7 % of workstations functional and on-line	90%	95%	93%
	26.8 % of user complaints attended to within 24 hours of receipt	90%	95%	93%

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government				
<b>Key Performance Area (KPA 6):</b> Institutional Development and Transformation				
<b>Programme 27:</b> Human Capital ( <i>Lead dept.: Corporate Services</i> )				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To provide sufficient and skilled human capital to enable all departments to function optimally in order to enhance institutional capacity and effective service delivery	27.1 % of funded critical posts filled by suitably qualified candidates	50%	100%	80%
	27.2 Turnaround time maintained on recruitment: funded vacancies (from date of advertisement)	90 working days	90 working days	90 working days
	27.3 % of organisational structure reviewed as when the need arises	100%	100%	100%
	27.4 % of job grading and evaluation completed (reviewed annually if required)		100%	100%
	27.5 % of workplace skills plan (WSP) and annual training report (ATR) compiled and submitted annually to the LGSETA	100%	100%	100%
	27.6 % of staff trained as per WSP targets on an annual basis	100%	100%	100%
	27.8 % implementation of EE plan as per approved targets and measures	0%	100%	100%
	27.9 % of human resource-related policies compiled and/or reviewed as when needed	100%	100%	100%
	27.10 Fully functional Local Labour Forum (LLF) established ( <i>no. of meetings held per annum</i> )	11	10	10

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government				
<b>Key Performance Area (KPA 6):</b> Institutional Development and Transformation				
<b>Programme 27:</b> Human Capital ( <i>Lead dept.: Corporate Services</i> )				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
	27.11 % of disputes and grievances (stage 1 to 3) handled in terms of the collective agreement ( <i>turnaround time is within 90 days</i> )	100%	100%	100%
	27.11 % of service excellence awards finalised by end of November each year	95%	100%	0%

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government				
<b>Key Performance Area (KPA 6):</b> Institutional Development and Transformation				
<b>Programme 28:</b> Institutional Excellence				
Objectives	Key Performance Indicator (KPI)	Baseline (2013/14)	Five Year Target 2016/17	Annual Target 2014/15
To create a working environment that enables good staff morale, high performance and effective functioning of council structures	28.1 Number of organisation development interventions implemented annually	0	6	1
	28.2 % of approved Council Schedule by end of June each year	100%	100%	100%
	28.3 % of agendas for council, mayoral committee and portfolio committees delivered within 48 hours	100%	100%	100%
	28.4 Number of quarterly reports to Council on the monitoring and implementation of council resolutions.	4	4 per annum	4
	28.5 % of Auditor General queries resolved by end of April	0	100%	100%
	28.6 % actual capital expenditure (CAPEX) as a percentage of the approved/adjusted budget	0	100%	100%
	28.7% actual capital expenditure (OPEX) as a percentage of the approved/adjusted budget	0	100%	100%
	28.8% of All leave applications to be captured on PayDay system within 30 days of submission	0	100%	100%
	28.9 % of Approval of all By-laws(Reviewed annually)	0	100%	100%
	28.10 % of Development and updating of contract register quarterly ( Legal)	0	100%	100%
	28.11 Conducting of awareness campaigns on Collective Agreements ( LR) (Annually)	0	1	1

<b>Strategic Priority (SP5):</b> Ensure more effective, accountable and clean local government that works together with national and provincial government				
<b>Key Performance Area (KPA 6):</b> Institutional Development and Transformation				
<b>Programme 28:</b> Institutional Excellence				
<b>Objectives</b>	<b>Key Performance Indicator (KPI)</b>	<b>Baseline (2013/14)</b>	<b>Five Year Target 2016/17</b>	<b>Annual Target 2014/15</b>
	28.12 % of disciplinary cases Conducted and finalized within 90 days	0	100%	100%
	28.13 % of legal opinions provided on legal matters (Legal)	0%	100%	100%
	28.14 % of civil Matters/cases defended against or initiated in favor of the municipality(Legal)	0	100%	100%
	28.15 Control and management of the usage of telephone systems (monthly deductions of private calls from salary)	0%	100%	100%
	28.16 % of Telephone policy developed and approved (Reviewed annually)	0%	100%	100%
	28.17 % of Data Card policy developed and approved (Reviewed annually)	0	100%	100%
	28.18 % of updated Declaration of Interest and Gift Register maintained	0	100%	100%
	28.19 Number of Occupational Health and Safety Risk Assessment conducted (annually)	0	3	1
	28.20 No of Occupational Health and Safety Awareness Workshops conducted (Annually)	0	12	4
	28.21 % of Injuries reported and processed incident within 7 working days to the commissioner	0	100%	100%
	28.22 % of Evacuation Plan developed and implemented (Annually)	0	100%	100%
	28.23 Number of Employee Wellness Programmes provided to employees (e.g. alcohol and drug abuse, family violence etc.) as an when requested	0	3	1
	28.24 Employee Wellness Day arranged annually	0	3	1
	28.25 % of Review of Records Management policy (Annually)	0	100%	100%
	28.26 % of Development and approval of Records Management Strategy	0	100%	100%

## 2.11 Contracts having future budgetary implications

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

The Municipality enter into agreements for the rendering of printing services, office cleansing services and security services.

