

ANNUAL BUDGET
OF
ELIAS MOTSOALEDI
LOCAL MUNICIPALITY



2016/17 TO 2018/19
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

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ABBREVIATIONS AND ACRONYMS

AO	Accounting Officer	SAPS	South African Police Service
AMR	Automated Meter Reading	SDBIP	Service Delivery Budget Implementation Plan
LED	Local Economic Development	SMME	Small Micro and Medium Enterprises
MEC	Member of the Executive Committee	BPC	Budget Planning Committee
MFMA	Municipal Financial Management Act	CFO	Chief Financial Officer
MIG	Municipal Infrastructure Grant	CPI	Consumer Price Index
MMC	Member of Mayoral Committee	CRRF	Capital Replacement Reserve Fund
MPRA	Municipal Properties Rates Act	DBSA	Development Bank of South Africa
MSA	Municipal Systems Act	DORA	Division of Revenue Act
MTEF	Medium-term Expenditure Framework	DWA	Department of Water Affairs
MTREF	Medium-term Revenue and Expenditure Framework	EE	Employment Equity
NERSA	National Electricity Regulator South Africa	FBS	Free basic services
NGO	Non-Governmental organisations	GDP	Gross domestic product
NKPIs	National Key Performance Indicators	GFS	Government Financial Statistics
OHS	Occupational Health and Safety	GRAP	General Recognised Accounting Practice
OP	Operational Plan	HR	Human Resources
PBO	Public Benefit Organisations	IDP	Integrated Development Strategy
PMS	Performance Management System	IT	Information Technology
PPE	Property Plant and Equipment	KM	Kilometre
PPP	Public Private Partnership	KPA	Key Performance Area
RSC	Regional Services Council	KPI	Key Performance Indicator
SALGA	South African Local Government Association		
KWH	Kilowatt		

Part 1- Annual Budget

1.1 Mayors Report

State of the Municipality Address 2016

“Serving together...is Growing Together: the Future is in Our Hands!”

Cllr Julia Lata Mathebe

Mayor

Theme: *Serving together...is Growing Together: The Future is in our Hands!*

Madam Speaker, Cllr Thokozile Mahlangu;

Chief Whip of Council, Cllr Tebogo Phahlamohlaka;

Members of Executive Committee;

Fellow Councillors;

Leaders of Opposition Parties in Council;

Magoshi a Rena

The Municipal Manager, Mme Ramakgahlela Maredi, Senior Managers and Staff Members;

Leaders of Labour, Business Community and Civil Society;

Members of the Media Houses;

Fellow residents of Elias Motsoaledi Municipality;

Distinguished Guests;

Mayor's special guests (Gabriel Mokoena, Makgale Family members, Dikwena tse Botse tsa Matsepe, Mahlako a Matala Elderly Group)

Compatriots and Friends; and

Ladies and Gentlemen

Madume go Lena ka moka, Good day, Sanibonani! Molweni!

Today, I once more stand before this august house as a humble servant of You, the people of Elias Motsoaledi Municipality, ready to account for the work we have done thus far, the work we

are doing, and to share future plans related to the financial year to come beginning of July 2016 to continue the transformation and developmental programs of our municipality. This ladies and gentlemen, compatriots and friends, is the last State of the Municipality Address for this current term of political office.

Let me start by recognizing my colleagues, the Members of the Executive Committee, and the members of this Council, for the sterling cooperation and joint team effort we enjoyed during the course of our term in office in pursuing the programmes to serve our communities.

I appreciate all of the hard work and dedication of these fine citizen volunteers as it has been my privilege to work with them this past year.

I would like to take a moment to recognize all of the elected officers from neighboring municipalities throughout our district and region who are with us, please stand and let us give them a round of applause.

It is my great honor, and privilege, to serve as your Mayor and I thank you for the opportunity

The past weeks we engaged our stakeholders and you the community members through various platforms on the future service delivery plans and the budget plans. It was one of the robust process and with the guidance from the Treasuries, this time the prioritization and alignment of the plans to the financial resources for impact results was the focus, and together, we aligned the priorities and expectations of business, government, and community to focus on the following key areas:

Honourable Speaker, we are gathered here today during the Celebration month under the theme *“Building a Better Africa and a Better World”*. We should all take pride in our origins and work towards bettering the lives of our neighbors, our communities and fellow South Africans.

STATE OF THE MUNICIPALITY

Honourable Speaker of Council, today we are going to give a frank accountability through this State of our Municipality address which is held just three months before the next local municipal elections that will be on the **3rd of August 2016**. This report will indicate the ground we have covered in making sure that the objectives set out in our plans are realised.

Your attention is drawn to the detailed report in the booklet titled **“Service Delivery Overview.2011-2016”**, which you received during the registration as you come in this morning. I will like to commend your indulgence in this booklet as during this address I will only cite the key highlights of the service delivery achievements, trusting that you will really make time to read the detailed report.

GOOD GOVERNANCE

Since the advent of local elections in 2011, we took a posture that propelled us to go back to basics, meaning that the provision of basic services should be a priority.

However Honourable Speaker, for us to provide effective and efficient services to our people, there should be good governance structures and systems that would provide a baseline of governance, therefore allow me to reflect on the functionality of the Council.

During the five years in office of the current council every Council meeting was attended by a quorum of council members. The impact was that at most all council meetings since 2011 could be concluded as scheduled. The fellow councillors are applauded for their commitment to execute their responsibilities of representing their communities in the council.

As Elias Motsoaledi councillors we pride ourselves that through the leadership provided thus far, we engaged at all levels to address community concerns, and hence in the district and the province we were rated amongst the top municipalities with stable political environment.

We however, Honourable Speaker, take note and strongly condemn some of the pockets of the municipal wards structures which persistently misinform the community members and paint a negative image even when there is no reason to do that.

I must indicate that through the stakeholders' engagement process and mechanisms established, we were able to address the service delivery concerns which could have led to service delivery protests. We appreciate the joint responsibility of our community leaders in this regard--- we both have the best interest of the developmental local government and together as we serve we will grow.

Council committees are in place including MPAC and the new Audit Committee was duly appointed and began their work in January 2016 Both these committees contributed immensely is advising council through their quarterly reports.

We applaud the MPAC Committee and Audit committee members for their contributions to good governance processes. If you allow me Madame

Speaker, I will request the MPAC members and Audit Committee members present her to stand for our applause recognition.

SERVICE DELIVERY, INFRASTRUCTURE DEVELOPMENT AND INVESTMENT

ELECTRIFICATION

The main focus of electrification in municipality in the past five years was the provision of household/yard connections, streetlights and high masts light. Council spent a total amount of **R22.7million** towards the investment of fifteen (15) electricity infrastructure projects.

ROADS CONSTRUCTION AND MAINTAINENCE

The municipality is responsible for construction and maintenance of local access roads and storm waters channels including all streets in towns, townships and villages.

The total of **56** projects in various wards covering **39.35km** of road are surfaced since the start of the current council term of office through the MIG and EMLM own funding investment of **R206,9 million**.

The large surface of our municipal roads are gravel roads. During 2014/2015 financial year, yellow fleet were purchased to accelerate the service of road maintenance in all wards. Each service point has been provided with a set comprising of a grader, TLB and Tipper truck. Council plans are to purchase equipment every financial year to support the extended road maintenance program in every ward.

SOLID WASTE MANAGEMENT

Council was able to develop and adopt in 2015 the first generation of Integrated Waste Management Plan (IWMP). Developed with the financial support of Department of Environmental Affairs.

The plan outlines how the municipality will deliver waste management services as well as the future plans to improve waste collection services as also dictated by the Constitution of South Africa, Section 24 which states that: *people have the right to healthy and clean environment that is not harmful to their well-being.*

The municipality is providing **9934** formal households with access to weekly kerbside waste collection. The municipality is on course, Madame Speaker, with plans to roll-out the community-based waste management services to our villages. It should however be noted that, non-payment of such services will hamper the full scale roll-out program, and our communities are encouraged to work hand in glove with the municipality to improve the services payment level for better services.

The municipality has done well in the past three years by scooping the second prize of the "Cleanest and Green Municipality town Competition". Our plan is to break this record and aim at the first price in the next round of competition. Big up for our team, their efforts to keep our towns clean is appreciated.

The Rehabilitation of Groblersdal landfill site is in progress, and we applaud the Department of Environmental Affairs for the financial support to the tune of **R20 million** allocated for this project and Hlogotlou transfer station development.

Madam Speaker, **123 jobs** were created through the implementation of both Groblersdal landfill site rehabilitation and Hlogotlou transfer station projects. In addition, the municipality through the incentive grant related to the two projects has created **90 jobs opportunities**.

LIBRARIES

In ensuring that we improve access to information, the additional library was built in Sefhaku and opened for public during 2015, which bring the total number of libraries in the municipality to three.

The municipality acknowledges the need for a library in other parts of the areas.

SUPPORT TO DESIGNATED AND VULNERABLE GROUPS

The support programmes for the designated population group is equally important to ensure the quality of life, and it is the same baton that whilst on the race, ourselves and the NGOs should refocus our strength to the elders, teenagers, youth, the disabled and the poor of the poor in our community.

During the year under review **65** children were reached through social intervention programs. The municipality launched a youth council during December 2015 in collaboration with Save the Children and SALGA support programs.

The municipality is partnering with the Disability Forum, and plans are underway to establish the Disability Information and Services Desk to promote the inclusion principle in all of our service delivery programs. Madame Speaker, we understand the plight of this category of our population when they say “Nothing about us without us”.

During 2014/15 financial year, the municipality celebrated the longevity programme (the centenary of elderly) held in Tafelkop, and the support of our business community during this event did not go unnoticed. Mahlaku a matala, re ikgantsha ka ona.

Fellow councilors, distinguished guests, the fast pace of civilization and advancement of technology post a challenge to the cultural roots. As a nation, we should take pride in preserving our cultural heritage. To this end, the Office of the Mayor has pledged support to the our international renown cultural dance group “Dikwena tse Botse tsa Matsepe”. We acknowledge your representation of our municipality at national and international entertainment platforms.

The cultural roots of our community The Office of the Mayor pledged the support to Mahlako a Matala Elderly Group (in ward 28) when during the Mayoral outreach programme they humbly requested for a refrigerator.

Honourable Speaker, Working together we will build more united, non-racial, integrated and safer communities,

YOUTH DEVELOPMENT

Honourable Speaker of Council, please allow me to quote the founding members of the ANC Youth League and former President of the ANC, the late Comrade Oliver Reginald Tambo, when he said, and I quote: *“A nation that does not care of its youth has no future and does not deserve one”* close quote.

Parts of the Mayors special projects include a youth office that is mandated on programs that must improve the lives of young people in the municipality.

Honourable members the Municipality is still committed to ensuring that our learners are at school, on time and learning.

Committed to ensuring that our teachers are in class, on time and teaching hence we believe on the words of President Nelson Mandela, who once said, *“Education is the most powerful weapon, which you can use to change the world.”*

Let me take this opportunity to express my sincere gratitude to our young hero Gabriel Mokoena of Legacy Project for his unwavering support in the field of education. Gabriel is from ward 28, and initiated a programme to solicit the support for library establishment and library books which he distribute to identified schools. The municipality supported his programme where Mogudi Secondary Schools benefited by getting Study materials and school bags. The school has since experienced a significant raise in the quality of pass rate for the 2015 matric.

The quality is one of the best compared to other years. Out of 27 learners that passed their matric 8 Learners managed to get admission to bachelors, 10 Learners managed to get admission Diplomas while the remaining 9 got admission to higher Certificate. Gabriel has since been roped by Minister Van Rooyen in the restoration of education programs in Vuwani following the declared disaster of school destruction. We pride ourselves as Elias Motsoaledi about your community development Gabriel, especially as a young person. Keep it up, and we trust that other young people will take a leaf from your community development book.

The bursary schemes offered to deserving scholars will go a long way in changing the landscape of educational levels in our area. The total of **120 learners** benefited from the municipality bursary scheme support.

Ladies and gentlemen, as Elias Motsoaledi Local Municipality we are aware that despite the progress we have made since the dawn of our democracy, more challenges remain. More young people still need to access economic opportunities as presented by our democratic state. Young people need improved access to quality education and skills in order to meaningfully participate in the economy.

It is our conviction that youth development is a responsibility for every department and sphere of government. This however does not discard the responsibility of all in our society to address the plight of young people.

A total **20 young people** were recruited through the Finance Internship since 2011, whereas through the various internships, experiential learning and learnership a total of **24 Young people** were supported with the training exposure since 2011

Fellow councillors, local government in particular, municipalities are in the coal face of service delivery, and as elected public office bearers we are the face of developmental local government and servant leadership is key for our services. From July 2014, when I assumed the responsibility of the Mayor, issues of youth development has been a challenge, and I committed to be a patron and support the needy talented young people who had a keen interest in education. To this end, I pledged the financial support to the educational programmes (post matric education) to Gilbert Mohlamonyane, Frans Moepya, Rautheko Ditshego. I am illustrating these cases, Madame Speaker as call to fellow councillors that individually and collectively we can make a difference in our community members' life, we cannot leave the task to the government alone.

Remember, you educate a child, you educate a community and a nation is build.

PUBLIC SAFETY

The safety of our communities including the assets of the municipality remains a responsibility for all us.

Eleven traffic warden were appointed and are undergoing the training, while the testing station and licensing division was revamped to comply with traffic regulation.

The traffic officers have since been supported with the vehicle allowances, and Madame Speaker, we noted the positive contribution and empowerment that this programme implementation, which is the first of its kind since the term of this council has contributed to the employment welfare of our law enforcement officers.

We trust that the visibility of our law enforcement officers will be improved on our roads.

FINANCIAL MANAGEMENT AND VIABILITY

Reflections on the Auditor General of South Africa reports indicate a steady improvement since 2011 to date. This current council found the municipality with unpleasant record disclaimer audit opinion, and since 2013 the status changed to qualified audit opinion for the past three financial years. The improvement is noted with the reduction of the qualification audit findings, to the extent that the municipality was qualified first on **eleven matters** (2012/13); reduced to **seven** in 2013/14 and **one qualification matter** in 2014/15. It is our aim to achieve an unqualified audit opinion as we work towards concluding our term of office as foundation for the incoming leadership. Notwithstanding, this goal, we take serious note that we should balance our efforts so that the improved audit opinion equals the results of service delivery.

We acknowledge and appreciate, Madame Speaker, the contribution from National Treasury in providing the municipality with technical and financial resources to address the issues of the asset register which has been a persistent material audit finding in all of the past years. We trust that the results from the Municipal Finance Improvement Programme through Integrated Asset Management project (implemented by MarketDemand) will take this municipality to a better audit opinion as envisaged.

Madame Speaker, it is worth mentioning that over our term of office, we experienced an enormous changes in the incumbents of the strategic administrative leadership positions, to an extent that we have the fourth Municipal Manager and fourth Chief Financial Officer. You will agree with me that as leadership is critical to sustain the stability in administration of the institution, the failure to retain staff in key critical positions halts the transformation and governance momentum built. We need to build the foundation for retention strategy so that the later does not happen.

BACK TO BASIC SERVICE DELIVERY

Honourable Speaker of Council, South Africa has from 2012 had the National Development Plan (NDP) designed as a broad set of programmatic intervention.

The NDP proposes a 'virtuous' cycle of growth and development, while reducing poverty and inequality. The NDP enjoins us to build strong leadership throughout society, foster national

consensus, broaden social cohesion and entrench a capable state and continues to work tirelessly to build a new society from the ashes of apartheid. We are a national Democratic Society based on the promotion of the dignity of all, free of racial discrimination and oppression.

In his State of the Nation Address, His Excellency President Zuma announced the implementation of the second phase of the Back to Basics (B2B) programme. Assessment of the first phase of B2B confirms that tackling development challenges created by many years of colonization and apartheid systems is a mammoth assignment requiring long term and sustainable solutions.

We are well aware that there are no overnight successes or easy victories. Back to Basics is here to create long-term, meaningful change in our communities. Our municipality has been categorized as **the municipality that has potential to do well**, since the inception of the program, and we are intending to improve to the next category which is municipality that is doing well through team work and we will continue to deliver quality service to our communities with the insufficient financial resources we have.

PUBLIC PARTICIPATION

The community needs were annually obtained through intensive IDP community participation process as well as the structured ward questionnaires and reports submitted by ward councillors. The IDP priorities, performance indicators and targets were informed by the community.

The budget inputs were also informed by the community through the budget consultation meetings. During these meetings the political leadership also gave feedback on the past year`s performance.

The community was engaged on quarterly basis through the Mayoral and Speakers` Outreach programs where issues raised were resolved and addressed, as well as progress on predetermined objectives.

Distinguished guests, join me in applauding the Honourable Speaker and the fellow ward councillors for a being a winning team in public participation as the municipality collective efforts earned an Award for effective public participation programmes in the province.

Honourable Speaker, we note the challenges of other areas of our municipality to take the public participation programmes to another level of improvement, however, accolades such as these, should encourage all of us and the community structures to be "Simunye" on these programmes for the benefit of our broader communities.

Council adopted the anti-corruption strategy. A zero tolerance approach was adopted by council to address corruptions at all levels. All reported cases are followed up and necessary disciplinary steps instituted.

A system is in place that requires all councillors and senior management to declare annually any financial interest in terms of the legislative provisions.

We will continue to strengthen our relations with the labour formations within the municipality and support our employee to maximize performance. Ladies and Gentlemen, our business activity is services provision and it is human resource driven. It is for this reason that we value our workforce immensely, and evidence to that it is the resources that we have invested to capacitate them. A total of **95** employees have been supported and exposed to various training programmes since 2014/ 15 financial year to date.

We want to assure everyone that dismissing employees is a pain to us as we do not believe in punitive measures but coaching, counseling and appealing to one's conscience to do the right thing, for first time offenders; however habitual delinquent will be subjected to disciplinary measures for corrective conduct and inculcating the culture of responsibility and accountability.

Allow me Honourable Speaker to congratulate Thabantsho Community Radio Station for their milestone in launching itself on 27 April 2016 and keeping Elias Motsoaledi Municipality people on par with our counterparts.

SPATIAL PLANNING AND ENVIRONMENTAL MANAGEMENT:

The Municipal Spatial Development Framework is the main planning policy framework that guides integrated development planning into a cohesive instrument.

As part of the drive to modernize the public service, the municipality has undertaken a process of overhauling its spatial planning and land use management system in line with the Spatial Planning & Land Use Management Act (also known as SPLUMA).

The Municipal Spatial Development Framework, tariff structures and internal delegations have been modified and new by-laws as well as a new planning tribunal are currently under development. In the near future a wall-to-wall land use scheme will be developed and proclaimed completing the overhaul and enabling greater efficiency and access to government that will benefit the community and economy. It also reduces red tape in development applications.

During the past 5 years the municipality has processed 173 development applications in total with an average of 34 per year, inclusive of major retail developments.

The building plans totaling an investment value of more than R500m have been approved during the period under review. A total of 389 building plans were approved with numbers staying relatively consistent over the period.

A major challenge to attract investment is as a results of inadequate bulk services and limited industrial sites.

The plans to expand the current Groblersdal town with an almost double the size of the current town is underway, we are at almost 95% of township establishment process and before the end of the calendar year 2016 the area would be declared a proclaimed township, and only left with the process of installation of infrastructure services. Of which the council might not have sufficient funds to service the area but should explore a possible financial means.

A major challenge experienced in Spatial Planning and Building Control is illegal buildings and land uses as well as encroachments of erf boundaries experienced throughout the proclaimed areas in the municipality. This challenge is being addressed through intensified law enforcement and for the current financial year more than ten (10) statutory / non-compliant notices have been issued.

HUMAN SETTLEMENT

1.1 Honourable Speaker of Council, the Freedom Charter dictates that there Shall be houses, security and comfort, all people shall have the right to live where they choose, be decently housed, and to bring up their families in comfort and security;

We acknowledge that the programme to address the backlog in this programme is slow. The collaboration with CoGHSTA and Housing Development Agency (HDA) need to be fastracked to ensure that our people have access to decent housing. A total of **450** RDP housing units has been allocated for our municipality (2015/2016), and additional **50** units for Emergency Peoples Housing Projects (EPHP). Ward councillors have submitted their community needs, and we wait for the HSS application process verification to advice on beneficiaries' qualification.

The municipality has embarked on the process and plans to dispose the available residential land in identified areas such as Waalkraal, Groblersdal, and Roosenekal. we note that other regulatory processes such as rezoning need to be completed to support the compliant processes prior to the transfer of the disposed ervens, and the information sharing sessions will be conducted to inform the community members concerned.

On 22 December 2015, Madame Speaker, the Office of the Mayor in partnership with Business brought an early Christmas to one of the needy families when responded to the housing need of our athletic shining star Linah Makgale (15 years old) from ward 10 at Thabakhubedu, who was supported during her oversee trip (USA, Caroline Rhino Poaching Awareness Campaign tournament) which she participated in from 06-16th April 2015. The family house was improved with finishing's and new furniture fitted in the kitchen, and bedrooms.

We continue to encourage our business community to continue ploughing back to the communities, as together we can do more.

ECONOMIC DEVELOPMENT AND PLANNING

During his 2016 State of the Nation Address delivered on the 11th February, President Jacob Zuma, outlined the challenges facing our economy, given the global and domestic

circumstances. He called upon us to work together in developing a common narrative and further said: *"We cannot change the global economic conditions, but we can do a lot to change the local conditions. Let us work together to turn the situation around".*

Honourable members, in response to this clarion call in 2011 we developed a Local Economic Development Strategy adopted by council in 2014. The different developmental thrusts in the strategy are intended to address the triple challenges of unemployment, poverty and inequality.

The municipality leadership revisited the long term development vision during its strategic planning session in April 2015, and confirmed that *"We are the Agro-Economical and Ecotourism Heartland"*

Elias Motsoaledi has been identified as a location of one of the Agri-Parks hub in the Sekhukhune district area. Although the project is still in its planning phase, it is envisaged that it will unleash the agricultural wealth of the region in pursue of the rural development objectives. Council has approved the donation of the land size of 40 hectares to Sekhukhune district as the core-implementation coordinator of the Agri-Park project.

Noting that the municipality is charged with the responsibility to create a conducive environment for business development and investment, council has supported the establishment of approximately seven(7) shopping centers/ malls (three in ward 13 and one these wards; ward 2, ward 1, ward 6 and ward 19. Only one in ward 13 is complete and others are at planning stage for construction.

The participation of local business fora in LED initiatives is of major importance. The LED Forum, have been established and provided a structured platform for consultation and collaboration with the business community which is imperative for development

The municipality as an active participant in implementing job creation initiatives such as EPWP and Community Workers Program (CWP); within this financial year alone we have **1433 participants** in both programs. This provides a huge relieve to indigent families.

Tourism development

The municipality welcomes the declaration by His Excellency the President of the Republic that 2016 is a year to promote domestic tourism not just by word of mouth but with an injection of resources as stated in the State of the Nation Address.

Although Honourable Speaker tourism is not an economic sector on its own, it forms part of other sectors such as trade, transport and finance sectors and is of increasing importance in economic development and employment creation.

We acknowledge that this area of development still lack behind, and council need to put resources and forge partnerships to develop the strategy which will reposition the municipality. In May 2014 two of the SMME, namely Nomadlozi Arts and Crafts and Ephephia Guest House were part of the District Exhibitors at the tourism Indaba.

Job creation through Infrastructure development

Compatriots, together let us build local economies that create more jobs, decent work and sustainable livelihoods. During the current council term of office, the municipality has successfully implemented projects, which created an average of 1764 EPWP related jobs and 522 CWP jobs and through LED initiatives in Roosenekal 17 permanent jobs were created. This is to ensure that local communities benefit from infrastructure development projects.

In an endeavor to capacitate and facilitate a conducive environment for SMMEs, the municipality took a policy position to subcontract 25% of all major projects to local SMMEs. The municipality has called for local emerging construction companies to register on the database during the current financial year to participate in various projects.

Our LED section is not operating at an expected level to support and enhance the economic environment due to human capital and financial constraints. We are working on synergizing our efforts with Sekhukhune Development Agency (SDA), to maximize our outputs.

SUMMARY OF 2016/2017 IDP AND BUDGET

Madame Speaker, with all the above mentioned achievements I feel honored and ready to table before this council the 2016/2017 IDP and Budget for adoption. It is my belief that these plans will go a long in contributing to the services which will improve the livelihood of Elias Motsoaledi Municipality community,

A total amount of **R94, 4 million** will be invested to implement **45** capital projects (Infrastructure) in various wards and **9** projects (Community & Corporate Services). For full details, our stakeholders are requested to engage the copy of the IDP and Budget summary which can be obtained at the registration table today.

In preparing the budget for the financial year 2016/17, we have aligned our priorities to the national and the provincial priorities to ensure that our programmes as Elias Motsoaledi Municipality are in line with our government's strategic framework on service delivery. This, we are doing to achieve the idea of a 'seamless' government.

Honorable Speaker and members of council, the **projected total budgeted revenue** for the financial year 2016/2017 amounts to **R413 million**, and the **projected total budgeted expenditure amounts to R328.9 million** which translates into the total budgeted surplus of **R 84 million** for the year after taking out the non - cash items (i.e. depreciation and debt impairment) cognizance should be taken that these items are non - funding items. The budget increases by 12% and 9.67% respectively in the outer financial years.

The capital budget for **2016/17 amounts to R94.4 million** and the capital budget decreases to **R 80.2 million** in the 2017/18 financial year and then increases to **R 87.8 million** in the 2018/19 financial year. A substantial portion of the capital budget will be funded from **Municipal Infrastructure Grant (MIG) and the funding thereof is R62, 419 million** (for 2016/2017 which recognized an increase from this current financial year of R53 million) and in the outer years a

decrease in allocation is to be realized to R56, 212 million and R59, 386 million respectively throughout the MTEF period.

The **Integrated Electrification Programme (INEP)** allocation for the electrification projects for 2016/2017 is **R13 million** for 2016/17 financial year and R10 million for each of the two outer years.

Honourable Speaker, I should indicate that the **municipality will be able to fund its operations and capital budget after taking out the non - cash items since the surplus thereof is sufficient to cater for capital projects to be funded internally.**

Some of the salient projects to be undertaken over the medium-term includes, amongst others:

- Electricity related projects to be implemented at a tune of R14.5 million
- Roads related projects to be implemented at an amount of R64.7 million
- Operational equipment allocated R4.8 million
- Recreational facilities planning in Groblersdal town allocated R600 thousand

For detailed capital projects list appropriated in this budget members are referred to Table 20 of the MBRR Table SA36–Capital project list in the Budget Document.

Honourable Speaker of Council the following are, **Budget Assumptions:**

- The service charges electricity tariffs are increasing by an average of 7.86% that is above the CPI of 6, 6% and this is attributed to 7, 86% bulk electricity purchase.
- Other revenue and expenditures were budgeted for at an incremental percentage of 6.6% based on Treasury Circular no 79.
- Employee related costs were budgeted for at an expected salary increase of 7% in terms of the South African Bargaining Council Agreement. It is imperative for stakeholders to note that this budget presented today is fully balanced and fully funded.

CONCLUSION

Compatriots and Friends, We are coming close to the end of the current term of local government, the sphere that is closest to the people. While the lives of millions have improved meaningfully, there are many others who are still waiting, who still need to see their lives changing for the better. They want electricity, accessible roads and safe environment in their homes.

They want municipalities that function better and which are caring and responsive. Hence Honourable Speaker, it's the ANC led municipality that achieve what we have in a short period of time, and it is done through committing and the implementing of the Back to Basics programme of revitalizing local government.

It is a fact that the services rendered by many municipalities have reduced poverty. We need to acknowledge those achievements. We should also at the same time, identify and rectify the weaknesses and challenges that still remain on the path of improving the quality of life of all.

I want to take this opportunity to thank the Almighty God for helping me to navigate through the period of leading this municipality, it is only through his mercy that I came this far.

Once more, I would like to reiterate my gratitude to the African National Congress for showing confidence and entrusting me with the responsibility of leading the people of Elias Motsoaledi municipality on their behalf. No one promised an easy road, but throughout the tribulations of this journey, one thing that kept me going and encouraged me to soldier on: was the Oath of Office I took in May 2011 and the commitments I made on behalf of the Executive Committee when I took office as the Mayor in July 2014.

In conclusion, Honourable Speaker, I would like to give a special word of appreciation to my family, Political Management Team for their advises and helping me to steer the ship to the right direction, Members of the Executive Committee whose valued contributions and capacity to lead the various departments have not only made each one of us a better person but has also bettered the **livelihoods** of our communities.

A special appreciation to the ANC caucus, a branch of the ANC in council. I will forever acknowledge the enlightenment created by your robust engagements and debates, all in the best interest of our people. This is an experience I will always cherish.

To the administrative leadership under the stewardship of Mme Maredi, thank you very much for your dedication even when the prophets of doom would have forecasted otherwise. You came in when the municipality was starting to experience challenges and you never looked back but took the bull by its horns, without your technical advises and innovation we would not have come thus far.

Support Staff both in my Office and at home, the people who have turned to be mothers to my children when I cannot be there for them – thank you very much.

The opposition parties who keep us on our toes, thank you very much for helping me to grow, your openness and your sense of purpose assisted council to achieve its intended objectives. Lastly the beautiful loving people of Elias Motsoaledi, thank you so much for the support and guidance even in difficult challenging times, I will forever be indebted to you. I would like to conclude with one of the quote from unknown author which I use as motivation ***“People will forget what you said, people will forget what you did, but people will NEVER forget the way you made them feel”***

Madam Speaker and Councillors, I hereby table the IDP and Budget for the 2016/2017 financial year in compliance with relevant legislations for adoption.

I thank you, key a Leboga

1.2 ANNUAL BUDGET RELATED RESOLUTIONS

1. Council resolves that the budget of Elias Motsoaledi Local Municipality for the financial year 2016/17, with three year audited actual and the two projected outer years 2017/18 and 2018/19 be approved in the following schedules:
 - 1.1 Budgeted summary on table A1;
 - 1.2 Budgeted financial performance (Revenue and expenditure by classification reflected on table A2;
 - 1.3 Budgeted financial performance (revenue and expenditure by municipal vote reflected on table A3;
 - 1.4 Budgeted financial performance (revenue source and expenditure by type reflected on table A4;
 - 1.5 Budgeted capital budget by vote, standard classification and funding as reflected on table A5;
 - 1.6 Budgeted financial position as reflected on table A6;
 - 1.7 Measurable performance objective for revenue source as per Cash flow table A7;
 - 1.8 Cash back reserve/ accumulated surplus reconciliation on A8;
 - 1.9 Asset management as reflected on table A9; and
 - 1.10 The basic service delivery measurement on table A10;
2. Council resolves that property rates be approved for the budget year 2016/17.
3. Council resolves that the budget related policies be adopted and the following tariff and charges be approved for the annual budget 2016/17 financial year
 - Electricity
 - Refuse removal
 - Basic charges
 - Sundry tariffs
4. Council resolves to adopt the amended Integrated Development Plan (IDP).
5. Council notes that the SDBIP submission and approval of the SDBIP will be dealt with in accordance with sections 69(3)(a) and 53(1)(c)(ii) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

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.

Section 17 of Municipal Finance Management Act (MFMA) requires the municipality to prepare an annual budget in the prescribed format.

National Treasury's MFMA circular 78 and 79 have been used as guidance for the compilation of the 2016/17 MTREF.

The main challenges experienced during the compilation of the 2016/17 MTREF can be summarized as follows

- Ageing and poorly maintained roads and electricity infrastructure
- The need to re-prioritize projects and expenditure within the existing resource-base given the cash flow realities and declining cash position of the municipality.
- The increased cost of bulk electricity due to tariff increases (9.5%) from ESKOM which is placing upwards pressure on service tariffs to residence and other consumers.
- Salaries and Wage increases for municipal staff as well as the need to fill all active vacant positions and the implementation of organizational re-engineering that was undertaken during the 2014/15 and 2016/17 financial years.
- Affordability of capital projects - original allocations on certain capital projects had to be reduced and some projects had to be shifted to the outer years of the 2016/17 MTREF.
- Limited and/or very minimal surplus anticipated to be realized from operating budget makes it difficult to accommodate all the wards within the area of jurisdiction of the municipality.

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

- The 2016/17 adjustment budget priorities and targets as well as the base line allocations contained in that adjustment were adopted as the upper limits for the new base lines for the 2016/17 annual budget.
- Tariffs and property rates increases should be affordable and should generally not exceed the 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 example: cost of bulk electricity. In addition, we had to ensure that our tariffs remained or moved towards being cost reflective, and had to take into account the need to address infrastructure backlogs.
- Capital projects and activities funded from external grants are budgeted as per the gazetted amount as outlined in 2016/17 Division of Revenue Act (DoRA).
- In addition to cost containment to be implemented by the municipality, the following items and allocations thereof had to be kept at minimum level:
 - Consultants and Professional Fees;

- Special Projects and Events;
- Refreshments and Entertainment (R2 000 allocated per directorate for the entire financial year);
- Ad hoc travelling;
- Subsistence, Travelling and conference fees;
- Telephone and cell phone subscriptions;
- Issuing of Material and Store items, and
- Overtime.

1.4 Operating Revenue Framework

For Elias Motsoaledi Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of this 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 setting of tariff increases and balancing expenditures against realistically anticipated revenues and prioritization of capital projects as contained in the Integrated Development Plan (i.e. the needs of all wards within Elias Motsoaledi Local Municipality).

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

- National Treasury's guidelines and macroeconomic policy;
- Efficient revenue management, which aims to ensure a 93% annual collection rate for property rates and other key service charges;
- Electricity tariff increases that are still to be approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- 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.

The following table is a summary of the 2016/17MTREF (classified by main revenue source):

Table 1 Summary of revenue classified by main revenue source

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source										
Property rates	17 900	20 450	19 271	26 182	24 797	24 797	18 747	23 981	25 468	26 971
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	47 884	53 899	56 385	62 973	62 620	62 620	52 654	73 328	77 874	82 469
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	2 721	3 483	4 628	3 717	3 717	3 062	7 774	8 256	8 743
Service charges - other	2 578	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	771	1 125	1 199	3 290	1 000	1 000	713	912	969	1 026
Interest earned - external investments	878	3 598	3 965	4 600	3 300	3 300	2 993	3 829	4 066	4 306
Interest earned - outstanding debtors	3 733	5 225	5 861	4 500	6 500	6 500	4 787	6 123	6 503	6 887
Dividends received	-	-	-	-	-	-	-	-	-	-
Fines	792	1 666	2 584	635	1 800	1 800	1 049	1 342	1 425	1 509
Licences and permits	5 249	4 669	5 081	6 348	4 400	4 400	3 955	5 060	5 373	5 691
Agency services	3 187	2 653	-	-	-	-	-	-	-	-
Transfers recognised - operational	132 856	146 878	170 641	216 652	216 652	216 652	216 264	213 105	227 853	243 113
Other revenue	4 625	2 210	7 548	1 415	260	260	1 682	2 152	2 285	2 420
Gains on disposal of PPE	508	-	-	-	-	-	-	-	-	-
Total Revenue excluding capital transfers	220 960	245 095	276 019	331 224	325 046	325 046	305 906	337 606	360 073	383 133

Table 2 Percentage Growth in revenue by main revenue source

Description	2015/16		2016/17 Medium Term Revenue & Expenditure					
	Adjusted Budget	%	Budget Year 2016/17	%	Budget Year +1 2017/18	%	Budget Year +2 2018/19	%
Revenue By Source								
Property rates	24 797	7.6%	23 981	7.10%	25 468	7.07%	26 971	7.04%
Service charges - electricity revenue	62 620	19.3%	73 328	21.72%	77 874	21.63%	82 469	21.52%
Service charges - refuse revenue	3 717	1.1%	7 774	2.30%	8 256	2.29%	8 743	2.28%
Rental of facilities and equipment	1 000	0.3%	912	0.27%	969	0.27%	1 026	0.27%
Interest earned - external investments	3 300	1.0%	3 829	1.13%	4 066	1.13%	4 306	1.12%
Interest earned - outstanding debtors	6 500	2.0%	6 123	1.81%	6 503	1.81%	6 887	1.80%
Fines	1 800	0.6%	1 342	0.40%	1 425	0.40%	1 509	0.39%
Licences and permits	4 400	1.4%	5 060	1.50%	5 373	1.49%	5 691	1.49%
Transfers recognised - operational	216 652	66.7%	213 105	63.12%	227 853	63.28%	243 113	63.45%
Other revenue	260	0.1%	2 152	0.64%	2 285	0.63%	2 420	0.63%
Total Revenue excluding capital transfers	325 046	100.00%	337 606	100.00%	360 073	100.00%	383 133	100.00%
Total Revenue From Rates and Service Charges	91 134	28.04%	105 083	31.13%	111 598	30.99%	118 182	30.85%