## 2.12 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Annexure A on page \_\_\_ to \_\_\_ reflect the detail Capital Budget

**Table 47MBRR SA 34a - Capital expenditure on new assets by asset class**

**FS204 Metsimaholo - Supporting Table SA34a Capital expenditure on new assets by asset class**

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>	1	38 069	65 588	66 696	104 589	61 623	61 623	110 430	30 319	71 520
Infrastructure - Road transport		9 827	10 042	1 408	33 000	7 000	7 000	14 000	6 989	45 160
<i>Roads, Pavements &amp; Bridges</i>		9 827	10 042	1 408	33 000	7 000	7 000	14 000	6 989	45 160
<i>Storm water</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		10 632	7 289	23 873	13 500	10 300	10 300	49 880	22 830	26 360
<i>Generation</i>		-	-	-	500	-	-	-	-	-
<i>Transmission &amp; Reticulation</i>		10 632	7 289	23 873	13 000	10 300	10 300	49 880	22 830	26 360
<i>Street Lighting</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Water		10 539	20 712	6 873	29 700	4 010	4 010	2 065	500	-
<i>Dams &amp; Reservoirs</i>		-	-	-	-	-	-	-	-	-
<i>Water purification</i>		-	-	-	16 000	4 010	4 010	2 065	500	-
<i>Reticulation</i>		10 539	20 712	6 873	13 700	-	-	-	-	-
Infrastructure - Sanitation		7 070	27 544	34 542	27 389	40 263	40 263	44 485	-	-
<i>Reticulation</i>		7 070	27 544	34 542	27 389	40 263	40 263	44 485	-	-
<i>Sewerage purification</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	1 000	50	50	-	-	-
<i>Waste Management</i>		-	-	-	1 000	50	50	-	-	-
<i>Transportation</i>	2	-	-	-	-	-	-	-	-	-

<b>Community</b>		<b>35 302</b>	<b>100</b>	<b>3 343</b>	<b>12 642</b>	<b>0</b>	<b>0</b>	<b>12 954</b>	<b>30 159</b>	<b>230</b>
Parks & gardens		-	-	-	-	-	-	-	-	-
Sports fields & stadia		-	-	1 093	12 642	0	0	7 704	29 259	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	2 250	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	500	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		2	100	-	-	-	4 750	900	230	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing	8	35 300	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		<b>740</b>	<b>12 425</b>	<b>870</b>	<b>8 900</b>	<b>16 612</b>	<b>16 612</b>	<b>28 818</b>	<b>33 252</b>	<b>17 612</b>
General vehicles		-	9 698	-	6 600	527	527	4 255	640	820
Specialised vehicles		-	-	-	-	-	-	5 000	-	-
Plant & equipment		418	1 661	343	500	850	850	6 653	14 334	9 922
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		321	25	375	1 800	235	235	1 998	43	23
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	198	152	-	-	1 413	3 105	5 247	-
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	13 490	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	844	-	-	15 000	15 000	9 500	1 640	1 600
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other ( <i>list sub-class</i> )		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets</b>	<b>1</b>	<b>74 111</b>	<b>78 113</b>	<b>70 910</b>	<b>126 131</b>	<b>78 235</b>	<b>78 235</b>	<b>152 202</b>	<b>93 730</b>	<b>89 362</b>
<b>Specialised vehicles</b>		-	-	-	-	-	-	<b>5 000</b>	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	5 000	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

**Table 48MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class**

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>	<b>1</b>									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		11 000	-	-	10 430	-	-	-	-	-
Infrastructure - Road transport		11 000	-	-	5 700	-	-	-	-	-
Roads, Pavements & Bridges		11 000			5 700					
Storm water										
Infrastructure - Electricity		-	-	-	3 300	-	-	-	-	-
Generation										
Transmission & Reticulation					3 300	-				
Street Lighting										
Infrastructure - Water		-	-	-	1 200	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation					1 200	-				
Infrastructure - Sanitation		-	-	-	230	-	-	-	-	-
Reticulation										
Sewerage purification					230	-				
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation										
<b>Community</b>		-	400	-	-	-	-	-	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing			400							
Cemeteries										
Social rental housing										
Other										
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other										
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development										
Other										
<b>Other assets</b>		1 316	1 323	-	300	-	-	2 020	2 500	-
General vehicles								2 020	2 500	



Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment			1 323							
Computers - hardware/equipment										
Furniture and other office equipment										
Civic Land and Buildings										
Other Buildings		1 316			300	-				
Other Land										
Surplus Assets - (Investment or Inventory)										
Other										
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>1</b>	<b>12 316</b>	<b>1 723</b>	<b>-</b>	<b>10 730</b>	<b>-</b>	<b>-</b>	<b>2 020</b>	<b>2 500</b>	<b>-</b>
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										
<b>Renewal of Existing Assets as % of total capex</b>		<b>14,3%</b>	<b>2,2%</b>	<b>0,0%</b>	<b>7,8%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>1,3%</b>	<b>2,6%</b>	<b>0,0%</b>
<b>Renewal of Existing Assets as % of deprecn"</b>		<b>20,8%</b>	<b>4,0%</b>	<b>0,0%</b>	<b>17,1%</b>	<b>0,0%</b>	<b>0,0%</b>	<b>2,9%</b>	<b>3,3%</b>	<b>0,0%</b>

Table 49MBRR SA34c - Repairs and maintenance expenditure by asset class

## FS204 Metsimaholo - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>	<b>1</b>									
<b>Infrastructure</b>		<b>53 958</b>	<b>59 345</b>	<b>53 764</b>	<b>69 806</b>	<b>64 587</b>	<b>64 587</b>	<b>59 950</b>	<b>63 573</b>	<b>67 308</b>
Infrastructure - Road transport		18 434	19 665	14 602	23 909	13 399	13 399	22 404	23 709	25 071
Roads, Pavements & Bridges		16 434	19 665	14 602	21 409	12 399	12 399	22 404	23 709	25 071
Storm water		2 000	-	-	2 500	1 000	1 000	-	-	-
Infrastructure - Electricity		11 747	14 553	13 318	16 579	16 338	16 338	12 204	12 863	13 737
Generation		364	1 235	-	307	-	-	-	-	-
Transmission & Reticulation		11 071	13 189	13 235	16 113	16 078	16 078	11 904	12 685	13 407
Street Lighting		312	129	83	160	260	260	300	178	330
Infrastructure - Water		10 916	11 383	10 669	12 616	12 916	12 916	12 259	13 065	13 894
Dams & Reservoirs										
Water purification										
Reticulation		10 916	11 383	10 669	12 616	12 916	12 916	12 259	13 065	13 894
Infrastructure - Sanitation		7 880	8 871	10 227	12 394	17 414	17 414	9 224	9 822	10 436
Reticulation		7 880	8 871	10 227	12 394	17 414	17 414	9 224	9 822	10 436