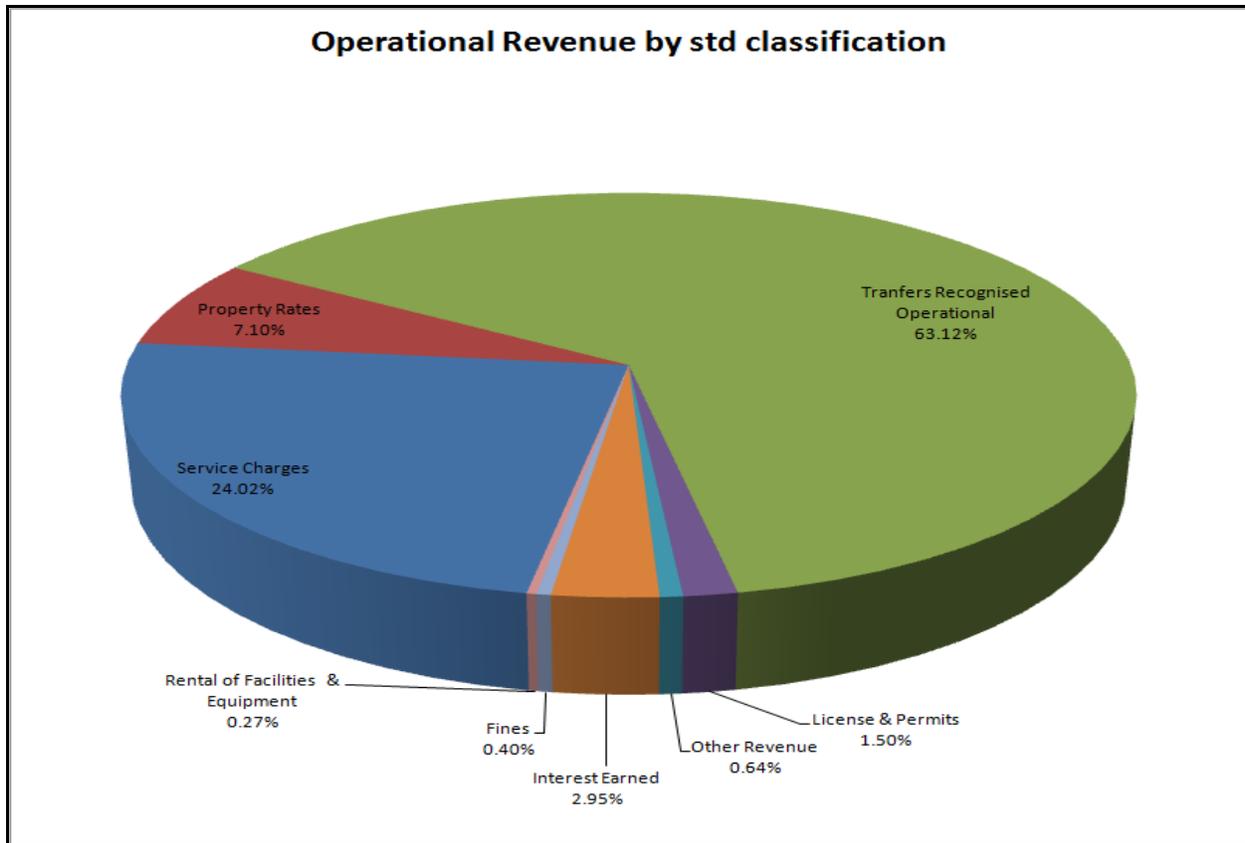


Figure 1 Main operational revenue categories for the 2016/17 financial year

In line with the formats prescribed by the Municipal Budget and Reporting Regulations (MBRR), transfer recognized - capital is excluded from the operating revenue statement, as inclusion of this revenue source would distort the calculation of the operating surplus/deficit.

Revenue generated from operating grants amounts to 63, 12% (2016/17 financial year) making it clear that the Municipality is grants dependent. In addition, revenue generated from rates and services charges amounts to 7, 10% and 24, 02% respectively. In the 2015/16 financial year, revenue from rates and services charges adds up to R87, 417 million or 26, 89%. This increases to R105, 083 million, R115, 598 million and R118, 182 million in the respective financial years of the MTREF.

Service charges – Electricity is the second largest revenue source totaling 21, 72% or R73, 328 million and increases to R77, 874 million and R82, 469 million respectively in the outer years. The third largest source is property rates that amount to R23, 981 million in 2016/17 financial year and R25, 468 million and R26, 671 million respectively in the outer years.

Table 3 Operating Transfers and Grants Receipts

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Operating Transfers and Grants									
National Government:	132 856	146 878	170 641	216 652	216 652	216 652	213 105	227 853	243 113
Local Government Equitable Share	129 556	143 438	166 920	212 959	212 959	212 959	210 385	226 153	240 397
Finance Management	1 500	1 550	1 600	1 600	1 600	1 600	1 625	1 700	1 955
Municipal Systems Improvement	800	890	934	930	930	930	-	-	761
EPWP Incentive	1 000	1 000	1 187	1 163	1 163	1 163	1 095	-	-
Provincial Government:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	132 856	146 878	170 641	216 652	216 652	216 652	213 105	227 853	243 113

Table 4 outlines the operating grants and transfers allocated to Elias Motsoaledi local municipality for 2016/17 MTREF and these grants are contributing significantly towards the revenue-base of the municipality.

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 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0, 25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality conforms to the stipulations of the above mentioned regulations more especially on the ratio thereof.

The following stipulations in the Property Rates Policy are highlighted:

- The first R30 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this exemption, the following additional rebates on the market value of a property will be granted in terms of the Municipality's own Property Rates tariffs;

Description	Rebate
Residential Property	20%
Business,commercial and mining	25%
Agricultural Property	0%
Stat Owned Property	75%
Public Service Infrastructure	75%
Public Benefit Organization Property	75%
Municipal Property	Not Levied
Unidentified	Not Levied

The following owners may be granted a rebate on, or a reduction in the rates payable on their property:

- Pensioners that meet the following criteria:
 - Registered owner of property,
 - Applicant must reside on the property,
 - Income not exceeding an amount set by Council,
- Ratable property registered in the name of the Council., if such property is used in supplying electricity, water, and gas or sewerage services;
- Hospitals, clinics, and institutions for mentally ill persons, which are not operated for gain;
- Ratable property registered in the name of an agricultural society affiliated to or recognized by the South African Agricultural Union, which is used for the purpose of such society;
- Cemeteries and crematoriums, which are registered in the names of private persons and which are used exclusively for burials and cremations;
- Museums, art galleries, libraries and botanical gardens which are open to the public, whether admission fees are charged or not;
- Sports grounds used for the purpose of amateur sports and any social activities, which are connected with such sports;
- Ratable property registered in the name of benevolent or charitable organizations, or any ratable property let by the Council to any of the named organizations
- Owners of a property situated in an area affected by a disaster within the meaning of the Disaster Management Act, 2002 or in any other serious adverse social or economic conditions;
- Owners of residential properties with to which Section 17(1)(h) of the Act applies on the market value of the property less the amount stated in that Section or higher amount as determined by Council;
- State or public infrastructure and their rates may be reduced to a percentage which is contemplated in Section 11 of the Act.
- Owners of agricultural properties who are bona fide farmers.

1.4.2 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 7.86 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2016 .

Considering the Eskom increases, the consumer tariff had to be increased by 7.86 per cent (maximum) to offset the additional bulk purchase cost from 1 July 2016. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

Registered indigents will continue to get 50 kWh allocated to them and this will result in indigents receiving 50 kWh per 30-day period free of charge.

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2016. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidize the lower consumption users (mostly the poor).

1.4.3 Waste Removal and Impact of Tariff Increase

Service charge refuse removal is currently not doing fairly well since the revenue generated is currently less than the anticipated expenditure to be incurred and the municipality will therefore, have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributors for the function not to break-even are repairs and maintenance on vehicles and landfill site, increases in general expenditure such as petrol and diesel and the cost of contracted service provider for refuse removal.

1.4.4 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

Table 4 MBRR Table SA14 – Household bills

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
							% incr.			
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	230.00	230.00	259.00	264.00	264.00	264.00	6.0%	279.84	284.00	286.00
Electricity: Basic levy	110.00	118.00	126.26	141.41	141.41	141.41	5.0%	150.00	160.00	170.00
Electricity: Consumption	439.00	669.00	834.00	1 194.75	1 194.75	1 194.75	12.0%	1 400.00	1 500.00	1 600.00
Water: Basic levy										
Water: Consumption										
Sanitation										
Refuse removal	56.62	60.02	72.67	75.29	75.29	75.29	6.0%	79.80	82.00	85.00
Other										
sub-total	835.62	1 077.02	1 291.93	1 675.45	1 675.45	1 675.45	14.0%	1 909.64	2 026.00	2 141.00
VAT on Services	84.79	118.58	144.61	197.60	197.60	197.60		228.17	243.88	259.70
Total large household bill:	920.41	1 195.60	1 436.54	1 873.05	1 873.05	1 873.05	14.1%	2 137.81	2 269.88	2 400.70
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	259.06	259.06	276.94	294.80	294.80	294.80	6.0%	300.80	300.80	300.80
Electricity: Basic levy	110.00	118.00	126.26	141.41	141.41	141.41	5.0%	150.00	160.00	170.00
Electricity: Consumption	381.00	642.00	1 008.64	1 234.30	1 234.30	1 234.30	12.0%	1 500.00	1 600.00	1 700.00
Water: Basic levy										
Water: Consumption										
Sanitation										
Refuse removal	56.62	60.02	72.67	75.29	75.29	75.29	6.0%	79.80	82.00	85.00
Other										
sub-total	806.68	1 079.08	1 484.51	1 745.80	1 745.80	1 745.80	16.3%	2 030.60	2 142.80	2 255.80
VAT on Services	76.67	114.80	169.06	203.14	203.14	203.14		242.17	257.88	273.70
Total small household bill:	883.35	1 193.88	1 653.57	1 948.94	1 948.94	1 948.94	16.6%	2 272.77	2 400.68	2 529.50
% increase/-decrease		35.2%	38.5%	17.9%	-	-		16.6%	5.6%	5.4%
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates	35.70	37.80	39.00	41.00	41.00	41.00	6.0%	50.00	52.00	53.00
Electricity: Basic levy	110.00	118.00	126.26	141.41	141.41	141.41	5.0%	150.00	160.00	170.00
Electricity: Consumption	65.00	166.00	208.00	140.00	140.00	140.00	12.0%	186.00	186.00	186.00
Water: Basic levy										
Water: Consumption										
Sanitation										
Refuse removal	56.62	60.02	72.67	64.63	64.63	64.63	6.0%	66.00	67.00	68.00
Other										
sub-total	267.32	381.82	445.93	387.04	387.04	387.04	16.8%	452.00	465.00	477.00
VAT on Services	37.42	53.45	62.43	54.19	54.19	54.19		63.28	65.10	66.78
Total small household bill:	304.74	435.27	508.36	441.23	441.23	441.23	16.8%	515.28	530.10	543.78
% increase/-decrease		42.8%	16.8%	(13.2%)	-	-		16.8%	2.9%	2.6%

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2016/17 budget and MTREF is informed by the following:

- The renewal of existing assets and the repairs and maintenance needs;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The alignment of capital programme to the asset renewal requirement as per MBRR;
- Operational surplus will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of no project plans no budget. If there is no business plan no funding allocation will be made.

The following table is a high level summary of the 2016/17 budget and MTREF (classified per main type of operating expenditure):

Table 5 Summary of operating expenditure by standard classification item

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Expenditure By Type										
Employee related costs	69 573	87 146	102 669	115 256	106 109	106 109	84 459	109 053	115 814	122 648
Remuneration of councillors	14 719	16 037	18 844	18 543	17 659	17 659	14 781	18 908	20 081	21 265
Debt impairment	3 597	10 245	11 357	11 000	11 000	11 000	(2)	12 688	13 474	14 269
Depreciation & asset impairment	32 894	32 828	32 042	35 000	35 000	35 000	–	35 796	38 016	40 259
Finance charges	113	–	–	–	–	–	–	60	12	–
Bulk purchases	46 120	48 014	51 853	60 000	61 270	61 270	50 862	64 961	68 988	73 059
Other materials	1 224	1 677	1 687	5 430	6 492	6 492	5 312	3 945	4 190	4 437
Contracted services	7 289	9 800	11 259	21 950	31 758	31 758	28 756	20 550	18 638	19 738
Transfers and grants	2 483	2 287	1 832	3 300	1 900	1 900	768	2 128	2 260	2 393
Other expenditure	28 990	58 640	106 070	69 552	77 437	77 437	65 559	60 826	60 495	61 379
Loss on disposal of PPE	–	–	–	400	–	–	–	–	–	–
Total Expenditure	207 004	266 675	337 613	340 431	348 624	348 624	250 495	328 915	341 969	359 446

The budgeted allocation for employee related costs for the 2016/17 financial year totals R109, 053 million, which equals 33, 15% of the total operating expenditure. Based on MFMA circular 79, the three year salary increases have been factored into this budget at a percentage increase of 7, 0% for the 2016/17 financial year and annual increase of 7, 2% and 6, 9% have been included in the two outer years of the MTREF.

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

The provision of debt impairment was determined based on an annual collection rate of 93 per cent and the Debt Write-off Policy of the Municipality. For the 2016/17 financial year this amount equates to R12, 688 million and escalates to R14, 269 million by 2018/19. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate for asset consumption. Budget appropriations in this regard total R35, 796 million for the 2016/17 financial year and equates to 10.88% of the total operating expenditure. Cognizance should be taken 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. Note should therefore be taken that depreciation and asset impairment as well as debt impairment constitute non-cash items and as a result they are excluded when determining surplus to be expended for funding capital projects.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditure includes distribution losses. The 2016/17 budget has been increased as compared to 2016/17 financial year and this is due to Nersa annual increase of 7, 86%.

Other material comprises of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the municipality's repairs and maintenance plan this group of expenditure has been prioritized to ensure sustainability of the municipality's infrastructure.

Contracted services comprise of 6. 25 % or R20, 550 million of the total operational budget for the 2016/17 financial year and declines to R18, 638 million and then escalates to R19, 738 million in the two respective outer years.

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.

The following diagram gives a breakdown of the main expenditure categories for the 2015/6 financial year.

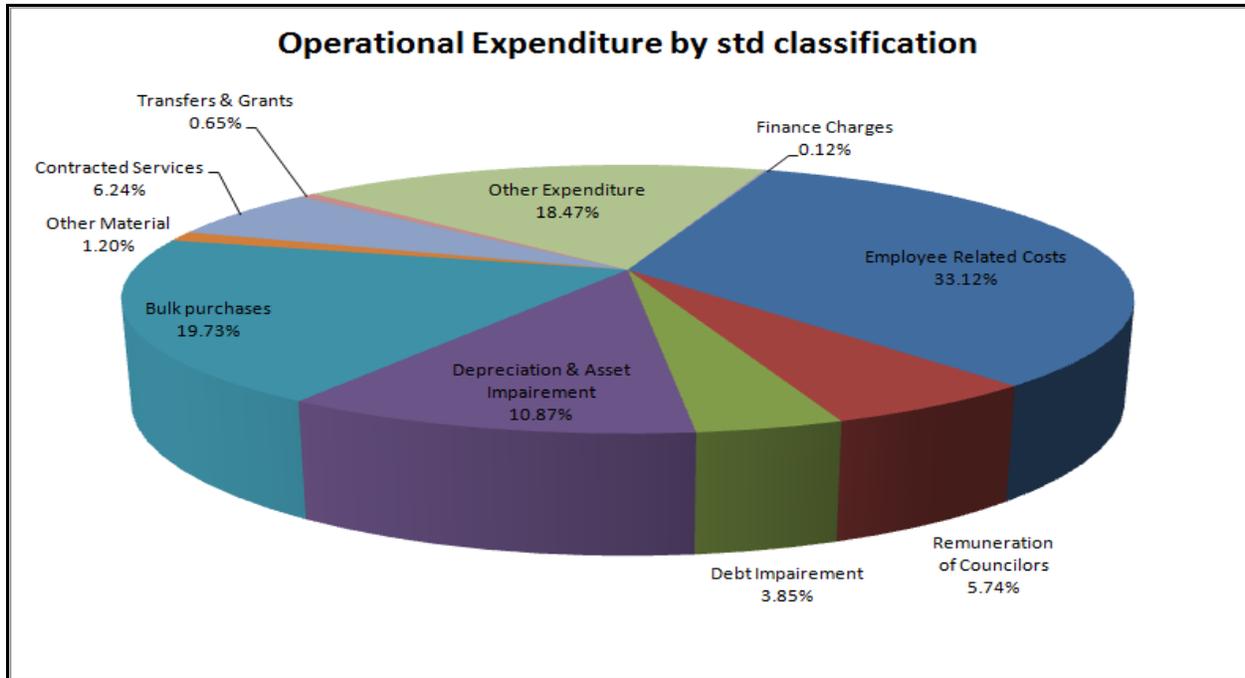


Figure 2 Main operational expenditure categories for the 2016/17 financial year

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 2016/17 budget and MTREF provide for budget appropriations in the area of asset maintenance, as informed by the asset renewal and repairs and maintenance needs. 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.

During the compilation of the 2016/17 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. To this end, repairs and maintenance is however sitting at R14, 715 million to R13, 132 million and R16, 396 million and the fluctuation is attributed to maintenance of landfill site as the contract thereof is lapsing in 2016/17 financial year. In addition, the municipality is still experiencing budgetary constraints to can meet the required 8% that repairs and maintenance should contribute towards the total operating expenditure budget. In relation to the total operating expenditure, repairs and maintenance comprises of 4, 47% for the 2016/17 years and this percentage is however way below the set norm of 8% as stipulated by National Treasury.

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

Table 6 Repairs and maintenance per asset class

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year+1 2017/18	Budget Year+2 2018/19
Repairs and Maintenance by Asset Class									
Infrastructure - Road transport	2 636	2 448	1 125	3 000	2 418	2 418	3 300	3 505	4 000
Infrastructure - Electricity	606	973	1 271	-	1 000	1 000	1 800	1 912	2 024
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	1 107	1 110	1 500	2 100	2 100	2 350	-	-
Community	1 874	13	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	5 043	7 481	7 320	4 395	4 395	7 265	7 715	10 372
Total Repairs and Maintenance	5 116	9 584	10 988	11 820	9 913	9 913	14 715	13 132	16 396

For the 2016/17 financial year 50, 63% or R 7, 450 million of total repairs and maintenance will be spent on infrastructure assets. Of the total infrastructure assets R3, 300 million has been allocated to road transport, R1, 800 million to infrastructure electricity, R2, 350 to other infrastructure assets waste management. Other assets category has been allocated R7, 265 million of total repairs and maintenance equating to 49, 37%.

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists of 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. Details relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 10 MBRR A10 (Basic Service Delivery Measurement) on.

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 and this package covers all the basic services provided by EMLM and these services include, property rates rebates, service charges electricity, and refuse removal.

1.6 Capital expenditure

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

Table 7 2016/17 Medium-term capital budget per vote

LIM472 Elias Motsoaledi - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding								
Vote Description	2015/16		2016/17 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2016/17	%	Budget Year +1 2017/18	%	Budget Year +2 2018/19	%
Capital expenditure - Vote								
Multi-year expenditure to be appropriated								
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	1 734	1.39%	650	0.69%	-	-	-	-
Vote 5 - Community Services	6 500	5.22%	2 780	2.94%	1 000	1.25%	500	0.57%
Vote 6 - Technical Services	116 221	93.38%	91 019	96.37%	79 212	98.75%	87 386	99.43%
Vote 7 - Strategic Development	-	-	-	-	-	-	-	-
Vote 8 - Development Planning	-	-	-	-	-	-	-	-
Vote 9 - Executive Support	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	124 455	100.00%	94 449	100.00%	80 212	100.00%	87 886	100.00%

For 2016/17 an amount of R91, 019 million has been appropriated for vote 6 - Infrastructure which represents 96, 37% of the total multi - year capital budget. In the outer years this amount totals R79, 212 million (98, 75%) and R87, 386 million (99, 43%) respectively for each of the financial years. The other departments', *id-est* Corporate Services appropriations are mainly for procurement of operational equipment such as ICT equipment, Office furniture, and other equipment while Community Services' appropriations are for Upgrading of the testing center, license offices, development of control room, Cemeteries and development of transfer station and procurement of fire arms and machinery and equipment..

Total new assets represent 44, 18% or R41, 730 million of the total capital budget while asset renewal equates to 55, 81% or R52, 719 million. The appropriation for asset renewal has significantly improved relative to 2014/15 appropriation. The allocation is above the required norm of 40% that the renewal of existing assets must contribute to the total capital budget. Further detail relating to asset classes and proposed capital expenditure is contained in Table 15 MBRR A9 (Asset Management).

Some of the salient projects to be undertaken over the medium-term includes, amongst others:

- Electricity related projects – R14, 500 million
- Roads related projects – R64, 479 million
- Operational equipment – R4, 870 million
- Recreational Facilities – R600 thousand
- Sports and Stadiums – R 10 000 Million

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

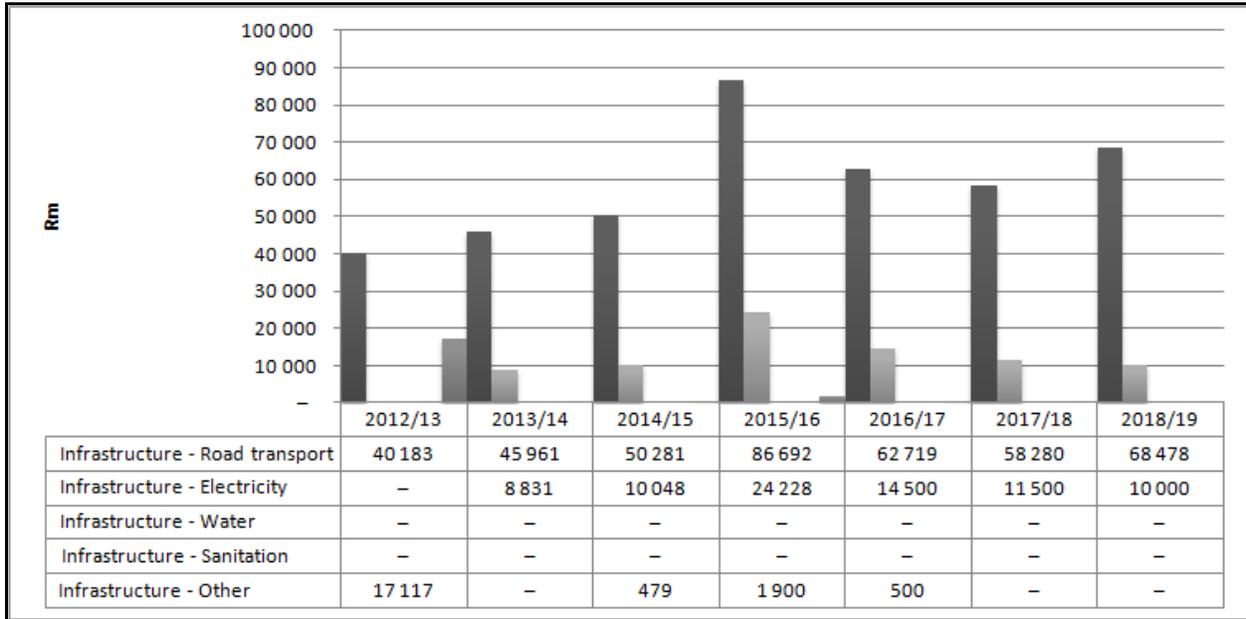


Figure 3 Capital Infrastructure Programme

1.7 Annual Budget Tables

The following tables present the main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2016/17 draft budget and MTREF. Each table is accompanied by explanatory notes thereof.

Table 8 MBRR Table A1 - Budget Summary

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Financial Performance										
Property rates	17 900	20 450	19 271	26 182	24 797	24 797	18 747	23 981	25 468	26 971
Service charges	50 462	56 621	59 869	67 601	66 337	66 337	55 716	81 102	86 130	91 212
Investment revenue	878	3 598	3 965	4 600	3 300	3 300	2 993	3 829	4 066	4 306
Transfers recognised - operational	132 856	146 878	170 641	216 652	216 652	216 652	216 264	213 105	227 853	243 113
Other own revenue	18 864	17 549	22 272	16 188	13 960	13 960	12 186	15 589	16 555	17 532
Total Revenue excluding capital transfers	220 960	245 095	276 019	331 224	325 046	325 046	305 906	337 606	360 073	383 133
Employee costs	69 573	87 146	102 669	115 256	106 109	106 109	84 459	109 053	115 814	122 648
Remuneration of councillors	14 719	16 037	18 844	18 543	17 659	17 659	14 781	18 908	20 081	21 265
Depreciation & asset impairment	32 894	32 828	32 042	35 000	35 000	35 000	-	35 796	38 016	40 259
Finance charges	113	-	-	-	-	-	-	60	12	-
Materials and bulk purchases	47 344	49 691	53 540	65 430	67 762	67 762	56 173	68 906	73 178	77 495
Transfers and grants	2 483	2 287	1 832	3 300	1 900	1 900	768	2 128	2 260	2 393
Other expenditure	39 876	78 685	128 686	102 902	120 195	120 195	94 313	94 063	92 608	95 386
Total Expenditure	207 004	266 675	337 613	340 431	348 624	348 624	250 495	328 915	341 969	359 446
Surplus/(Deficit)	13 956	(21 580)	(61 594)	(9 207)	(23 578)	(23 578)	55 411	8 690	18 104	23 687
Transfers recognised - capital	35 223	44 723	58 967	63 102	77 739	77 739	68 940	75 419	66 212	69 386
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers	49 179	23 143	(2 627)	53 895	54 161	54 161	124 351	84 109	84 316	93 073
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	49 179	23 143	(2 627)	53 895	54 161	54 161	124 351	84 109	84 316	93 073
Capital expenditure & funds sources										
Capital expenditure	57 412	62 095	72 212	99 981	124 455	124 455	80 238	94 449	80 212	87 886
Transfers recognised - capital	35 223	50 665	51 462	63 102	77 739	77 739	65 555	75 419	66 212	69 386
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	22 189	11 430	20 750	36 879	46 716	46 716	14 683	19 030	14 000	18 500
Total sources of capital funds	57 412	62 095	72 212	99 981	124 455	124 455	80 238	94 449	80 212	87 886
Financial position										
Total current assets	45 820	90 618	78 138	66 715	74 542	74 542	127 445	72 418	101 544	149 037
Total non current assets	892 847	813 499	830 215	886 793	969 866	969 866	830 754	993 473	1 031 658	1 080 018
Total current liabilities	(52 051)	82 178	68 432	34 500	27 100	27 100	63 263	31 896	30 823	28 755
Total non current liabilities	28 457	34 693	79 033	40 000	32 512	32 512	76 694	90 513	89 473	94 752
Community wealth/Equity	962 260	787 245	760 887	879 008	984 796	984 796	818 242	943 481	1 012 906	1 105 549
Cash flows										
Net cash from (used) operating	20 114	76 508	57 728	94 962	104 998	101 283	117 684	119 326	121 716	132 680
Net cash from (used) investing	(38 870)	(56 618)	(70 369)	(99 981)	(89 369)	(122 609)	(59 194)	(89 449)	(80 212)	(87 886)
Net cash from (used) financing	142	22	2 361	500	2 597	2 597	1 302	(8 857)	(5 733)	562
Cash/cash equivalents at the year end	(11 138)	35 247	24 967	25 631	43 192	6 238	84 360	27 259	63 030	108 387
Cash backing/surplus reconciliation										
Cash and investments available	32 090	35 247	24 967	25 631	40 190	40 190	84 360	36 616	63 102	108 459
Application of cash and investments	(68 461)	(4 237)	20 680	(293)	(1 504)	(1 504)	(27 402)	(3 696)	(7 505)	(11 875)
Balance - surplus (shortfall)	100 551	39 484	4 287	25 924	41 694	41 694	111 762	40 311	70 607	120 334
Asset management										
Asset register summary (WDV)	892 847	802 774	819 565	886 793	969 866	969 866	981 775	981 775	1 019 235	1 066 862
Depreciation & asset impairment	32 894	32 828	32 042	35 000	35 000	35 000	35 796	35 796	38 016	40 259
Renewal of Existing Assets	-	12 432	18 633	42 879	35 407	35 407	35 407	52 719	40 091	43 908
Repairs and Maintenance	5 116	9 584	10 988	11 820	9 913	9 913	14 715	14 715	13 132	16 396
Free services										
Cost of Free Basic Services provided	-	-	-	1 000	1 000	1 000	1 000	1 000	-	-
Revenue cost of free services provided	17 253	8 144	-	10 253	10 253	10 253	8 725	8 725	7 331	7 701
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	2	2	2	2
Refuse:	-	-	-	-	-	-	54	54	54	54

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 contained in the draft budget 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 net of non-cash items) is positive 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. Internally generated funds are financed from a combination of the current operating surplus. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that the municipality is not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This place the municipality in a very vulnerable financial position with regards to replacement of assets since no capital replacement reserve is in place. Notwithstanding the absence of capital replacement reserve, EMLM appear to be doing well since it is not operating on overdraft nor funding some of its capital projects through borrowings. Even though the Council is placing great emphasis on securing the 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 dropped significantly and this is attributed to offering free basic services only to indigents. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 9 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue - Standard									
Governance and administration	155 890	176 282	204 510	250 105	250 238	250 238	246 631	264 620	282 049
Executive and council	1 419	1 611	934	930	930	930	-	-	761
Budget and treasury office	154 194	174 529	203 514	248 806	249 298	249 298	246 619	264 608	281 276
Corporate services	276	142	62	369	11	11	11	12	13
Community and public safety	8 455	6 414	2 942	772	1 840	1 840	1 384	1 470	1 557
Community and social services	54	46	341	74	37	37	39	42	44
Sport and recreation	-	2	18	63	3	3	3	3	4
Public safety	5 815	6 366	2 584	635	1 800	1 800	1 342	1 425	1 509
Housing	-	-	-	-	-	-	-	-	-
Health	2 586	-	-	-	-	-	-	-	-
Economic and environmental services	37 395	41 165	63 708	64 347	74 370	74 370	70 558	63 692	67 308
Planning and development	15	22	1 317	1 670	1 230	1 230	1 167	76	81
Road transport	37 380	41 142	62 392	62 677	73 139	73 139	69 391	63 616	67 227
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	54 437	65 957	63 825	79 101	76 337	76 337	94 452	96 502	101 605
Electricity	54 437	60 588	60 334	73 973	72 620	72 620	86 328	87 874	92 469
Water	-	2 006	-	-	-	-	-	-	-
Waste water management	-	617	-	-	-	-	-	-	-
Waste management	-	2 746	3 491	5 128	3 717	3 717	8 124	8 627	9 136
Other	6	-	-	-	-	-	-	-	-
Total Revenue - Standard	256 183	289 817	334 986	394 326	402 785	402 785	413 025	426 285	452 519
Expenditure - Standard									
Governance and administration	122 198	158 566	188 442	164 839	174 851	174 851	158 368	165 001	174 736
Executive and council	41 217	48 179	42 769	46 223	48 095	48 095	45 635	48 464	51 324
Budget and treasury office	53 731	66 069	98 858	70 927	83 900	83 900	71 054	72 273	76 537
Corporate services	27 250	44 317	46 815	47 689	42 856	42 856	41 679	44 263	46 875
Community and public safety	20 452	14 735	27 466	22 540	21 477	21 477	23 423	24 875	26 342
Community and social services	3 428	3 364	17 387	9 005	9 050	9 050	9 521	10 112	10 708
Sport and recreation	18	-	-	579	719	719	1 431	1 520	1 610
Public safety	9 208	11 372	10 079	12 956	11 709	11 709	12 470	13 243	14 024
Housing	-	-	-	-	-	-	-	-	-
Health	7 799	-	-	-	-	-	-	-	-
Economic and environmental services	17 919	31 570	48 863	63 638	58 493	58 493	50 267	51 726	52 079
Planning and development	6 256	10 273	14 116	14 507	10 580	10 580	10 031	10 653	11 281
Road transport	11 663	21 297	34 747	49 131	47 913	47 913	40 236	41 073	40 798
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	46 434	61 804	72 841	89 414	93 803	93 803	96 858	100 367	106 289
Electricity	46 434	51 150	60 619	72 315	73 872	73 872	78 171	83 017	87 915
Water	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	-	10 654	12 223	17 099	19 931	19 931	18 687	17 350	18 374
Other	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	207 004	266 675	337 613	340 431	348 624	348 624	328 915	341 969	359 446
Surplus/(Deficit) for the year	49 179	23 143	(2 627)	53 895	54 161	54 161	84 109	84 316	93 073

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.

Table 10 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote									
Vote 1 - Executive & Council	–	340	–	–	–	–	–	–	–
Vote 2 - Office of the Municipal Manager	800	890	934	930	930	930	–	–	761
Vote 3 - Budget & Treasury	154 197	174 529	203 514	248 806	249 298	249 298	246 619	264 608	281 276
Vote 4 - Corporate Services	276	142	62	369	11	11	11	12	13
Vote 5 - Community Services	8 894	9 541	11 515	12 248	9 957	9 957	14 568	15 471	16 384
Vote 6 - Technical Services	92 001	104 353	117 644	130 302	141 359	141 359	150 659	146 117	154 006
Vote 7 - Strategic Development	–	–	–	–	–	–	–	–	–
Vote 8 - Development Planning	15	22	1 317	1 670	1 230	1 230	1 167	76	81
Vote 9 - Executive Support	–	–	–	–	–	–	–	–	–
Total Revenue by Vote	256 183	289 817	334 986	394 326	402 785	402 785	413 025	426 285	452 519
Expenditure by Vote to be appropriated									
Vote 1 - Executive & Council	21 554	25 983	28 444	27 732	30 179	30 179	27 109	28 789	30 488
Vote 2 - Office of the Municipal Manager	5 349	6 193	14 324	20 660	21 100	21 100	18 526	19 675	20 836
Vote 3 - Budget & Treasury	53 731	66 069	98 858	70 927	83 900	83 900	71 054	72 273	76 537
Vote 4 - Corporate Services	27 250	44 317	46 815	28 962	18 506	18 506	27 391	29 089	30 805
Vote 5 - Community Services	34 154	41 393	44 130	46 799	47 395	47 395	47 723	48 186	51 029
Vote 6 - Technical Services	58 709	72 446	90 924	114 286	115 798	115 798	112 793	118 129	122 400
Vote 7 - Strategic Development	–	4 730	6 423	–	–	–	–	–	–
Vote 8 - Development Planning	6 256	5 543	7 693	14 041	7 396	7 396	10 031	10 653	11 281
Vote 9 - Executive Support	–	–	–	17 023	24 350	24 350	14 288	15 174	16 070
Total Expenditure by Vote	207 004	266 675	337 613	340 431	348 624	348 624	328 915	341 969	359 446
Surplus/(Deficit) for the year	49 179	23 143	(2 627)	53 895	54 161	54 161	84 109	84 316	93 073

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

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organizational structure of the Municipality.

Table 11 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source										
Property rates	17 900	20 450	19 271	26 182	24 797	24 797	18 747	23 981	25 468	26 971
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	47 884	53 899	56 385	62 973	62 620	62 620	52 654	73 328	77 874	82 469
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	2 721	3 483	4 628	3 717	3 717	3 062	7 774	8 256	8 743
Service charges - other	2 578	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	771	1 125	1 199	3 290	1 000	1 000	713	912	969	1 026
Interest earned - external investments	878	3 598	3 965	4 600	3 300	3 300	2 993	3 829	4 066	4 306
Interest earned - outstanding debtors	3 733	5 225	5 861	4 500	6 500	6 500	4 787	6 123	6 503	6 887
Dividends received	-	-	-	-	-	-	-	-	-	-
Fines	792	1 666	2 584	635	1 800	1 800	1 049	1 342	1 425	1 509
Licences and permits	5 249	4 669	5 081	6 348	4 400	4 400	3 955	5 060	5 373	5 691
Agency services	3 187	2 653	-	-	-	-	-	-	-	-
Transfers recognised - operational	132 856	146 878	170 641	216 652	216 652	216 652	216 264	213 105	227 853	243 113
Other revenue	4 625	2 210	7 548	1 415	260	260	1 682	2 152	2 285	2 420
Gains on disposal of PPE	508	-	-	-	-	-	-	-	-	-
Total Revenue excluding capital transfers	220 960	245 095	276 019	331 224	325 046	325 046	305 906	337 606	360 073	383 133
Expenditure By Type										
Employee related costs	69 573	87 146	102 669	115 256	106 109	106 109	84 459	109 053	115 814	122 648
Remuneration of councillors	14 719	16 037	18 844	18 543	17 659	17 659	14 781	18 908	20 081	21 265
Debt impairment	3 597	10 245	11 357	11 000	11 000	11 000	(2)	12 688	13 474	14 269
Depreciation & asset impairment	32 894	32 828	32 042	35 000	35 000	35 000	-	35 796	38 016	40 259
Finance charges	113	-	-	-	-	-	-	60	12	-
Bulk purchases	46 120	48 014	51 853	60 000	61 270	61 270	50 862	64 961	68 988	73 059
Other materials	1 224	1 677	1 687	5 430	6 492	6 492	5 312	3 945	4 190	4 437
Contracted services	7 289	9 800	11 259	21 950	31 758	31 758	28 756	20 550	18 638	19 738
Transfers and grants	2 483	2 287	1 832	3 300	1 900	1 900	768	2 128	2 260	2 393
Other expenditure	28 990	58 640	106 070	69 552	77 437	77 437	65 559	60 826	60 495	61 379
Loss on disposal of PPE	-	-	-	400	-	-	-	-	-	-
Total Expenditure	207 004	266 675	337 613	340 431	348 624	348 624	250 495	328 915	341 969	359 446
Surplus/(Deficit)	13 956	(21 580)	(61 594)	(9 207)	(23 578)	(23 578)	55 411	8 690	18 104	23 687
Transfers recognised - capital	35 223	44 723	58 967	63 102	77 739	77 739	68 940	75 419	66 212	69 386
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers	49 179	23 143	(2 627)	53 895	54 161	54 161	124 351	84 109	84 316	93 073
Taxation	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	49 179	23 143	(2 627)	53 895	54 161	54 161	124 351	84 109	84 316	93 073
Attributable to minorities	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	49 179	23 143	(2 627)	53 895	54 161	54 161	124 351	84 109	84 316	93 073
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	49 179	23 143	(2 627)	53 895	54 161	54 161	124 351	84 109	84 316	93 073