<i>Sewerage purification</i>										
Infrastructure - Other		4 981	4 873	4 948	4 307	4 520	4 520	3 859	4 114	4 170
<i>Waste Management</i>		4 981	4 873	4 948	4 307	4 520	4 520	3 859	4 114	4 170
<i>Transportation</i>										
<b>Community</b>	2	-	1 105	194	533	576	576	669	704	740
Parks & gardens		-	-	24	178	1	1	2	3	3
Sports fields & stadia		-	4		112	29	29	46	49	52
Swimming pools		-	-		41	-	-			-
Community halls		-	0		48	19	19	25	26	28
Libraries		-	2	2	19	-	-	10	10	10
Recreational facilities		-	33	20	115	94	94	102	107	113
Fire, safety & emergency		-	-							
Security and policing		-	-							
Buses	7	-	-							
Cemeteries		-	-		20	-	-			
Social rental housing	8	-	-			150	150			
Other			1 065	148		283	283	484	508	533
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development								-	-	-
Other										
<b>Other assets</b>		9 016	6 187	5 609	9 395	7 206	7 206	7 928	8 241	8 493
General vehicles		2 618	3 772	1 003	3 900	1 156	1 156	1 564	1 648	1 716
Specialised vehicles	10	-	1 751	1 748	-	-	-	2 792	2 802	2 820
Plant & equipment		389	212	82	220	222	222	271	282	294
Computers - hardware/equipment		1 400	-	536						
Furniture and other office equipment		2 442	452		1 550	1 441	1 441	1 551	1 641	1 676
Abattoirs			-							
Markets			-							
Civic Land and Buildings			-	1 405	970	1 047	1 047	1 180	1 243	1 104
Other Buildings			-		304	-	-			
Other Land			-							
Surplus Assets - (Investment or Inventory)			-							
Other		2 167	1	835	2 451	3 340	3 340	571	624	883
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
<b>Total Repairs and Maintenance Expenditure</b>	1	62 974	66 638	59 567	79 733	72 369	72 369	68 547	72 518	76 541
<b>Specialised vehicles</b>		-	1 751	1 748	-	-	-	2 792	2 802	2 820
Refuse			1 429	1 538				2 486	2 480	2 480
Fire			322	210				306	322	340
Conservancy										
Ambulances										
<b>R&amp;M as a % of PPE</b>		7,6%	7,7%	6,4%	8,1%	7,6%	7,6%	6,6%	6,9%	7,2%
<b>R&amp;M as % Operating Expenditure</b>		9,7%	10,0%	8,3%	9,2%	8,2%	8,2%	7,2%	7,0%	7,0%

## 2.13 Legislation compliance status

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

1. In year reporting  
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting (Schedule C) to the Executive Mayor (within 10 working days) has progressively improved.
2. Internship programme  
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department, Budget and Treasury Office.  
The Budget and Treasury Office has been established in accordance with the MFMA.
3. Audit Committee  
An Audit Committee has been established and is fully functional.
4. Service Delivery and Implementation Plan  
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2015/16 MTREF in May 2015 directly aligned and informed by the 2015/16MTREF.
5. Annual Report  
Annual report is compiled in terms of the MFMA and National Treasury requirements.
6. Risk management  
The municipality has an updated risk management strategy and plan in place.
7. Implementation of SCM  
The reviewed supply chain management policy of the municipality, in line with the MFMA and national treasury prescripts, was adopted by council in February 2012. All bid committees as required by the SCM regulations are in place and the bid adjudication is chaired by the chief financial officer and operates within delegated powers.
8. Effectiveness of audit steering committees  
The audit steering committees is an ad-hoc committee established during the planning and execution of the annual audit. The committee usually comprise of officials of the municipality and the Auditor-General team performing the audit.
9. Reduction of short-term debt  
This regulation is not applicable to the municipality as overdraft facilities are managed within the context of section 45 of the MFMA relating to short-term debt.
10. Delegations  
All delegations are in place and council approved the generic financial delegations in November 2006. The delegations are process to be reviewed.

#### 11. Performance agreements

The new performance agreements for 2015/2016 will be finalised after the SDBIP has been approved.

#### 12. Implementation of GRAP

The key challenges for implementation of GRAP requirements are the following:

- Asset Register. Full compliance GRAP achieved, 30 June 2011.
- Investment property guidelines implemented - 30 June 2011
- Employee benefits fully captured. 30 June 2011
- Unbundling of PPE as per guidelines 30 June 2011.
- Not all stands are transferred in terms of housing scheme - 30 June 2015
- Lease : Government Garage treated as operating lease
- Debtors impaired.
- Billing information to be updated to accurate information for statements.

#### 13. Development of accounting policies

Several accounting policies have been developed to ensure the requirements of Circular 36 are complied with. The further development of accounting policies will be guided with exemptions as agreed with National Treasury on an annual basis.

#### 14. Inventories - unsold water

The inventories of unsold water are available from the Technical Section responsible. The water in "stock" is ± 45 mega litre and recorded daily. The reservoirs and pipes will be subject to stock taking on 30 June 2015. The detail of water losses need to be investigated to see if these stock levels needs to be impaired for the resale value of the water. The information is in the process to be updated.

#### 15. Asset register

The physical asset count will be performed and communicated by the external service provider. The unbundling of PPE as well as impairment and investment property guidelines were addressed in 2010/2011. A service provider was appointed. The project to be GRAP 17 compliant was completed at 30 June 2011. The asset register will be amended to be in line with adjustments made to GRAP.

## 2.14 Other supporting documents

**Table 50 MBRR Table SA1-Supporting detail to budgeted financial performance**

**FS204 Metsimaholo - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'**

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>											
<b>REVENUE ITEMS:</b>											
<b><u>Property rates</u></b>											
Total Property Rates	6	95 318	100 933	115 374	112 563	121 463	121 463		118 391	124 902	131 522
<i>less Revenue Foregone</i>		8 666	8 448	10 077	10 449	10 449	10 449		11 071	11 680	12 299
<b>Net Property Rates</b>		<b>86 652</b>	<b>92 485</b>	<b>105 296</b>	<b>102 114</b>	<b>111 014</b>	<b>111 014</b>	-	<b>107 319</b>	<b>113 222</b>	<b>119 223</b>
<b><u>Service charges - electricity revenue</u></b>											
Total Service charges - electricity revenue	6	150 817	164 079	193 449	226 572	226 572	226 572		243 223	267 546	294 300
<i>less Revenue Foregone</i>		13 429		14 146	6 621	6 621	6 621				
<b>Net Service charges - electricity revenue</b>		<b>137 388</b>	<b>164 079</b>	<b>179 303</b>	<b>219 951</b>	<b>219 951</b>	<b>219 951</b>	-	<b>243 223</b>	<b>267 546</b>	<b>294 300</b>
<b><u>Service charges - water revenue</u></b>											
Total Service charges - water revenue	6	161 824	159 701	204 259	291 239	291 238	291 238		321 470	339 149	357 126
<i>less Revenue Foregone</i>		20 107		24 352	15 053	18 053	18 053		14 404	15 090	15 890
<b>Net Service charges - water revenue</b>		<b>141 717</b>	<b>159 701</b>	<b>179 907</b>	<b>276 185</b>	<b>273 185</b>	<b>273 185</b>	-	<b>307 067</b>	<b>324 059</b>	<b>341 236</b>
<b><u>Service charges - sanitation revenue</u></b>											
Total Service charges - sanitation revenue		20 421	19 990	24 235	25 591	25 591	25 591		27 228	28 726	30 249
<i>less Revenue Foregone</i>		1 425		2 498	2 754	2 754	2 754		2 979	3 143	3 309
<b>Net Service charges - sanitation revenue</b>		<b>18 996</b>	<b>19 990</b>	<b>21 737</b>	<b>22 837</b>	<b>22 837</b>	<b>22 837</b>	-	<b>24 250</b>	<b>25 583</b>	<b>26 939</b>
<b><u>Service charges - refuse revenue</u></b>											
Total refuse removal revenue	6	25 259	27 526	29 606	39 978	39 978	39 978		35 618	37 577	39 569
Total landfill revenue		-									
<i>less Revenue Foregone</i>		-									
<b>Net Service charges - refuse revenue</b>		<b>25 259</b>	<b>27 526</b>	<b>29 606</b>	<b>39 978</b>	<b>39 978</b>	<b>39 978</b>	-	<b>35 618</b>	<b>37 577</b>	<b>39 569</b>

<b>Other Revenue by source</b>											
Fundraising			20	–	100	100	100		100	–	–
Legal cost		1 924	2 210	–	3 500	4 800	4 800		4 997	5 266	5 551
Departmental Income		–	–	–	–	–	–		–	–	–
Training		98	224	–	235	301	301		248	261	261
Other Revenue	3	2 357	2 325	2 857	493	494	494		515	543	571
<b>Total 'Other' Revenue</b>	<b>1</b>	<b>4 379</b>	<b>4 779</b>	<b>2 857</b>	<b>4 328</b>	<b>5 695</b>	<b>5 695</b>	<b>–</b>	<b>5 860</b>	<b>6 070</b>	<b>6 383</b>
<b>EXPENDITURE ITEMS:</b>											
<b>Employee related costs</b>											
Basic Salaries and Wages	2	94 347	106 949	116 056	120 013	115 308	115 308		161 648	172 802	184 440
Pension and UIF Contributions		17 417	16 909	18 687	20 184	20 202	20 202		16 124	17 237	18 374
Medical Aid Contributions		8 844	8 862	10 964	11 283	11 318	11 318		9 779	10 456	11 144
Overtime		12 535	17 371	16 393	18 411	16 163	16 163		18 109	19 358	20 636
Performance Bonus		–	–	–	–	–	–		–	–	–
Motor Vehicle Allowance		5 933	6 747	12 396	13 040	13 144	13 144		13 514	14 244	14 639
Cellphone Allowance		–	41	–	455	455	455		1 857	2 188	2 116
Housing Allowances		844	966	630	1 081	1 081	1 081		896	958	1 021
Other benefits and allowances		13 737	10 242	10 712	20 657	9 549	9 549		22 638	24 200	25 797
Payments in lieu of leave		897	261	485	2 647	2 647	2 647		3 541	3 785	4 035
Long service awards		4 472	388	380	–	–	–		–	–	–
Post-retirement benefit obligations	4	–	1 436	1 667	–	–	–		–	–	–
<b>sub-total</b>	<b>5</b>	<b>159 027</b>	<b>170 173</b>	<b>188 370</b>	<b>207 771</b>	<b>189 867</b>	<b>189 867</b>	<b>–</b>	<b>248 104</b>	<b>265 227</b>	<b>282 202</b>
<u>Less: Employees costs capitalised to PPE</u>											
<b>Total Employee related costs</b>	<b>1</b>	<b>159 027</b>	<b>170 173</b>	<b>188 370</b>	<b>207 771</b>	<b>189 867</b>	<b>189 867</b>	<b>–</b>	<b>248 104</b>	<b>265 227</b>	<b>282 202</b>
<b>Depreciation &amp; asset impairment</b>											
Depreciation of Property, Plant & Equipment		59 179	43 309	32 887	62 640	50 221	50 221		70 084	76 600	81 710
Lease amortisation											
Capital asset impairment											
Depreciation resulting from revaluation of PPE	10										
<b>Total Depreciation &amp; asset impairment</b>	<b>1</b>	<b>59 179</b>	<b>43 309</b>	<b>32 887</b>	<b>62 640</b>	<b>50 221</b>	<b>50 221</b>	<b>–</b>	<b>70 084</b>	<b>76 600</b>	<b>81 710</b>