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

1. Operating revenue is R337, 066 million in 2016/17 and escalates to R383, 133 million by 2018/19. This represents an increase of 6, 65% in 2017/18 financial year and 6, 40% for the 2018/19 financial year. Revenue to be generated from property rates is R23, 981 million in the 2016/17 financial year and increases to R26, 971 million by 2018/19 which represents 7, 10% of the operating revenue base of the Municipality for 2016/17 financial year and therefore remains a significant funding source for the municipality and the budget remained relatively constant over the medium-term.
2. Services charges relating to electricity and refuse removal also contribute to the revenue basket of the Municipality totaling R81, 102 million for the 2016/17 financial year and increasing to R86, 130 million in 2017/18 and increasing to R91, 212 million in 2018/19 financial year. For the 2016/17 financial year, services charges amount to 24, 02% of the total revenue base in 2016/17 financial year and grows by 12, 46% respectively in the outer years.
3. Transfers recognized – operating includes the local government equitable share and other operating grants from national. It should be noted that in real terms the grants receipts from national government has reduced by R3, 547 million in 2016/17 financial year, increased by R14, 748 million in 2017/18 financial year and again increased by R15, 260 million in 2018/19 financial years. Cognizance should be taken that the reduction in 2016/17 is attributed to non – allocation of Municipal Systems Improvement Grant (MSIG) and the reduced allocation for Equitable share.
4. 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 12 MBRR Table A5 - Budgeted Capital Expenditure by standard classification and funding source

Vote Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital Expenditure - Standard										
Governance and administration	–	2 001	2 579	1 100	1 734	1 734	921	650	–	–
Executive and council	–	–	–	–	–	–	–	–	–	–
Budget and treasury office	–	75	–	–	–	–	–	–	–	–
Corporate services	–	1 926	2 579	1 100	1 734	1 734	921	650	–	–
Community and public safety	112	–	159	6 500	1 600	1 600	21	1 380	1 000	500
Community and social services	–	–	159	6 500	600	600	21	1 200	1 000	500
Sport and recreation	–	–	–	–	–	–	–	–	–	–
Public safety	–	–	–	–	1 000	1 000	–	180	–	–
Housing	–	–	–	–	–	–	–	–	–	–
Health	112	–	–	–	–	–	–	–	–	–
Economic and environmental services	40 183	46 952	61 667	79 381	96 993	96 993	68 506	77 019	67 712	77 386
Planning and development	–	–	1 009	–	–	–	–	–	–	–
Road transport	40 183	46 952	60 657	79 381	96 993	96 993	68 506	77 019	67 712	77 386
Environmental protection	–	–	–	–	–	–	–	–	–	–
Trading services	–	13 142	7 807	13 000	24 128	24 128	10 789	15 400	11 500	10 000
Electricity	–	13 142	7 752	13 000	23 228	23 228	10 789	14 500	11 500	10 000
Water	–	–	–	–	–	–	–	–	–	–
Waste water management	–	–	–	–	–	–	–	–	–	–
Waste management	–	–	55	–	900	900	–	900	–	–
Other	17 117	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Standard	57 412	62 095	72 212	99 981	124 455	124 455	80 238	94 449	80 212	87 886
Funded by:										
National Government	35 223	50 665	51 462	53 102	77 739	77 739	65 555	75 419	66 212	69 386
Provincial Government	–	–	–	–	–	–	–	–	–	–
District Municipality	–	–	–	–	–	–	–	–	–	–
Other transfers and grants	–	–	–	10 000	–	–	–	–	–	–
Transfers recognised - capital	35 223	50 665	51 462	63 102	77 739	77 739	65 555	75 419	66 212	69 386
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	22 189	11 430	20 750	36 879	46 716	46 716	14 683	19 030	14 000	18 500
Total Capital Funding	57 412	62 095	72 212	99 981	124 455	124 455	80 238	94 449	80 212	87 886

Table 13 MBRR Table A5 - Budgeted Capital Expenditure by vote

Vote Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital expenditure - Vote										
Multi-year expenditure to be appropriated										
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	-	1 280	1 100	1 434	1 434	921	-	-	-
Vote 5 - Community Services	-	-	214	4 200	4 700	4 700	2 977	600	1 000	500
Vote 6 - Technical Services	-	43 439	41 058	57 735	76 398	76 398	49 524	63 619	66 471	83 886
Vote 7 - Strategic Development	-	-	-	-	-	-	-	-	-	-
Vote 8 - Development Planning	-	-	-	-	-	-	-	-	-	-
Vote 9 - Executive Support	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	-	43 439	42 551	63 035	82 533	82 533	53 423	64 219	67 471	84 386
Single-year expenditure to be appropriated										
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	75	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	1 926	1 299	-	300	300	-	650	-	-
Vote 5 - Community Services	1 067	-	-	2 300	1 800	1 800	-	2 180	-	-
Vote 6 - Technical Services	53 761	16 655	27 352	34 646	39 822	39 822	26 815	27 400	12 741	3 500
Vote 7 - Strategic Development	-	-	-	-	-	-	-	-	-	-
Vote 8 - Development Planning	2 584	-	1 009	-	-	-	-	-	-	-
Vote 9 - Executive Support	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	57 412	18 656	29 660	36 946	41 922	41 922	26 815	30 230	12 741	3 500
Total Capital Expenditure - Vote	57 412	62 095	72 212	99 981	124 455	124 455	80 238	94 449	80 212	87 886
Total Capital Funding	57 412	62 095	72 212	99 981	124 455	124 455	80 238	94 449	80 212	87 886

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

- Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national departments.
- The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2016/17 R64, 219 million has been allocated of the total R94, 449 million capital budget which totals 67, 99%. This allocation escalates to R67, 471 million in 2017/18 and to R84, 386 million in 2018/19.
- Single-year capital expenditure has been appropriated at R30, 230 million for the 2016/17 financial year and declines over the MTREF at levels of R12, 741 million and R3, 500 million respectively in the two outer years.
- 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

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. The capital programme is funded from capital grants and transfers and internally generated funds from current year surpluses.

Table 14 MBRR Table A6 - Budgeted Financial Position

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
ASSETS										
Current assets										
Cash	21 690	2 910	1 203	10 631	15 190	15 190	3 046	3 247	3 448	3 651
Call investment deposits	10 400	32 337	23 764	15 000	25 000	25 000	81 314	33 369	59 654	104 807
Consumer debtors	13 899	20 229	18 744	24 184	24 184	24 184	26 713	18 947	20 728	21 997
Other debtors	(211)	32 854	31 791	14 400	7 232	7 232	12 997	13 855	14 714	15 582
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-
Inventory	42	2 288	2 636	2 500	2 936	2 936	3 375	3 000	3 000	3 000
Total current assets	45 820	90 618	78 138	66 715	74 542	74 542	127 445	72 418	101 544	149 037
Non current assets										
Long-term receivables	-	644	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-	-
Investment property	189 890	85 382	89 472	90 000	85 382	85 382	89 472	89 472	89 472	89 472
Investment in Associate	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	691 386	694 407	729 129	796 793	884 484	884 484	729 669	891 663	929 123	976 750
Agricultural	-	-	-	-	-	-	-	-	-	-
Biological	12	311	323	-	-	-	-	-	-	-
Intangible	11 560	22 674	640	-	-	-	640	640	640	640
Other non-current assets	-	10 081	10 650	-	-	-	10 974	11 698	12 423	13 156
Total non current assets	892 847	813 499	830 215	886 793	969 866	969 866	830 754	993 473	1 031 658	1 080 018
TOTAL ASSETS	938 667	904 116	908 353	953 508	1 044 408	1 044 408	958 199	1 065 891	1 133 202	1 229 056
LIABILITIES										
Current liabilities										
Bank overdraft	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Consumer deposits	3 348	4 211	5 531	5 500	5 600	5 600	5 107	5 444	5 781	6 123
Trade and other payables	(55 399)	42 917	61 539	29 000	21 500	21 500	58 156	25 000	23 500	21 000
Provisions	-	35 049	1 362	-	-	-	-	1 452	1 542	1 632
Total current liabilities	(52 051)	82 178	68 432	34 500	27 100	27 100	63 263	31 896	30 823	28 755
Non current liabilities										
Borrowing	-	-	-	-	-	-	-	6 264	-	-
Provisions	28 457	34 693	79 033	40 000	32 512	32 512	76 694	84 249	89 473	94 752
Total non current liabilities	28 457	34 693	79 033	40 000	32 512	32 512	76 694	90 513	89 473	94 752
TOTAL LIABILITIES	(23 593)	116 871	147 465	74 500	59 612	59 612	139 957	122 409	120 296	123 507
NET ASSETS	962 260	787 245	760 887	879 008	984 796	984 796	818 242	943 481	1 012 906	1 105 549
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)	962 260	787 245	760 887	879 008	984 796	984 796	818 242	943 481	1 012 906	1 105 549
Reserves	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	962 260	787 245	760 887	879 008	984 796	984 796	818 242	943 481	1 012 906	1 105 549

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
4. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 15 MBRR Table A7 - Budgeted Cash Flow Statement

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges	21 074	14 099	19 271	24 349	23 557	23 557	15 404	22 302	23 685	25 083
Service charges	54 469	56 621	52 686	62 889	63 020	63 020	57 401	74 803	79 440	84 127
Other revenue	14 472	12 324	10 037	10 523	7 100	7 100	96 174	8 463	8 987	9 517
Government - operating	132 856	146 878	170 641	216 652	216 652	216 652	215 904	213 105	227 853	243 113
Government - capital	35 223	44 723	65 518	63 102	77 739	77 739	57 509	75 419	66 212	69 386
Interest	4 611	8 437	9 257	4 600	5 153	5 153	4 048	5 666	6 017	6 372
Dividends	-	-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees	(239 995)	(204 285)	(267 851)	(283 833)	(286 323)	(290 038)	(327 987)	(278 243)	(288 207)	(302 525)
Finance charges	(113)							(60)	(12)	
Transfers and Grants	(2 483)	(2 287)	(1 832)	(3 300)	(1 900)	(1 900)	(768)	(2 128)	(2 260)	(2 393)
NET CASH FROM/(USED) OPERATING ACTIVITIES	20 114	76 508	57 728	94 962	104 998	101 283	117 684	119 326	121 716	132 680
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE	-	-	-	-	1 846	1 846	-	5 000	-	-
Decrease (Increase) in non-current debtors	-	-	-	-			-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	33 239		30 267	-	-	-
Decrease (increase) in non-current investments	-	-	-	-			-	-	-	-
Payments										
Capital assets	(38 870)	(56 618)	(70 369)	(99 981)	(124 455)	(124 455)	(89 461)	(94 449)	(80 212)	(87 886)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(38 870)	(56 618)	(70 369)	(99 981)	(89 369)	(122 609)	(59 194)	(89 449)	(80 212)	(87 886)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	142	22	2 361	500	2 597	2 597	1 302	500	531	562
Payments										
Repayment of borrowing	-	-	-	-	-	-	-	(9 357)	(6 264)	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	142	22	2 361	500	2 597	2 597	1 302	(8 857)	(5 733)	562
NET INCREASE/ (DECREASE) IN CASH HELD	(18 614)	19 912	(10 280)	(4 519)	18 225	(18 729)	59 792	21 020	35 771	45 357
Cash/cash equivalents at the year begin:	7 476	15 334	35 247	30 150	24 967	24 967	24 567	6 238	27 259	63 030
Cash/cash equivalents at the year end:	(11 138)	35 247	24 967	25 631	43 192	6 238	84 360	27 259	63 030	108 387

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash level of the Municipality fell slightly from the 2015/16 to 2016/17 period owing directly to a net decrease in cash and cash equivalent for the 2016/17 financial year.
4. The approved 2016/17 MTREF however present fluctuating cash and cash equivalent of R27, 259 million and R63, 030 million and R108, 387 million in the three financial years of the MTREF period.
5. The 2016/17 MTREF has been informed by the planning principle of ensuring adequate cash and cash equivalent over the medium-term and as a result, the Cash and Investment management policy has been accordingly revised.

Table 16 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash and investments available										
Cash/cash equivalents at the year end	(11 138)	35 247	24 967	25 631	43 192	6 238	84 360	27 259	63 030	108 387
Other current investments > 90 days	43 228	0	-	0	(3 002)	33 952	-	9 357	72	72
Non current assets - Investments	-	-	-	-	-	-	-	-	-	-
Cash and investments available:	32 090	35 247	24 967	25 631	40 190	40 190	84 360	36 616	63 102	108 459
Application of cash and investments										
Unspent conditional transfers	(108)	-	16 212	1 108	1 108	1 108	10 200	1 108	-	-
Unspent borrowing	-	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	2 391	3 000	3 186	3 371
Other working capital requirements	(68 353)	(4 237)	4 468	(1 401)	(2 612)	(2 612)	(35 011)	(4 804)	(7 505)	(11 875)
Other provisions	-	-	-	-	-	-	-	-	-	-
Long term investments committed	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:	(68 461)	(4 237)	20 680	(293)	(1 504)	(1 504)	(22 420)	(696)	(4 319)	(8 504)
Surplus(shortfall)	100 551	39 484	4 287	25 924	41 694	41 694	106 780	37 311	67 421	116 963

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 above table, it is clearly indicated that the municipality has surplus over MTREF.

Table 17 MBRR Table A9 - Asset Management

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
CAPITAL EXPENDITURE									
Total New Assets	57 412	49 663	53 579	57 102	89 048	89 048	41 730	40 121	43 978
Infrastructure - Road transport	40 183	39 322	43 328	45 602	65 120	65 120	23 000	27 621	33 978
Infrastructure - Electricity	-	5 038	6 075	11 500	23 228	23 228	13 000	11 000	10 000
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Infrastructure - Other	17 117	-	-	-	400	400	500	-	-
Infrastructure	57 300	44 360	49 402	57 102	88 748	88 748	36 500	38 621	43 978
Community	-	2 683	3 112	-	-	-	700	500	-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	112	2 620	1 065	-	300	300	4 530	1 000	-
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	-	12 432	18 633	42 879	35 407	35 407	52 719	40 091	43 908
Infrastructure - Road transport	-	6 639	6 953	26 779	21 572	21 572	39 719	30 659	34 500
Infrastructure - Electricity	-	3 792	3 974	1 500	1 000	1 000	1 500	500	-
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	-	479	2 500	1 500	1 500	-	-	-
Infrastructure	-	10 431	11 406	30 779	24 072	24 072	41 219	31 159	34 500
Community	-	-	-	-	600	600	10 000	8 932	9 408
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	2 001	7 227	12 100	10 736	10 736	1 500	-	-
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
Total Capital Expenditure									
Infrastructure - Road transport	40 183	45 961	50 281	72 381	86 692	86 692	62 719	58 280	68 478
Infrastructure - Electricity	-	8 831	10 048	13 000	24 228	24 228	14 500	11 500	10 000
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Infrastructure - Other	17 117	-	479	2 500	1 900	1 900	500	-	-
Infrastructure	57 300	54 791	60 808	87 881	112 819	112 819	77 719	69 780	78 478
Community	-	2 683	3 112	-	600	600	10 700	9 432	9 408
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	112	4 620	8 292	12 100	11 036	11 036	6 030	1 000	-
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	57 412	62 095	72 212	99 981	124 455	124 455	94 449	80 212	87 886

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year+1 2017/18	Budget Year+2 2018/19
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	471 856	694 407	729 129	455 293	405 293	405 293	444 058	518 472	571 872
Infrastructure - Electricity	29 982	-	-	31 332	28 332	28 332	41 230	58 703	70 656
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Infrastructure - Other	134 570	-	-	1 468	1 468	1 468	4 000	5 093	9 020
Infrastructure	636 409	694 407	729 129	488 093	435 093	435 093	489 288	582 268	651 548
Community	54 977	-	-	41 006	41 006	41 006	45 180	46 180	46 180
Heritage assets	-	-	-	362	362	362	362	362	362
Investment properties	189 890	85 382	89 472	90 000	85 382	85 382	89 472	89 472	89 472
Other assets	-	-	-	267 332	408 023	408 023	356 834	300 313	278 660
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	12	311	323	-	-	-	-	-	-
Intangibles	11 560	22 674	640	-	-	-	640	640	640
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	892 847	802 774	819 565	886 793	969 866	969 866	981 775	1 019 235	1 066 862
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	32 894	32 828	32 042	35 000	35 000	35 000	35 796	38 016	40 259
Repairs and Maintenance by Asset Class	5 116	9 584	10 988	11 820	9 913	9 913	14 715	13 132	16 396
Infrastructure - Road transport	2 636	2 448	1 125	3 000	2 418	2 418	3 300	3 505	4 000
Infrastructure - Electricity	606	973	1 271	-	1 000	1 000	1 800	1 912	2 024
Infrastructure - Water	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation	-	-	-	-	-	-	-	-	-
Infrastructure - Other	-	1 107	1 110	1 500	2 100	2 100	2 350	-	-
Infrastructure	3 242	4 528	3 506	4 500	5 518	5 518	7 450	5 416	6 024
Community	1 874	13	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	-	5 043	7 481	7 320	4 395	4 395	7 265	7 715	10 372
TOTAL EXPENDITURE OTHER ITEMS	38 010	42 412	43 030	46 820	44 913	44 913	50 511	51 147	56 655
Renewal of Existing Assets as % of total capex	0.0%	20.0%	25.8%	42.9%	28.4%	28.4%	55.8%	50.0%	50.0%
Renewal of Existing Assets as % of deprecn"	0.0%	37.9%	58.2%	122.5%	101.2%	101.2%	147.3%	105.5%	109.1%
R&M as a % of PPE	0.7%	1.4%	1.5%	1.5%	1.1%	1.1%	1.7%	1.4%	1.7%
Renewal and R&M as a % of PPE	1.0%	3.0%	4.0%	6.0%	5.0%	5.0%	7.0%	5.0%	6.0%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE.
3. The renewal of existing assets target has been met throughout the MTEF period, however, the achievement of repairs and maintenance target still remains a challenge.