<b>Bulk purchases</b>											
Electricity Bulk Purchases		125 554	144 367	155 375	199 877	173 937	199 877		190 891	216 662	245 911
Water Bulk Purchases		78 640	90 751	100 198	118 674	118 674	118 674		133 972	147 147	161 623
<b>Total bulk purchases</b>	1	<b>204 194</b>	<b>235 118</b>	<b>255 573</b>	<b>318 550</b>	<b>292 611</b>	<b>318 550</b>	-	<b>324 864</b>	<b>363 809</b>	<b>407 534</b>
<b>Transfers and grants</b>											
Cash transfers and grants		17 690	30 958	32 193	40 389	31 757	31 757	-	37 745	42 226	45 141
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Total transfers and grants</b>	1	<b>17 690</b>	<b>30 958</b>	<b>32 193</b>	<b>40 389</b>	<b>31 757</b>	<b>31 757</b>	-	<b>37 745</b>	<b>42 226</b>	<b>45 141</b>
<b>Contracted services</b>											
Security services		7 254	9 821	12 200	15 000	73 796	73 796		18 000	19 800	21 780
Printing Services		1 180	1 327	2 066	2 960	3 800	3 800		4 032	4 265	4 413
Cash Security Services		365	284	70	400	400	400		422	444	468
Cleansing Services		1 452	1 738	1 725	2 500	2 000	2 000		2 635	2 777	2 902
Other		5 702	6 852	7 912	8 800	7 650	7 650		8 512	8 594	8 680
<b>sub-total</b>	1	<b>15 953</b>	<b>20 022</b>	<b>23 972</b>	<b>29 660</b>	<b>87 646</b>	<b>87 646</b>	-	<b>33 601</b>	<b>35 881</b>	<b>38 244</b>
<b>Allocations to organs of state:</b>											
Electricity											
Water											
Sanitation											
Other											
<b>Total contracted services</b>		<b>15 953</b>	<b>20 022</b>	<b>23 972</b>	<b>29 660</b>	<b>87 646</b>	<b>87 646</b>	-	<b>33 601</b>	<b>35 881</b>	<b>38 244</b>
<b>Other Expenditure By Type</b>											
Collection costs											
Contributions to 'other' provisions		-									
Consultant fees		10 434	7 284	8 085							
Audit fees		2 977	3 724	4 366	4 256	4 256	4 256		5 280	5 808	6 389
General expenses	3	9 072	5 612	15 414	22 249	26 751	26 751		24 660	24 833	26 360
Advertising		1 041	1 177	848	2 731	2 531	2 531		2 153	2 574	2 524
Bursaries		866	1 676	1 133	2 647	2 647	2 647		2 682	2 719	2 758
Computer Systems		1 128	369	1 170	2 400	2 400	2 400		2 400	2 400	2 400
Conferences and delegations		980	1 027	891	1 590	1 064	1 064		1 822	1 230	1 276
Connection charges		366	414	496	1 096	1 096	1 096		1 056	1 170	1 228
Fuel and oil vehicles		5 314	6 862	7 498	6 297	4 268	4 268		7 808	8 230	8 663
Legal Expenses		3 780	4 868	-	6 505	6 805	6 805		7 002	7 872	7 557
Membership fees		1 110	1 589	1 838	2 320	2 350	2 350		2 567	2 686	2 807
Postage		1 216	1 433	1 389	1 825	1 675	1 675		1 644	1 737	1 835

<i>Printing and Stationary</i>		1 085	1 537	849	1 319	1 067	1 067		1 202	1 290	1 337
<i>Professional fees</i>		-	-	-	11 325	11 360	11 360		12 075	13 604	12 548
<i>Public programs</i>		3 573	2 044	1 306	2 850	1 050	1 050		3 004	3 165	3 551
<i>Rental External Equipment</i>		1 190	1 143	-	3 727	3 586	3 586		2 264	2 372	2 469
<i>Sewer Treatment</i>		11 395	12 560	13 517	14 479	14 479	14 479		17 607	19 015	20 536
<i>Stocks and materials</i>		1 124	1 009	815	1 692	1 125	1 125		4 753	7 799	8 411
<i>Telephone</i>		2 541	2 243	1 516	2 200	2 100	2 100		2 400	2 513	2 630
<i>Uniforms</i>		1 356	978	870	2 171	1 029	1 029		2 126	2 301	2 428
<i>Valuation costs</i>		2 002	2 276	433	1 000	600	600		1 054	7 000	1 000
<i>Bank charges</i>		1 555	1 378	452	430	430	430		490	510	530
<i>Insurance</i>		2 046	1 708	741	1 482	1 412	1 412		1 334	1 441	1 557
<i>Remuneration contingent liability</i>		-	-	-	200	-	-		200	279	200
<b>Total 'Other' Expenditure</b>	1	<b>66 151</b>	<b>62 910</b>	<b>63 625</b>	<b>96 790</b>	<b>94 080</b>	<b>94 080</b>	<b>-</b>	<b>107 583</b>	<b>122 547</b>	<b>120 993</b>
<b>Repairs and Maintenance by Expenditure Item</b>	8										
<i>Employee related costs</i>		38 647	43 030	44 385	49 048	45 137	45 137		35 775	38 243	40 768
<i>Other materials</i>		24 327	23 608	15 182	30 685	27 232	27 232		32 772	34 275	35 773
<i>Contracted Services</i>											
<i>Other Expenditure</i>											
<b>Total Repairs and Maintenance Expenditure</b>	9	<b>62 974</b>	<b>66 638</b>	<b>59 567</b>	<b>79 733</b>	<b>72 369</b>	<b>72 369</b>	<b>-</b>	<b>68 547</b>	<b>72 518</b>	<b>76 541</b>



**Table 51MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)****FS204 Metsimaholo - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)**

Description	Ref	Vote 1 - Council/Mayor, Speaker and Councillors	Vote 2 - Municipal Manager	Vote 3 - Organisational Development & Corporate Services	Vote 4 - Social Services	Vote 5 - Infrastructure Services	Vote 6 - Financial Services	Vote 7 - Local Economic Development	Total
<b>R thousand</b>	1								
<b>Revenue By Source</b>									
Property rates							107 319		107 319
Property rates - penalties & collection charges									-
Service charges - electricity revenue						243 223			243 223
Service charges - water revenue						307 067			307 067
Service charges - sanitation revenue						24 250			24 250
Service charges - refuse revenue					35 618				35 618
Service charges - other			100	150	2 701	2 887	1 816	659	8 314
Rental of facilities and equipment					1 572			3 700	5 272
Interest earned - external investments							2 000		2 000
Interest earned - outstanding debtors					1 178	11 362	5 631		18 171
Dividends received									-
Fines					6 024				6 024
Licences and permits					181				181
Agency services									-
Other revenue				248	1 228	32 005	4 997	121	38 599
Transfers recognised - operational			2 161		14 949	37 999	70 625		125 734
Gains on disposal of PPE								5 000	5 000
<b>Total Revenue (excluding capital transfers and contributions)</b>		-	<b>2 261</b>	<b>398</b>	<b>63 449</b>	<b>658 794</b>	<b>192 388</b>	<b>9 480</b>	<b>926 770</b>
<b>Expenditure By Type</b>									
Employee related costs		12 064	33 129	16 027	80 015	65 405	26 488	14 975	248 104
Remuneration of councillors		16 257							16 257
Debt impairment					4 929	62 965	16 384		84 279
Depreciation & asset impairment		204	10 237	1 412	3 507	51 135	1 415	2 175	70 084
Finance charges			131		1 233	805			2 168
Bulk purchases						324 864			324 864
Other materials		5	1 552	245	3 986	26 660	45	278	32 772
Contracted services		307	18 160	4 469	219	5 045	3 317	112	31 630
Transfers and grants					12 329	17 617	7 800		37 745
Other expenditure		9 679	(9 575)	(5 865)	32 441	125 467	(15 478)	5 624	142 293
Loss on disposal of PPE									-
<b>Total Expenditure</b>		<b>38 516</b>	<b>53 634</b>	<b>16 288</b>	<b>138 659</b>	<b>679 962</b>	<b>39 971</b>	<b>23 164</b>	<b>990 194</b>

<b>Surplus/(Deficit)</b>	(38 516)	(51 373)	(15 890)	(75 210)	(21 168)	152 417	(13 684)	(63 424)
Transfers recognised - capital				7 704	65 849			73 552
Contributions recognised - capital								-
Contributed assets								-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	(38 516)	(51 373)	(15 890)	(67 506)	44 681	152 417	(13 684)	10 128

**Table 52 MBRR Table SA3 – Supporting detail to Statement of Financial Position****FS204 Metsimaholo - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'**

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>R thousand</b>											
<b>ASSETS</b>											
<b>Call investment deposits</b>											
Call deposits < 90 days		2 185	7 000	16 826	15 220	30 746	15 746		-	-	-
Other current investments > 90 days											
<b>Total Call investment deposits</b>	2	2 185	7 000	16 826	15 220	30 746	15 746	-	-	-	-
<b>Consumer debtors</b>											
Consumer debtors		407 168	441 432	549 914	631 898	667 230	667 230		754 445	828 645	894 310
Less: Provision for debt impairment		(315 379)	(347 896)	(439 247)	(486 176)	(521 849)	(521 849)		(606 128)	(677 534)	(740 660)
<b>Total Consumer debtors</b>	2	91 789	93 536	110 667	145 722	145 381	145 381	-	148 317	151 111	153 650
<b>Debt impairment provision</b>											
Balance at the beginning of the year		631 898	260 896	315 379	421 876	457 573	457 573		521 849	606 128	677 534
Contributions to the provision		(486 176)	80 582	131 262	64 300	64 300	64 300		84 279	71 406	63 126
Bad debts written off		(17 806)	(26 100)	(7 394)		(24)	(24)				
<b>Balance at end of year</b>		127 916	315 379	439 247	486 176	521 849	521 849	-	606 128	677 534	740 660
<b>Property, plant and equipment (PPE)</b>											
PPE at cost/valuation (excl. finance leases)		1 766 390	1 956 324	925 533	2 067 923	2 063 883	2 105 498		2 259 721	2 355 951	2 445 313
Leases recognised as PPE		51 617	33 880		51 617						
Less: Accumulated depreciation		987 372	1 124 963		1 135 945	1 110 307	1 151 922		1 222 005	1 298 606	1 380 315
<b>Total Property, plant and equipment (PPE)</b>	2	830 635	865 241	925 533	983 595	953 576	953 576	-	1 037 716	1 057 345	1 064 998