Table 18 MBRR Table A10 – Service Delivery

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Household service targets									
Energy:									
Electricity (at least min.service level)	58 750	58 750	58 750	58 750	58 750	58 750	58 800	58 850	58 900
Electricity - prepaid (min.service level)	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total	58 750	58 750	58 750	58 750	58 750	58 750	58 800	58 850	58 900
Electricity (< min.service level)	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-
Other energy sources	-	-	-	1 501	1 501	1 501	1 550	1 600	1 650
Total number of households	58 750	58 750	58 750	60 251	60 251	60 251	60 350	60 450	60 550
Refuse:									
Removed at least once a week	6 527	6 527	6 527	6 122	6 122	6 122	6 150	6 200	6 250
Minimum Service Level and Above sub-total	6 527	6 527	6 527	6 122	6 122	6 122	6 150	6 200	6 250
Removed less frequently than once a week	-	-	-	405	405	405	405	450	4 500
Using communal refuse dump	44 517	44 517	44 517	1 993	1 993	1 993	2 005	2 050	2 100
Using own refuse dump	-	-	-	42 524	42 524	42 524	42 550	42 600	42 650
Other rubbish disposal	-	-	-	-	-	-	-	-	-
No rubbish disposal	8 504	8 504	8 504	9 207	9 207	9 207	9 250	9 300	9 350
Below Minimum Service Level sub-total	53 021	53 021	53 021	54 129	54 129	54 129	54 210	54 400	58 600
Total number of households	59 548	59 548	59 548	60 251	60 251	60 251	60 360	60 600	64 850
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)	-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)	1 245	1 245	1 245	1 250	1 250	1 250	1 277	1 277	1 277
Refuse (removed at least once a week)	-	-	-	-	-	-	9 538	9 538	9 538
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)	-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)	-	-	-	1 000	1 000	1 000	1 000	828	879
Refuse (removed once a week for indigent households)	-	-	-	-	-	-	-	300	319
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)									
Total cost of FBS provided	-	-	-	1 000	1 000	1 000	1 000	1 128	1 198
Highest level of free service provided per household									
Property rates (R value threshold)	30 000	30 000	30 000	-	-	-	30 000	30 000	30 000
Water (kilolitres per household per month)	6	6	6	-	-	-	-	-	-
Sanitation (kilolitres per household per month)	-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)	-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)	50	50	50	-	-	-	50	50	50
Refuse (average litres per week)	150	150	150	-	-	-	150	150	150
Revenue cost of subsidised services provided (R'000)									
MPRA)	14 102	4 725	4 725	2 753	2 753	2 753	1 503	1 631	1 648
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	-	-	-	4 500	4 500	4 500	4 222	5 700	6 053
Water (in excess of 6 kilolitres per indigent household per month)	-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)	-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)	-	-	-	3 000	3 000	3 000	-	-	-
Refuse (in excess of one removal a week for indigent households)	-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates	-	-	-	-	-	-	-	-	-
Housing - top structure subsidies	-	-	-	-	-	-	-	-	-
Other	3 151	3 419	3 419	-	-	-	-	-	-
Total revenue cost of subsidised services provided	17 253	8 144	8 144	10 253	10 253	10 253	5 725	7 331	7 701

PART 2 – SUPPORTING DOCUMENTATION

2.1 Overview of the annual budget process

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

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

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

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

2.1.1 Budget Process Overview

Section 21 (1) (6) of the MFMA prescribes that the Mayor of a Municipality must at least 10 months before the start of a financial year, table in Council a time schedule outlining key deadlines for the preparation, tabling and approval of the annual budget and also the review of the Integrated Development Plan.

The municipality hopes to conclude the review process for the 2015/2016 IDP by the end of May 2016. . Below is the timetable for the IDP/ budget process for 2016/2017 Municipal fiscal year.

IDP/Budget Process Plan for the 2016/2017` financial year

MONTH	ACTIVITY	Target date
PREPARATORY PHASE		
July 2015	<ul style="list-style-type: none"> Review of previous year's IDP/Budget process with MTEF included. EXCO provides political guidance over the budget process and priorities that must inform preparations of the budget. IDP/Budget Steering Committee meeting. Consultation with established Committees and forums 4th Quarter Performance Lekgotla (2014/15) 	1-31 July '15 1-31 July '15 13 July '15 1-31 July '15 29 July '15
August 2015	<ul style="list-style-type: none"> Ward-to-Ward based data collection Collate information from ward based data. Submit AFS (Annual Financial Statements) for 2014/15 to AG. Submit 2014/15 cumulative Performance Report to AG & Council Structures 	03-28 August '15 1-31 August '15
ANALYSIS PHASE		
September 2015	<ul style="list-style-type: none"> Council determines strategic objectives for service delivery through IDP review processes and the development of the next 3 year budget (including review of sector departments plans). Determine revenue projections and propose tariffs and draft initial allocations per function and department for 2016/17 financial year. Consult with provincial and national sector departments on sector specific programmes for alignment (schools, libraries, clinics, water, electricity, roads, etc). Finalize ward based data compilation for verification in December 2015. 	30 September '15
STRATEGIES PHASE		
October 2015	<ul style="list-style-type: none"> Quarterly (1st) review of 2015/16 budget, related policies, amendments (if necessary), any related consultative process. Begin preliminary preparations on proposed budget for 2016/17 financial year with consideration being given to partial performance of 2015/16. 1ST Quarter Performance Lekgotla (2015/16) 	14 October '15 1-31 October '15 14 October '15
PROJECTS PHASE		
November 2015	<ul style="list-style-type: none"> Confirm IDP projects with district and sector departments. Engage with sector departments' strategic sessions to test feasibility of attendance to planned sessions. Review and effect changes on initial IDP draft. 	30 November '15
INTEGRATION PHASE		
December 2015	<ul style="list-style-type: none"> Consolidated Analysis Phase in place IDP/Budget Steering Committee meeting 	02 December '15 04 December '15

	<ul style="list-style-type: none"> • IDP Rep Forum. 	08 December '15
January 2016	<ul style="list-style-type: none"> • Review budget performance and prepare for adjustment • Table Draft 2014/15 Annual Report to Council. • Submit Draft Annual Report to AG, Provincial Treasury and COGHSTA. • Publish Draft Annual Report in the municipal jurisdiction (website etc.). • Prepare Oversight Report for the 2014/15 financial year. • Mid-Year Performance Lekgotla/Review/Strategic Planning Session, (review of IDP/Budget, related policies and consultative process) 	06-13 January '16 29 January '16
February 2016	<ul style="list-style-type: none"> • Table Budget Adjustment (if necessary). • Submission of Draft IDP/Budget for 2016/17 to Management. • Submission of 2016/17 Draft IDP/Budget to EXCO • Submission of Draft IDP/Budget and plans to Portfolio Committees. 	10 February '16 18 February '16 25 February '16
March 2016	<ul style="list-style-type: none"> • Council considers the 2016/17 Draft IDP/Budget. • Publish the 2016/17 Draft IDP/Budget for public comments. • Adoption of Oversight Report for 2014/15. 	30 March '16
APPROVAL PHASE		
April 2016	<ul style="list-style-type: none"> • Submit 2016/17 Draft IDP/Budget to the National Treasury, Provincial Treasury and COGHSTA in both printed & electronic formats. • Quarterly (3rd) review of 2015/16 budget/IDP and related policies' amendment (if necessary) and related consultative process. • Consultation with National and Provincial Treasury, community participation and stakeholder consultation on the draft 2016/17 IDP. • Submission of IDP/Budget for 2015/16 to Council structures with incorporated comments from the consultative process and taking into account 3rd quarterly review of the current year • 3rd Quarter Performance Lekgotla (2015/16) 	07 April '16 14 April '16 07–30 April '16 28 April '16 14 April '16
May 2016	<ul style="list-style-type: none"> • Submission of Final Draft IDP/Budget for 2016/17 to the Council for approval. • Finalize SDBIP¹ for 2016/2017. • Develop Performance Agreements (Performance Plans) of MM, Senior Managers and Middle Managers for 2016/17 performance year. 	27 May 2016
June 2016	<ul style="list-style-type: none"> • Submission of the SDBIP to the Mayor. • Submission of 2016/17 Performance Agreements to the Mayor. 	1-30 June 2016

2.1.2 IDP and Service Delivery and Budget Implementation Plan

This is the fourth review of the IDP as adopted by Council in May 2010. The process started in September 2014 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2016/17 MTREF in August.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2016/17 MTREF, based on the approved 2015/16 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2016/17 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year performance for 2015/16 financial years. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2016/17 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 2016/17 MTREF:

- The Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, etc)
- Performance trends (2015/16)
- The approved 2015/16 adjustments budget and performance against the SDBIP

- Cash Flow Management Strategy
- Debtors payment levels
- Investment possibilities
- The need for tariff increases versus the ability of the community to pay for service
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 78 and 79 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The draft 2016/17 MTREF as tabled before Council on 30 March 2016 for community consultation was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) were 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.

Ward Committees were utilized to facilitate the community consultation process. The applicable dates and venues were published in all the local newspapers and on average attendance of 100 was recorded per meeting. This is up on the previous year's process. This can be attributed to the additional initiatives that were launched during the consultation process, including the specific targeting of ratepayer associations. Individual sessions were scheduled with organized business and imbizo's were held to further ensure transparency and interaction. Other stakeholders involved in the consultation included churches, non-governmental institutions and community-based organizations.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the finalization of the 2016/17 MTREF.

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 realized 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 revision cycle 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:

- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIs);
- National Spatial Development Perspective (NSDP) and
- 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' strategic objectives for the 2016/17 MTREF and further planning refinements that have directly informed the compilation of the budget:

Developmental priority	Outcome	Role of EMLM	Output
Spatial Rationale	Outcome 8 &9	<ul style="list-style-type: none"> ➤ Provide land for human settlement ➤ Zoning and rezoning of land ➤ Prevent land invasions 	More efficient land utilization and release state land.
Access to basic service delivery	Outcome 6	<ul style="list-style-type: none"> ➤ Provision of electricity ➤ Roads and storm water control 	Reliable infrastructure services
Local Economic Development	Outcome 7,4 &11	<ul style="list-style-type: none"> ➤ Creation of jobs ➤ Support to emerging businesses (SMME"s) ➤ Promote tourism 	Improved employment and municipal economy
Financial sound management	Outcome 9 &12	<ul style="list-style-type: none"> ➤ Financial management and planning ➤ Comply with legal financial requirements ➤ Revenue enhancement 	Sound financial management
Good Governance and public participation	Outcome 9	<ul style="list-style-type: none"> ➤ Community participations ➤ Intergovernmental relations 	Full participation of all structures and communities
Organizational Development	Outcome 9	<ul style="list-style-type: none"> ➤ Human resource development and management ➤ Organizational structure development ➤ Executive and Council support 	Vibrant institution

Social services	Outcome 1 , 2 &10	<ul style="list-style-type: none"> ➤ Education support and co-ordination ➤ Facilitation of health services ➤ Community development services 	Improved community services
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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.

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 developmental priorities mentioned above.

Table 19 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Executive & Council		–	340	–						
To Strengthen participatory governance within the governance	Sound Governance									
Office of the Municipal Manager		800	890	934	930	930	930	–	–	761
Improved efficiency and effectiveness of the municipal administration	Capacitated and effective human capital							–	–	–
Budget & Treasury		154 197	174 529	203 514	248 806	249 298	249 298	246 619	264 608	281 276
To implement sound financial management practices	Sustainable financial growth/Viability									
Corporate Services		276	142	62	369	11	11	–	–	–
Improved efficiency and effectiveness of the municipal administration	Capacitated and effective human capital									
Community Services		8 894	9 541	11 515	12 248	9 957	9 957	14 568	15 471	16 384
Facilitate promotion of health and well being of communities	Improved social well being									
Technical Services		92 001	104 353	117 644	130 302	141 359	141 359	150 659	146 117	154 006
Reduction in the level services delivery backlogs. To facilitate economic growth and sustainable job creation	Accessible and sustainable infrastructure and basic services	–	–	–	–	–	–	–	–	–
Development Planning		15	22	1 317	1 670	1 230	1 230	1 167	76	81
To provide a systematic integrated spatial/land development policy. Increase regularisation of built environment	Integrated human settlement									
Executive Support		–	–	–	–	–	–	11	12	13
Facilitate promotion of health and well being of communities	improved social well being									
Allocations to other priorities										
Total Revenue (excluding capital transfers and contributions)		256 183	289 817	334 986	394 326	402 785	402 785	413 025	426 285	452 519

Table 20 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Executive & Council		21 554	25 983	28 444	27 732	30 179	30 179	27 109	28 789	30 488
To Strengthen participatory governance within the governance	Sound Governance									
Office of the Municipal Manager		5 349	6 193	14 324	20 660	21 100	21 100	16 796	17 838	18 890
Improved efficiency and effectiveness of the municipal administration	Capacitated and effective human capital									
Budget & Treasury		53 731	66 069	98 858	70 927	83 900	83 900	71 054	72 273	76 537
To implement sound financial management practices	Sustainable financial growth/Viability									
Corporate Services		27 250	44 317	46 815	28 962	18 506	18 506	29 121	30 926	32 751
Improved efficiency and effectiveness of the municipal administration	Capacitated and effective human capital									
Community Services		34 154	41 393	44 130	46 799	47 395	47 395	47 723	48 186	51 029
Facilitate promotion of health and well being of communities	Improved social well being									
Technical Services		58 709	72 446	90 924	114 286	115 798	115 798	112 793	118 129	122 400
Reduction in the level services delivery backlogs. To facilitate economic growth and sustainable job creation	Accessible and sustainable infrastructure and basic services									
Strategic Development		-	4 730	6 423	-	-	-	-	-	-
To ensure high quality of performance management, monitoring and evaluation.	To improve intergovernmental relations and public participation									
Development Planning		6 256	5 543	7 693	14 041	7 396	7 396	10 031	10 653	11 281
To provide a systematic integrated spatial/land development policy. Increase regularisation of built environment	Integrated human settlement									
Executive Support		-	-	-	17 023	24 350	24 350	14 288	15 174	16 070
Facilitate promotion of health and well being of communities	Improved social well being									
Allocations to other priorities										
Total Expenditure		207 004	266 675	337 613	340 431	348 624	348 624	328 915	341 969	359 446

Table 21 MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue		
		Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Office of the Municipal Manager Improved efficiency and effectiveness of the municipal administration	Capacitated and effective human capital						-	-	-
Budget & Treasury Improved efficiency and effectiveness of the municipal administration	Capacitated and effective human capital	75	-	-	-	-	-	-	-
Corporate Services Improved efficiency and effectiveness of the municipal administration	Capacitated and effective human capital	1 926	2 579	1 100	1 734	1 734	650	-	-
Community Services Facilitate promotion of health and well being of communities	Improved social well being		214	6 500	2 500	2 500	2 780	1 000	500
Technical Services Reduction in the level services delivery backlogs. To facilitate economic growth and sustainable job creation	Accessible and sustainable infrastructure and basic services	60 094	68 409	92 381	120 221	120 221	91 019	79 212	87 386
Strategic Development To ensure high quality of performance management, monitoring and evaluation.	To improve intergovernmental relations and public participation	-	-	-	-	-	-	-	-
Development Planning To provide a systematic integrated spatial/land development policy. Increase regularisation of built environment	Integrated human settlement	-	1 009	-	-	-	-	-	-
Total Capital Expenditure		62 095	72 212	99 981	124 455	124 455	94 449	80 212	87 886

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, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

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:

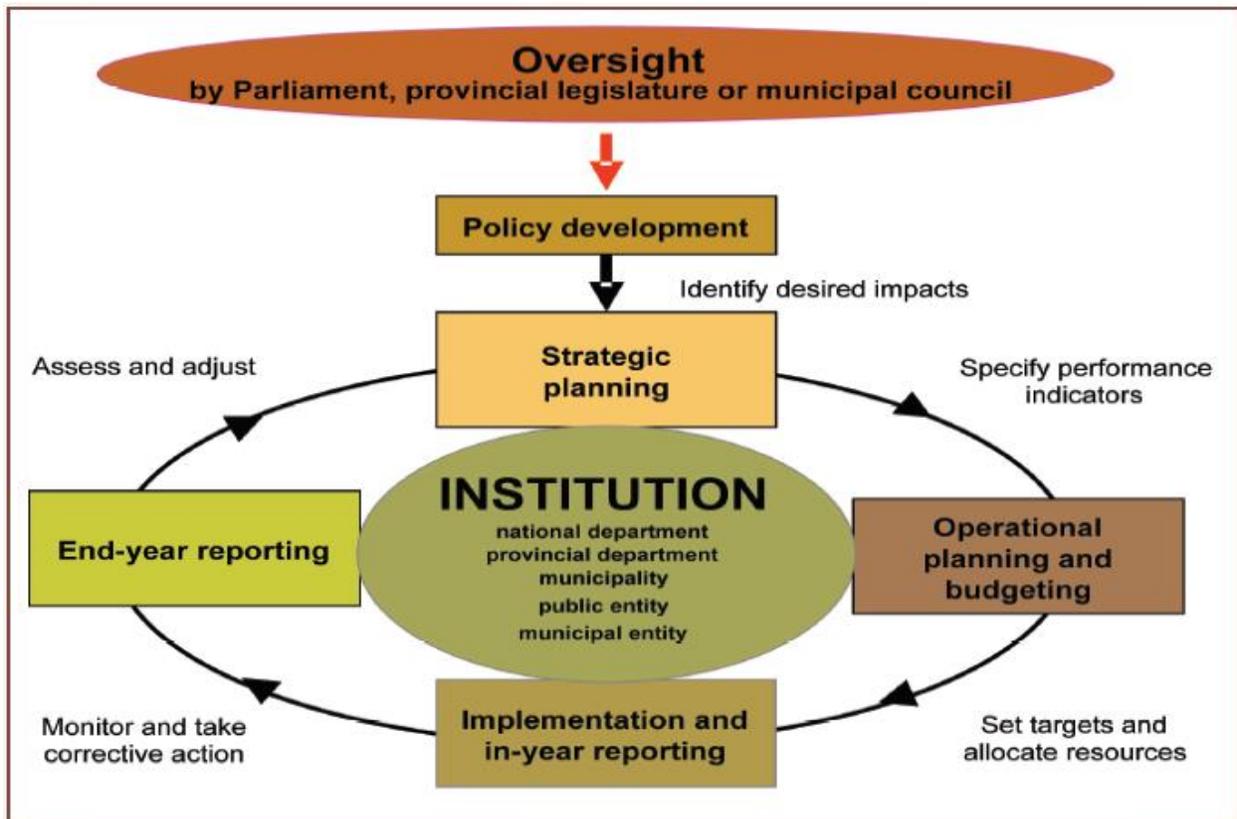


Figure 4 Planning, budgeting and reporting cycle

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 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:

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

Table 22 MBRR Table SA7 - Measurable performance objectives

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year+1 2017/18	Budget Year+2 2018/19
Vote 1 - Municipal Manager		-	-	-	-	-	-	-	-	-
Municipal Manager		-	-	-	-	-	-	-	-	-
IDP Programme	Number of IDP Meetings	800	890	934	930	930	930	200	212	225
Performance Management System	Rate of Consultation	-	-	-	-	-	-	800	850	900
Risk Management	Number of Risk Programmes	-	-	-	498	498	498	500	531	562
Internal Audit	Number of External Audits	-	-	-	4 600	4 600	4 600	3 500	3 717	3 936
Vote 2 - Budget and Treasury		-	-	-	-	-	-	-	-	-
Finance		-	-	-	-	-	-	-	-	-
Financial Management Grant	% Spending	1 500	1 550	1 600	1 600	1 600	1 600	1 625	1 700	1 955
Valuations	Number of Valuations	-	4 410	-	1 000	353	353	1 000	1 062	1 125
Asset Management plan	Rate of Consultation On Assets	-	882	-	-	-	-	-	-	-
Software Licenses	Number of Licenses	-	-	-	1 200	1 000	1 000	1 250	1 328	1 406
Asset Valuer	Number of Valuations	-	-	-	1 000	855	-	-	-	-
Awareness Campaign Revenue Enhancement	Number of Campaings	-	-	-	-	-	-	700	743	787
Debt Collectors	% Collection Rate	-	-	-	1 000	10 300	10 300	3 000	-	-
Accountants and Auditors	Number of Set of Financial statements	-	-	-	1 800	8 800	8 800	2 000	2 124	2 249
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-
Human Resources		-	-	-	-	-	-	-	-	-
Legal Advise and Litigation	Number of Cases	-	-	-	1 000	1 260	1 260	800	850	900
Training	Number of Trainings	-	200	1 000	-	-	-	-	-	-
Office furniture	Number of Furniture Purchased	-	50	282	500	530	530	300	-	-
Computer Equipment	Number of Tools and Equipment	-	1 331	469	500	500	500	350	-	-
Vote 6 - Technical Services		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-
Electrification of varour villages	Number of Household Electrified	-	10 000	10 000	10 000	10 000	10 000	13 000	14 121	10 000
		-	-	-	-	-	-	-	-	-
Technical Services		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant and other projects	Number of Kilometers	-	35 223	43 596	53 102	67 739	67 739	52 419	56 212	59 386
EPWP	Number of Programmes	-	1 200	1 000	1 163	1 163	1 163	1 095	-	-
Vote 8 - Development Planning		-	-	-	-	-	-	-	-	-
Planning		-	-	-	-	-	-	-	-	-
Township Establishment	Number of Set Demarcation	-	-	-	-	300	300	1 000	1 062	1 125
SPLUMA	Number of Spatial Programmes	-	-	-	1 000	500	500	300	319	337
Sites demarcation	Number of Set Demarcation	-	-	-	-	800	800	1 700	1 805	1 912
Land audits	Number of Land Audits	-	-	-	-	-	-	500	531	562
Land use management	Number of Land Issues Resolved	-	-	-	-	200	200	-	-	-
Building inspection	Number Of Inspections	-	-	-	-	-	-	-	-	-
SMME's and corporatives	Number of LED Campaings	-	-	-	-	-	-	400	425	450
Tourism	Number of Set Demarcation	-	-	-	-	-	-	-	-	-
		-	-	-	750	450	-	-	-	-
Vote 9 - Executive Support		-	-	-	-	-	-	-	-	-
Executive Support		-	-	-	-	-	-	-	-	-
Communications	Number of Documents Printed	-	-	-	1 000	950	950	1 000	1 062	1 125
Community Survey	Number of Surveys Conducted	-	-	-	-	-	-	-	-	-
Mayors Outreach	Number Of Outreach Campaings	-	-	-	-	2 000	2 519	1 000	1 062	1 237
Public Partiiation	Number of Consultations Meetings	-	-	-	-	-	-	-	-	-
MPAC programmes	Number Of Outreach Campaings	-	-	-	-	200	200	300	319	337
Special programmes (HIV, disability,youth,women and children	Number of Special Programmes	-	-	-	-	-	-	200	212	225
Ward Committee Initiatives	Number Of Outreach Campaings	-	-	-	-	580	580	800	850	900
And so on for the rest of the Votes		-	-	-	-	-	-	-	-	-

2.3.1 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty in paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality.

For the 2016/17 financial year registered indigents have been provided for in the budget and the indigent-base is expected to steadily increase in the MTREF period. In terms of the Municipality's indigent policy registered households are entitled to 50 kwh of electricity, free waste removal, as well as special property rates rebates. Special discount on property rates will also be given to pensioners.

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 MBRR A10 (Basic Service Delivery Measurement) on.

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 Review of credit control and debt collection procedures/policies

The Collection Policy as approved by Council in the past is currently under review. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money, there has been a need to review certain components to achieve a higher collection rate. Some of the possible revisions will include the lowering of the credit periods for the down payment of debt. In addition emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, the Integrated Indigent Exit Programme aims to link the registered indigent households to development, skills and job opportunities. The programme also seeks to ensure that all departments as well as external role players are actively involved in the reduction of the number of registered indigent households.

The 2016/17 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 93 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the municipality's cash levels. In addition, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy.

2.4.2 Asset Management, Infrastructure Investment and Funding Policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a

significant strategy in ensuring the future sustainability of infrastructure and the municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management, Infrastructure and Funding Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

2.4.3 Budget Policy

The budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

2.4.4 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in September 2007. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on.

2.4.5 Budget Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations. The Budget and Virement Policy was approved by Council in the past and was reviewed in 2014/15 financial year in respect of both Operating and Capital Budget Fund Transfers.

2.4.6 Cash Management and Investment Policy

The municipality's Cash Management and Investment Policy was amended by Council in February 2013. The aim of the policy is to ensure that the municipality's surplus cash and

investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalent required at any point in time and introduces time frames to achieve certain benchmarks.

2.4.7 Tariff Policies

The municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation.

All the above policies are available on the municipality's website, as well as the following budget related policies:

- Basic Social Services Package (Indigent Policy), and
- Petty Cash Policy

2.5 Overview of budget assumptions

External factors

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.

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 2016/17 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity; and
- The increase in the cost of remuneration. Employee related costs comprise 38, 90% of total operating expenditure in the 2016/17 MTREF and the budgeted annual increase thereof is 7% that is slightly above inflation and as a result, this would place a disproportionate upward pressure on the expenditure budget.

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 budgeted as a percentage (93%) of annual billings. Cash flow is assumed to be 93 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.

Growth or decline in tax base of the municipality

Debtor's 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. In addition, the following are some of the assumptions that have direct impact on debtors and collection rate as well revenue generation:

- Property rates – collection rate 95%
- Service charge electricity - collection rate 95%
- Service charge refuse removal - collection rate 80%
- Interest on external investments - collection rate 100%
- Rental on facilities - collection rate 95%
- Interest on outstanding debtors - collection rate 30%
- Transfers and grants - collection rate 100%
- Other revenue - collection rate 100%

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.

Salary increases

In terms of MFMA circular 79, the budgeted salaries and wages increase is 7% for 2016/17 financial year

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.

Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 100% will be achieved on operating expenditure and 100% on the capital programme for the 2016/17 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 and presents a Surplus of R8, 690 million in 2016/17 that is attributed to inclusion of non-cash items in operating expenditure amounting to R48, 484 million, the summary shows a surplus of R51,490 million and R54,528 million in the outer years.

Table 23 Breakdown of the operating revenue over the medium-term

Description	2016/17 Medium Term Revenue & Expenditure Framework					
	Budget Year 2016/17	%	Budget Year +1 2017/18	%	Budget Year +2 2018/19	%
Revenue						
Property rates	23 981	7.10%	25 468	7.07%	26 971	7.04%
Service charges	81 102	24.02%	86 130	23.92%	91 212	23.81%
Investment revenue	3 829	1.13%	4 066	1.13%	4 306	1.12%
Transfers recognised - operational	213 105	63.12%	227 853	63.28%	243 113	63.45%
Other own revenue	15 589	4.62%	16 555	4.60%	17 532	4.58%
Total Operational Revenue	337 606	100.00%	360 073	100.00%	383 133	100.00%
Total Operational Expenditure	328 915		341 969		359 446	
Surplus/(Deficit)	8 690		18 104		23 687	

The following graph is a breakdown of the operational revenue per main category for the 2016/17 Financial year

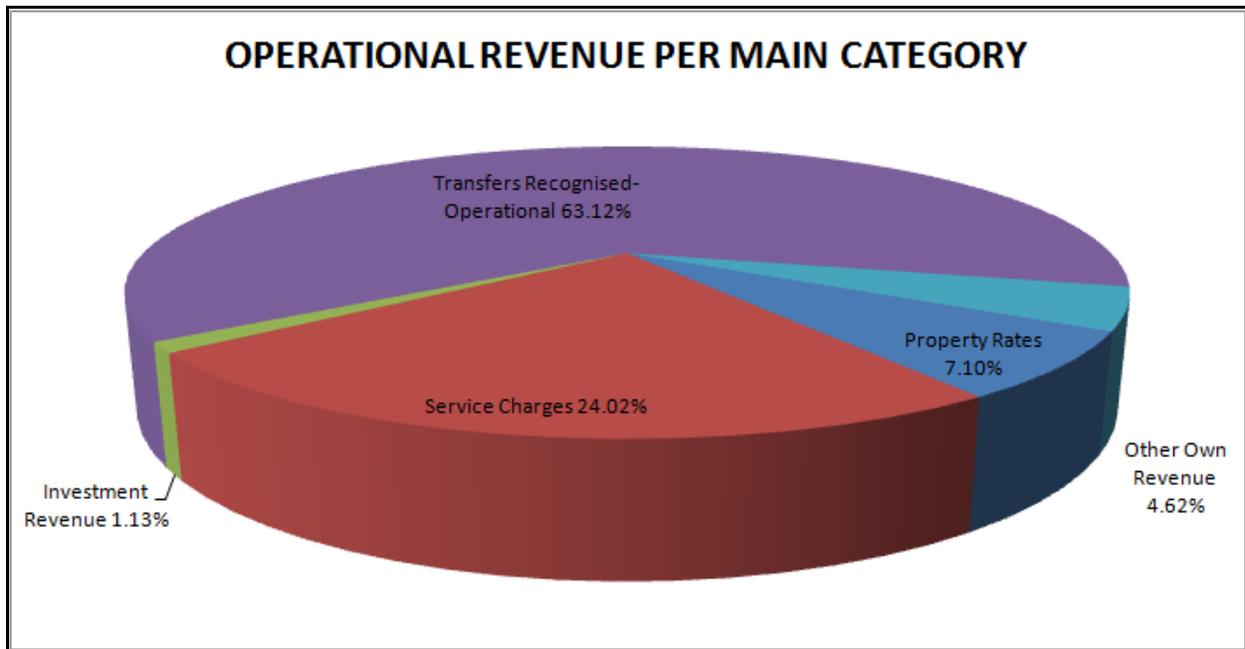


Figure 5 Breakdown of operating revenue over the 2016/17 MTREF

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 electricity 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).

- 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 93 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;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

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

The proposed tariff increases for the 2016/17 MTREF on the different revenue categories are:

Table 24 Proposed tariff increases over the medium-term

Revenue Category	Tariff Increase 2016/17	Tariff Increase 2017/18	Tariff Increase 2018/19	Additional Revenue 2016/17	Additional Revenue 2017/18	Additional Revenue 2018/19
Property rates	6.6%	6.6%	6.6%	1 736	1 850	1 972
Electricity	9.5%	9.5%	9.5%	6 298	6 896	7 551
Solid Waste	6.6%	6.6%	6.6%	292	311	331
				8 325	9 057	9 855

Table 25 MBRR SA15 – Detail Investment Information

Investment type	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Parent municipality									
Securities - National Government	-	-	-	-	-	-	-	-	-
Listed Corporate Bonds	-	-	-	-	-	-	-	-	-
Deposits - Bank	10 400	32 337	23 764	15 000	25 000	25 000	33 369	59 654	104 807
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	-	-	-	-	-	-	-	-	-
Consolidated total:	10 400	32 337	23 764	15 000	25 000	25 000	33 369	59 654	104 807

Table 26 MBRR SA16 – Investment particulars by maturity

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed interest rate	Interest Rate %	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
	Yrs/Months										
Parent municipality											
Sanlam	Months	Short term	Yes	Fixed	5.00%	30 June 2017	338	42	(638)	458	200
Absa MIG	Months	Short term	Yes	Fixed	3.00%	30 June 2017	-	1 500	(52 419)	50 919	-
Absa Call Account	Months	Short term	Yes	Fixed	5.00%	30 June 2017	80	5	-	15	100
Nedbank	Months	Short term	Yes	Fixed	6.00%	30 June 2017	24 582	3 453	(32 882)	37 916	33 069
TOTAL INVESTMENTS AND INTEREST							25 000		(85 939)	89 308	33 369

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF therefore provides for a budgeted actual surplus of R84, 109 million, R84, 316 million and R93, 073 million in each of the financial years. This surplus is intended to partly fund capital expenditure from own sources as well as ensure adequate cash backing of reserves and funds.

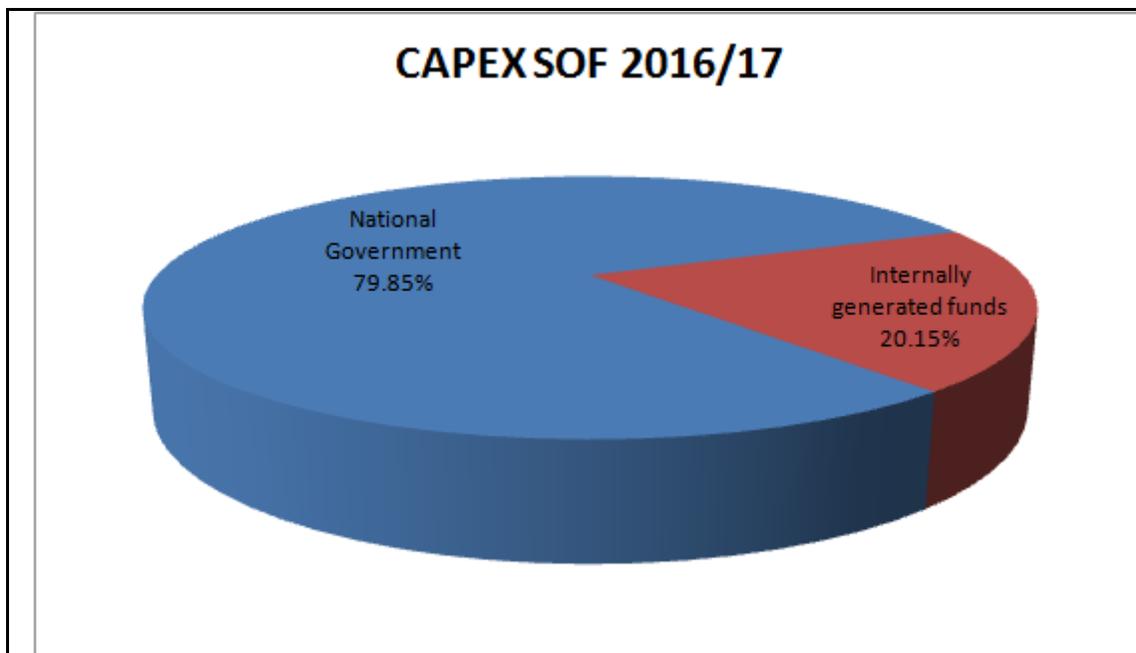
2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2016/17 medium-term capital programme:

Table 27 Sources of capital revenue over the MTREF

Vote Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Funded by:										
National Government	35 223	50 665	51 462	53 102	77 739	77 739	65 555	75 419	66 212	69 386
Provincial Government	–	–	–	–	–	–	–	–	–	–
District Municipality	–	–	–	–	–	–	–	–	–	–
Other transfers and grants	–	–	–	10 000	–	–	–	–	–	–
Transfers recognised - capital	35 223	50 665	51 462	63 102	77 739	77 739	65 555	75 419	66 212	69 386
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	22 189	11 430	20 750	36 879	46 716	46 716	14 683	19 030	14 000	18 500
Total Capital Funding	57 412	62 095	72 212	99 981	124 455	124 455	80 238	94 449	80 212	87 886

The above table is graphically represented as follows for the 2016/17 financial year.

**Figure 6 Breakdown of the source of funding for 2016/17 MTREF**

Capital grants and receipts equates to 79,85% of the total funding source which represents R75,419 million for the 2016/17 financial year and steadily increase to R66, 212 million in 2017/18 and increases R69, 386 million. Only 20, 15% of capital budgets is funded from internally generated revenue.

2.7 Expenditure on grants and reconciliation of unspent funds

Table 28 MBRR SA18 - Transfers and Grants Receipts

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
RECEIPTS:									
Operating Transfers and Grants									
National Government:	132 856	146 878	170 641	216 652	216 652	216 652	213 105	227 853	243 113
Local Government Equitable Share	129 556	143 438	166 920	212 959	212 959	212 959	210 385	226 153	240 397
	-	-	-	-	-	-	-	-	-
Finance Management	1 500	1 550	1 600	1 600	1 600	1 600	1 625	1 700	1 955
Municipal Systems Improvement	800	890	934	930	930	930	-	-	761
EPWP Incentive	1 000	1 000	1 187	1 163	1 163	1 163	1 095	-	-
	-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]	-	-	-	-	-	-	-	-	-
Provincial Government:	-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	132 856	146 878	170 641	216 652	216 652	216 652	213 105	227 853	243 113
Capital Transfers and Grants									
National Government:	35 223	53 596	65 840	63 102	77 739	77 739	75 419	66 212	69 386
Municipal Infrastructure Grant (MIG)	35 223	43 596	62 961	53 102	77 739	77 739	62 419	56 212	59 386
Intergrated National Electrification Grant	-	10 000	2 879	10 000	-	-	13 000	10 000	10 000
Provincial Government:	-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	35 223	53 596	65 840	63 102	77 739	77 739	75 419	66 212	69 386
TOTAL RECEIPTS OF TRANSFERS & GRANTS	168 079	200 474	236 481	279 754	294 391	294 391	288 524	294 065	312 499

Table 29 MBRR SA19 - Expenditure on transfers and grant programmes

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	132 856	146 878	170 641	216 652	216 652	216 652	213 105	227 853	243 113
Local Government Equitable Share	129 556	143 438	166 920	212 959	212 959	212 959	210 385	226 153	240 397
Finance Management	1 500	1 550	1 600	1 600	1 600	1 600	1 625	1 700	1 955
Municipal Systems Improvement	800	890	934	930	930	930	-	-	761
EPWP Incentive	1 000	1 000	1 187	1 163	1 163	1 163	1 095	-	-
Other transfers/grants [insert description]	-	-	-	-	-	-	-	-	-
Provincial Government:	-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:	132 856	146 878	170 641	216 652	216 652	216 652	213 105	227 853	243 113
Capital expenditure of Transfers and Grants									
National Government:	35 223	53 596	65 840	63 102	77 739	77 739	75 419	66 212	69 386
Municipal Infrastructure Grant (MIG)	35 223	43 596	62 961	53 102	77 739	77 739	62 419	56 212	59 386
Intergrated National Electrification Grant	-	10 000	2 879	10 000	-	-	13 000	10 000	10 000
Provincial Government:	-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	35 223	53 596	65 840	63 102	77 739	77 739	75 419	66 212	69 386
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	168 079	200 474	236 481	279 754	294 391	294 391	288 524	294 065	312 499

Table 30 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year	-	-	-	-	-	-	-	-	-
Current year receipts	132 856	146 878	170 641	216 652	216 652	216 652	213 105	227 853	243 113
Conditions met - transferred to revenue	132 856	146 878	170 641	216 652	216 652	216 652	213 105	227 853	243 113
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-
Total operating transfers and grants revenue	132 856	146 878	170 641	216 652	216 652	216 652	213 105	227 853	243 113
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year	-	-	8 873	10 000	-	-	-	-	-
Current year receipts	35 223	50 665	42 589	53 102	77 739	77 739	75 419	66 212	69 386
Conditions met - transferred to revenue	35 223	50 665	51 462	63 102	77 739	77 739	75 419	66 212	69 386
Conditions still to be met - transferred to liabilities	-	-	-	-	-	-	-	-	-
Total capital transfers and grants revenue	35 223	50 665	51 462	63 102	77 739	77 739	75 419	66 212	69 386
Total capital transfers and grants - CTBM	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE	168 079	197 543	222 103	279 754	294 391	294 391	288 524	294 065	312 499

Table 31 MBRR SA21 – Transfers and Grants made by the municipality

LIM472 Elias Motsoaledi - Supporting Table SA21 Transfers and grants made by the municipality										
Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Groups of Individuals										
Transfers and Grants	2 483	2 287	1 832	3 300	1 900	1 900	768	2 128	2 260	2 393
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	2 483	2 287	1 832	3 300	1 900	1 900	768	2 128	2 260	2 393

Table 32 presents the transfers and grants to be paid out by the municipality and for the 2016/17 MTREF, the budget had materially declined and this is attributed to the reclassification of free basic services given to indigents, pensioners and people with disability that are now presented as part of revenue forgone and previously those services were getting reported as part of transfers and grants to be paid out. The figures presented in the 2016/17 MTREF pertains to bursaries to be awarded to the deserving students residing within the area of jurisdiction of Elias Motsoaledi local municipality.