<b>LIABILITIES</b>											
<b>Current liabilities - Borrowing</b>											
Short term loans (other than bank overdraft)		389	-								
Current portion of long-term liabilities		9 209	20 420	1 941	2 325	2 319	2 319		3 637	3 995	4 387
<b>Total Current liabilities - Borrowing</b>		<b>9 599</b>	<b>20 420</b>	<b>1 941</b>	<b>2 325</b>	<b>2 319</b>	<b>2 319</b>	-	<b>3 637</b>	<b>3 995</b>	<b>4 387</b>
<b>Trade and other payables</b>											
Trade and other creditors		120 171	132 912	168 299	150 000	119 376	119 376		150 000	171 000	205 200
Unspent conditional transfers		8 040	5 109	3 504	-						
VAT		-	-		1 000	1 300	1 300				
<b>Total Trade and other payables</b>	2	<b>128 211</b>	<b>138 021</b>	<b>171 803</b>	<b>151 000</b>	<b>120 676</b>	<b>120 676</b>	-	<b>150 000</b>	<b>171 000</b>	<b>205 200</b>
<b>Non current liabilities - Borrowing</b>											
Borrowing	4	-	8 017	6 947	33 141	12 699	12 699		16 922	12 570	7 791
Finance leases (including PPP asset element)		-	-		6 000						
<b>Total Non current liabilities - Borrowing</b>		<b>-</b>	<b>8 017</b>	<b>6 947</b>	<b>39 141</b>	<b>12 699</b>	<b>12 699</b>	-	<b>16 922</b>	<b>12 570</b>	<b>7 791</b>
<b>Provisions - non-current</b>											
Retirement benefits		28 488	30 414	80 267	34 434	28 120	28 120		29 919	31 816	33 814
<i>List other major provision items</i>											
Refuse landfill site rehabilitation		29 812	31 600		33 492	37 847	37 847		41 021	44 370	47 896
Other		12 447	15 099		15 669	16 389	16 389		19 986	23 781	27 777
<b>Total Provisions - non-current</b>		<b>70 747</b>	<b>77 113</b>	<b>80 267</b>	<b>83 595</b>	<b>82 356</b>	<b>82 356</b>	-	<b>90 926</b>	<b>99 967</b>	<b>109 487</b>
<b>Accumulated Surplus/(Deficit)</b>											
Accumulated Surplus/(Deficit) - opening balance		936 172	857 939	883 794	976 964	1 067 058	1 067 058		1 057 290	1 053 224	1 041 141
GRAP adjustments		-	-								
Restated balance		936 172	857 939	883 794	976 964	1 067 058	1 067 058	-	1 057 290	1 053 224	1 041 141
Surplus/(Deficit)		(63 342)	722	39 532	21 211	2 893	2 893	-	10 128	(2 073)	(4 398)
Appropriations to Reserves		-									
Transfers from Reserves		-									
Depreciation offsets		-	0								
Other adjustments		(28 815)	(13 923)	(0)	(7 353)	2 339	(12 661)		(14 194)	(10 010)	(19 198)
<b>Accumulated Surplus/(Deficit)</b>	1	<b>844 014</b>	<b>844 738</b>	<b>923 326</b>	<b>990 822</b>	<b>1 072 290</b>	<b>1 057 290</b>	-	<b>1 053 224</b>	<b>1 041 141</b>	<b>1 017 545</b>
<b>Reserves</b>											
Housing Development Fund											
Capital replacement											
Other reserves											
Revaluation											
<b>Total Reserves</b>	2	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	-	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>844 014</b>	<b>844 738</b>	<b>923 326</b>	<b>990 822</b>	<b>1 072 290</b>	<b>1 057 290</b>	-	<b>1 053 224</b>	<b>1 041 141</b>	<b>1 017 545</b>

**Table 53MBRR Table SA9 – Social, economic and demographic statistics and assumptions****FS204 Metsimaholo - Supporting Table SA9 Social, economic and demographic statistics and assumptions**

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>												
Population		Stats SA, Erf and occupational data plus growth	115955	131025	149108		158409		169077		174306	
Females aged 5 - 14		(Data not available at housing)										
Males aged 5 - 14												
Females aged 15 - 34												
Males aged 15 - 34												
Unemployment												
<b>Monthly household income (no. of households)</b>	1, 12											
No income		(Data not available at housing)										
R1 - R1 600												
R1 601 - R3 200												
R3 201 - R6 400												
R6 401 - R12 800												
R12 801 - R25 600												
R25 601 - R51 200												
R52 201 - R102 400												
R102 401 - R204 800												
R204 801 - R409 600												
R409 601 - R819 200												
> R819 200												
<b>Poverty profiles (no. of households)</b>	13											
< R2 060 per household per month		(Data not available at housing)										
Insert description	2											
<b>Household/demographics (000)</b>												
Number of people in municipal area		Erf and occupational data (3 / per household)	115955	131025	149108		158409		169077		174306	
Number of poor people in municipal area		Estimated to 62% of population (< R3500 pm)	71 892	81 235	92 447		98		105		108	

Number of households in municipal area		Erf and occupational data (3 / per household)	30515	34480	39239		45037		50569		54470	
Number of poor households in municipal area		Estimated to 62% of population (< R3500 pm)	18 919	21 377	24 328		28		31		34	
Definition of poor household (R per month)		An informal settlement, a poor person or an indigent, meaning a person lacking adequate money or means to live comfortably, residing on un-developed or developed municipal erven or open spaces, identifiable as the most needy of households, eligible for housing and the very poorest in the local community and that policies are aimed at providing as much assistance as possible or to provide in the urgent need for land on which to settle in a less formal manner										
<b>Housing statistics</b>	3											
Formal									42 890			
Informal									7 679			
<b>Total number of households</b>			-	-	-	-	-	-	50 569	-	-	-
Dwellings provided by municipality	4								1 305			
Dwellings provided by province/s									18 318			
Dwellings provided by private sector	5								23 267			
<b>Total new housing dwellings</b>			-	-	-	-	-	-	42 890	-	-	-
<b>Economic</b>	6											
Inflation/inflation outlook (CPIX)												
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
<b>Collection rates</b>	7											
Property tax/service charges												
Rental of facilities & equipment												
Interest - external investments												

Interest - debtors												
Revenue from agency services												
<b>Detail on the provision of municipal services for A10</b>												
<b>Total municipal services</b>	Ref.		2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
		<b>Household service targets (000)</b>										
		<b>Water:</b>										
		Piped water inside dwelling	25 000	25 000	25 000	27 000	27 000	27 000	27 000	27 000	27 000	27 000
		Piped water inside yard (but not in dwelling)	2 000	2 000	2 000	-	-	-	-	-	-	-
8		Using public tap (at least min.service level)										
10		Other water supply (at least min.service level)										
		<i>Minimum Service Level and Above sub-total</i>	27 000	27 000	27 000	27 000	27 000	27 000	27 000	27 000	27 000	27 000
9		Using public tap (< min.service level)	2 000	2 000	3 424	887	1 500	1 500	7 670	7 670	7 670	7 670
10		Other water supply (< min.service level)										
		No water supply										
		<i>Below Minimum Service Level sub-total</i>	2 000	2 000	3 424	887	1 500	1 500	7 670	7 670	7 670	7 670
		<b>Total number of households</b>	<b>29 000</b>	<b>29 000</b>	<b>30 424</b>	<b>27 887</b>	<b>28 500</b>	<b>28 500</b>	<b>34 670</b>	<b>34 670</b>	<b>34 670</b>	<b>34 670</b>
		<b>Sanitation/sewerage:</b>										
		Flush toilet (connected to sewerage)	19 000	19 000	19 000	19 000	19 000	19 000	19 368	19 368	19 368	19 368
		Flush toilet (with septic tank)	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000
		Chemical toilet	6 000	6 000	6 000	-	-	-	-	-	-	-
		Pit toilet (ventilated)										
		Other toilet provisions (> min.service level)										
		<i>Minimum Service Level and Above sub-total</i>	26 000	26 000	26 000	20 000	20 000	20 000	20 368	20 368	20 368	20 368
		Bucket toilet	2 000	2 000	2 383	2 025	1 657	1 657	1 657	1 657	1 657	1 657
		Other toilet provisions (< min.service level)			9 769	6 512	6 512	6 512	12 645	12 645	12 645	12 645
		No toilet provisions										
		<i>Below Minimum Service Level sub-total</i>	2 000	2 000	12 152	8 537	8 169	8 169	14 302	14 302	14 302	14 302
		<b>Total number of households</b>	<b>28 000</b>	<b>28 000</b>	<b>38 152</b>	<b>28 537</b>	<b>28 169</b>	<b>28 169</b>	<b>34 670</b>	<b>34 670</b>	<b>34 670</b>	<b>34 670</b>
		<b>Energy:</b>										
		Electricity (at least min.service level)	4 000	6 000	7 000	7 000	-	-	1 500	2 000	-	-
		Electricity - prepaid (min.service level)	27 000	28 000	34 500	34 850	34 900	34 900	35 000	35 100	-	-
		<i>Minimum Service Level and Above sub-total</i>	31 000	34 000	41 500	41 850	34 900	34 900	36 500	37 100	-	-
		Electricity (< min.service level)	-	-	-	-	-	-	-	-	-	-
		Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-	-
		Other energy sources	-	-	-	-	-	-	-	-	-	-



	<i>Below Minimum Service Level sub-total</i>	2 000	2 000	12 152	8 537	8 169	8 169	14 302	14 302	14 302
	<b>Total number of households</b>	<b>28 000</b>	<b>28 000</b>	<b>38 152</b>	<b>28 537</b>	<b>28 169</b>	<b>28 169</b>	<b>34 670</b>	<b>34 670</b>	<b>34 670</b>
	<b><u>Energy:</u></b>									
	Electricity (at least min.service level)	4 000	6 000	7 000	7 000	–	–	1 500	2 000	–
	Electricity - prepaid (min.service level)	27 000	28 000	34 500	34 850	34 900	34 900	35 000	35 100	–
	<i>Minimum Service Level and Above sub-total</i>	31 000	34 000	41 500	41 850	34 900	34 900	36 500	37 100	–
	Electricity (< min.service level)									
	Electricity - prepaid (< min. service level)									
	Other energy sources									
	<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–	–
	<b>Total number of households</b>	<b>31 000</b>	<b>34 000</b>	<b>41 500</b>	<b>41 850</b>	<b>34 900</b>	<b>34 900</b>	<b>36 500</b>	<b>37 100</b>	<b>–</b>
	<b><u>Refuse:</u></b>									
	Removed at least once a week	40 000	45 000	49 000	52 000	52 000	52 000	52 000	52 000	52 000
	<i>Minimum Service Level and Above sub-total</i>	40 000	45 000	49 000	52 000	52 000	52 000	52 000	52 000	52 000
	Removed less frequently than once a week	15 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	100 000
	Using communal refuse dump	15 000	10 000	49 000	52 000	52 000	52 000	52 000	52 000	520 000
	Using own refuse dump									
	Other rubbish disposal									
	No rubbish disposal	15 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000	10 000
	<i>Below Minimum Service Level sub-total</i>	45 000	30 000	69 000	72 000	72 000	72 000	72 000	72 000	630 000
	<b>Total number of households</b>	<b>85 000</b>	<b>75 000</b>	<b>118 000</b>	<b>124 000</b>	<b>124 000</b>	<b>124 000</b>	<b>124 000</b>	<b>124 000</b>	<b>682 000</b>



## 2.15 Municipal manager's quality certificate

I, Steve M Molala, Municipal manager of Metsimaholo 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.

Print Name    Steve M Molala

Municipal manager of Metsimaholo Municipality (FS 204)

Signature    \_\_\_\_\_

Date                    24/03/2015