2.8 Councilor and employee benefits

Table 32 MBRR SA22 – Summary of councilor and benefits

Summary of Employee and Councillor remuneration	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	11 474	10 270	12 196	3 548	10 624	10 624	13 424	14 257	15 098
Pension and UIF Contributions	107	953	1 047	1 408	1 188	1 188	1 080	1 147	1 215
Medical Aid Contributions	35	170	252	552	322	322	275	292	310
Motor Vehicle Allowance	3 208	3 840	4 030	3 932	3 872	3 872	4 000	4 248	4 499
Cellphone Allowance	-	-	-	1 554	1 652	1 652			
Housing Allowances	-	-	-	-	-	-			
Other benefits and allowances	7	0	381	7 550	0	0	128	136	144
Sub Total - Councillors	14 831	15 233	17 905	18 543	17 659	17 659	18 908	20 081	21 265
Senior Managers of the Municipality									
Basic Salaries and Wages	-	3 335	3 106	4 831	4 646	4 646	5 706	6 060	6 417
Pension and UIF Contributions	-	-	209	533	543	543	496	527	558
Medical Aid Contributions	-	-	-	175	122	122	86	92	97
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	-	827	566	1 381	1 391	1 391	793	843	892
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	-	54	510	200	200	71	75	80
Payments in lieu of leave	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	-	4 162	3 936	7 430	6 902	6 902	7 153	7 596	8 044
Other Municipal Staff									
Basic Salaries and Wages	43 496	49 972	58 199	73 424	64 167	64 167	67 914	72 125	76 380
Pension and UIF Contributions	8 606	9 902	11 194	14 613	13 843	13 843	13 194	14 012	14 839
Medical Aid Contributions	2 493	2 621	2 949	4 616	4 378	4 378	3 869	4 109	4 352
Overtime	568	1 172	1 473	1 380	2 022	2 022	1 060	1 126	1 192
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3 453	3 718	4 994	5 090	6 239	6 239	7 693	8 170	8 652
Cellphone Allowance	(0)	-	-	-	-	-	-	-	-
Housing Allowances	43	67	95	157	201	201	158	168	178
Other benefits and allowances	-	699	9 713	7 949	7 628	7 628	6 458	6 858	7 263
Payments in lieu of leave	-	4 528	1 001	530	220	220	1 060	1 126	1 192
Long service awards	3 577	-	-	95	510	510	494	525	556
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff	62 237	72 680	89 617	107 856	99 206	99 206	101 900	108 218	114 603
Total Parent Municipality	77 068	92 075	111 458	133 829	123 768	123 768	127 962	135 895	143 913

Table 33 MBRR SA23 – Salary, allowances & benefits of political office bearer/senior management

Disclosure of Salaries, Allowances & Benefits 1.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Councillors						
Speaker	269 605	45 354	292 002			606 961
Chief Whip	240 278	92 689	282 518			615 485
Executive Mayor	530 656	89 269	380 938			1 000 864
Deputy Executive Mayor	–	–	–			–
Executive Committee	1 471 580	287 827	2 161 223			3 920 630
Total for all other councillors	10 912 245	840 372	1 011 823			12 764 439
Total Councillors	13 424 363	1 355 511	4 128 504			18 908 378
Senior Managers of the Municipality						
Municipal Manager (MM)	967 566	66 660	120 108	–		1 154 334
Chief Finance Officer	710 897	63 624	120 108	–		894 629
Director Infrastructure	710 897	63 624	120 108	–		894 629
Director Community Services	679 061	155 460	60 108	–		894 629
Director Development Planning	968 117	68 196	120 108	–		1 156 421
Director Corporate Services	760 101	100 800	145 560	–		1 006 461
Director Executive Support	909 308	64 200	178 108	–		1 151 616
Total Senior Managers of the Municipality	5 705 946	582 564	864 208	–		7 152 718

The above table presents remuneration of Councillors per their categories together with employee related cost for senior managers and cognizance should be taken that all senior management positions are currently filled except for Director Infrastructure that has been vacant since February 2016.

Table 34 MBRR SA24 – Summary of personnel number

Summary of Personnel Numbers	2014/15			Current Year 2015/16			Budget Year 2016/17		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	60	–	60	60	–	60	60	–	60
Board Members of municipal entities	–	–	–	–	–	–	–	–	–
Municipal employees									
Municipal Manager and Senior Managers	7	–	7	7	–	7	7	–	7
Other Managers	28	24	4				33	29	4
Professionals	35	24	8	17	15	2	21	19	2
<i>Finance</i>	6	6		8	8	–	8	8	–
<i>Spatial/town planning</i>	3	2	1	2	1	1	4	4	–
<i>Information Technology</i>	1	1	–	–	–	–	–	–	–
<i>Roads</i>	4	1	4	1	1	–	–	–	–
<i>Electricity</i>	2	1	1	1	1		–	–	–
<i>Water</i>				–	–	–	–	–	–
<i>Sanitation</i>	1	1	–	–	–	–	–	–	–
<i>Refuse</i>	1	1	–	–	–	–	–	–	–
<i>Other</i>	17	11	2	5	4	1	9	7	2
Technicians	111	82	–	60	58	2	11	11	–
<i>Finance</i>	19	18	–	7	7	–	–	–	–
<i>Spatial/town planning</i>	4	4	–	4	4	–	–	–	–
<i>Information Technology</i>	4	2	–	7	7	–	6	6	–
<i>Roads</i>			–	–	–	–	–	–	–
<i>Electricity</i>	1	1	–	5	5	–	4	4	–
<i>Water</i>			–	–	–	–	–	–	–
<i>Sanitation</i>	2	2	–	–	–	–	–	–	–
<i>Refuse</i>			–	7	7	–	–	–	–
<i>Other</i>	81	55	–	30	28	2	1	1	–
Clerks (Clerical and administrative)	201	122	–	76	71	5	110	104	6
Service and sales workers			–	7	7	–	46	35	11
Skilled agricultural and fishery workers			–	–	–	–	–	–	–
Craft and related trades			–	–	–	–	–	–	–
Plant and Machine Operators	11	11	–	–	–	–	20	20	–
Elementary Occupations			–	213	211	2	156	155	1
TOTAL PERSONNEL NUMBERS	453	263	79	440	362	78	464	373	91
Total municipal employees headcount	365	239	13	407	385	22	361	332	29
Finance personnel headcount	38	34	2	43	41	2	46	40	6
Human Resources personnel headcount	6	5	–	9	9	–	13	12	1

2.9 Monthly targets for revenue, expenditure and cash flow

Table 35 MBRR SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2016/17												Medium Term Revenue and		
	July	August	September	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue By Source															
Property rates	1 998	1 998	1 998	1 998	1 998	1 998	1 998	1 998	1 998	1 998	1 998	1 998	23 981	25 468	26 971
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	5 042	4 942	5 072	5 452	5 257	5 602	5 877	5 932	7 094	7 127	7 945	7 989	73 328	77 874	82 469
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	648	648	648	648	648	648	648	648	648	648	648	648	7 774	8 256	8 743
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	76	76	76	76	76	76	76	76	76	76	76	76	912	969	1 026
Interest earned - external investments	220	230	200	310	315	350	350	350	360	381	381	381	3 829	4 066	4 306
Interest earned - outstanding debtors	510	510	510	510	510	510	510	510	510	510	510	510	6 123	6 503	6 887
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	150	60	70	60	60	160	135	100	59	168	160	160	1 342	1 425	1 509
Licences and permits	422	422	422	422	422	422	422	422	422	422	422	422	5 060	5 373	5 691
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	87 794	133	233	533	70 261	333	233	341	52 730	246	133	133	213 105	227 853	243 113
Other revenue	394	244	254	178	84	274	134	212	174	174	15	15	2 152	2 285	2 420
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue excluding capital transfers	97 254	9 263	9 483	10 187	79 631	10 373	10 383	10 590	64 071	11 751	12 288	12 332	337 606	360 073	383 133
Expenditure By Type															
Employee related costs	8 454	8 504	8 564	8 546	8 469	15 248	8 734	8 514	8 516	8 544	8 494	8 469	109 053	115 814	122 648
Remuneration of councillors	1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	18 908	20 081	21 265
Debt impairment	-	-	-	-	-	-	-	-	-	-	-	12 688	12 688	13 474	14 269
Depreciation & asset impairment	-	-	-	-	-	-	-	-	-	-	-	35 796	35 796	38 016	40 259
Finance charges	5	5	5	5	5	5	5	5	5	5	5	5	60	12	-
Bulk purchases	4 500	4 500	5 000	5 000	5 500	5 000	5 461	5 000	6 000	6 000	6 000	7 000	64 961	68 988	73 059
Other materials	585	193	351	134	555	173	441	136	480	197	266	437	3 945	4 190	4 437
Contracted services	1 938	1 528	1 378	1 498	1 798	1 528	2 328	1 378	2 498	1 428	1 628	1 628	20 550	18 638	19 738
Transfers and grants	152	227	152	152	202	152	152	227	152	252	152	152	2 128	2 260	2 393
Other expenditure	8 504	6 366	4 982	5 372	5 237	4 249	4 495	5 425	3 922	4 069	4 282	3 921	60 826	60 495	61 379
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	25 712	22 898	22 007	22 283	23 342	27 931	23 191	22 260	23 147	22 071	22 402	71 671	328 915	341 969	359 446
Surplus/(Deficit)	71 541	(13 635)	(12 524)	(12 096)	56 289	(17 558)	(12 808)	(11 671)	40 924	(10 320)	(10 113)	(59 339)	8 690	18 104	23 687
Transfers recognised - capital	9 680	16 200	10 285	8 605	11 850	6 899	1 900	-	-	-	-	10 000	75 419	66 212	69 386
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers	81 221	2 565	(2 239)	(3 491)	68 139	(10 659)	(10 908)	(11 671)	40 924	(10 320)	(10 113)	(49 339)	84 109	84 316	93 073
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	81 221	2 565	(2 239)	(3 491)	68 139	(10 659)	(10 908)	(11 671)	40 924	(10 320)	(10 113)	(49 339)	84 109	84 316	93 073

Table 36 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2016/17												Medium Term Revenue and		
	July	August	September	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue by Vote															
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	761
Vote 3 - Budget & Treasury	90 585	2 935	2 925	3 349	72 988	3 205	2 995	3 161	55 542	3 120	2 907	2 907	246 619	264 608	281 276
Vote 4 - Corporate Services												11	11	12	13
Vote 5 - Community Services	1 252	1 162	1 172	1 162	1 162	1 262	1 237	1 202	1 161	1 270	1 262	1 262	14 568	15 471	16 384
Vote 6 - Technical Services	14 998	21 268	15 573	14 183	17 233	12 707	7 953	6 128	7 270	7 263	8 021	18 065	150 659	146 117	154 006
Vote 7 - Strategic Development												-	-	-	-
Vote 8 - Development Planning	97	97	97	97	97	97	97	97	97	97	97	97	1 167	76	81
Vote 9 - Executive Support	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	106 933	25 462	19 767	18 791	91 480	17 271	12 282	10 589	64 070	11 750	12 287	22 342	413 025	426 285	452 519
Expenditure by Vote to be appropriated															
Vote 1 - Executive & Council	2 128	2 352	2 263	2 209	2 492	2 110	2 054	2 506	2 178	2 422	2 264	2 130	27 109	28 789	30 488
Vote 2 - Office of the Municipal Manager	4 416	1 657	987	1 085	1 533	1 788	778	1 025	836	885	883	2 653	18 526	19 675	20 836
Vote 3 - Budget & Treasury	2 566	2 409	1 956	2 358	2 978	3 224	3 011	2 048	3 464	1 890	1 982	43 168	71 054	72 273	76 537
Vote 4 - Corporate Services	2 594	2 264	2 577	3 173	1 924	2 794	2 197	3 199	2 054	2 240	2 053	323	27 391	29 089	30 805
Vote 5 - Community Services	4 007	3 422	3 542	3 123	3 911	5 692	3 555	3 437	3 658	3 443	3 464	6 470	47 723	48 186	51 029
Vote 6 - Technical Services	8 394	8 188	8 511	8 423	9 007	9 736	9 404	8 336	8 961	9 073	9 511	15 249	112 793	118 129	122 400
Vote 7 - Strategic Development												-	-	-	-
Vote 8 - Development Planning	391	1 471	1 102	865	419	856	1 002	630	834	1 070	985	406	10 031	10 653	11 281
Vote 9 - Executive Support	1 217	1 135	1 068	1 047	1 078	1 732	1 189	1 080	1 162	1 049	1 259	1 274	14 288	15 174	16 070
Total Expenditure by Vote	25 712	22 898	22 007	22 283	23 342	27 931	23 191	22 260	23 147	22 071	22 402	71 671	328 915	341 969	359 446
Surplus/(Deficit) before assoc.	81 220	2 564	(2 240)	(3 492)	68 138	(10 660)	(10 909)	(11 672)	40 923	(10 321)	(10 114)	(49 329)	84 109	84 316	93 073
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	81 220	2 564	(2 240)	(3 492)	68 138	(10 660)	(10 909)	(11 672)	40 923	(10 321)	(10 114)	(49 329)	84 109	84 316	93 073

Table 37 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

Description	Budget Year 2016/17												Medium Term Revenue and		
	July	August	September	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Revenue - Standard															
Governance and administration	90 586	2 936	2 926	3 350	72 989	3 206	2 996	3 162	55 543	3 121	2 908	2 908	246 631	264 620	282 049
Executive and council															761
Budget and treasury office	90 585	2 935	2 925	3 349	72 988	3 205	2 995	3 161	55 542	3 120	2 907	2 907	246 619	264 608	281 276
Corporate services	1	1	1	1	1	1	1	1	1	1	1	1	11	12	13
Community and public safety	154	64	73	63	63	163	139	104	63	172	163	163	1 384	1 470	1 557
Community and social services	3	3	3	3	3	3	3	3	3	3	3	3	39	42	44
Sport and recreation	0	0	0	0	0	0	0	0	0	0	0	0	3	3	4
Public safety	150	60	70	60	60	160	135	100	59	168	160	160	1 342	1 425	1 509
Housing															
Health															
Economic and environmental services	10 475	14 245	8 420	7 050	10 695	5 724	695	715	695	655	595	10 595	70 558	63 692	67 308
Planning and development	97	97	97	97	97	97	97	97	97	97	97	97	1 167	76	81
Road transport	10 378	14 148	8 323	6 953	10 598	5 627	598	618	598	558	498	10 498	69 391	63 616	67 227
Environmental protection															
Trading services	5 719	8 219	8 349	8 329	7 734	8 179	8 454	6 609	7 771	7 804	8 622	8 665	94 452	96 502	101 605
Electricity	5 042	7 542	7 672	7 652	7 057	7 502	7 777	5 932	7 094	7 127	7 945	7 989	86 328	87 874	92 469
Water															
Waste water management															
Waste management	677	677	677	677	677	677	677	677	677	677	677	677	8 124	8 627	9 136
Other															
Total Revenue - Standard	106 934	25 463	19 768	18 792	91 481	17 272	12 283	10 590	64 071	11 751	12 288	22 332	413 025	426 285	452 519
		33 105	27 541	26 544	98 638	24 874	20 160	16 622	71 266	18 978	20 334				
Expenditure - Standard															
Governance and administration	12 921	9 817	8 852	9 872	10 004	11 647	9 230	9 857	9 694	8 485	8 441	49 547	158 368	165 001	174 736
Executive and council	6 745	4 101	3 370	3 471	4 106	4 070	2 920	3 678	3 126	3 475	3 324	3 250	45 635	48 464	51 324
Budget and treasury office	2 566	2 409	1 956	2 358	2 978	3 224	3 011	2 048	3 464	1 890	1 982	43 168	71 054	72 273	76 537
Corporate services	3 609	3 307	3 526	4 043	2 920	4 353	3 299	4 132	3 105	3 120	3 135	3 130	41 679	44 263	46 875
Community and public safety	1 826	1 941	1 777	1 619	2 178	3 107	1 856	1 962	1 743	1 838	1 782	1 793	23 423	24 875	26 342
Community and social services	724	712	715	689	837	1 517	706	750	729	698	701	745	9 521	10 112	10 708
Sport and recreation	166	76	146	76	166	140	176	76	86	156	76	86	1 431	1 520	1 610
Public safety	936	1 153	916	854	1 175	1 450	974	1 136	928	983	1 004	961	12 470	13 243	14 024
Housing															
Health															
Economic and environmental services	4 045	4 916	4 428	3 915	3 758	5 265	4 693	3 847	3 747	3 933	4 289	3 433	50 267	51 726	52 079
Planning and development	391	1 471	1 102	865	419	856	1 002	630	834	1 070	985	406	10 031	10 653	11 281
Road transport	3 654	3 445	3 326	3 050	3 339	4 409	3 690	3 217	2 912	2 863	3 303	3 028	40 236	41 073	40 798
Environmental protection															
Trading services	6 921	6 224	6 951	6 877	7 401	7 912	7 412	6 594	7 963	7 815	7 890	16 898	96 858	100 367	106 289
Electricity	5 260	5 145	5 661	5 798	6 146	6 012	6 185	5 586	6 472	6 627	6 609	12 667	78 171	83 017	87 915
Water															
Waste water management															
Waste management	1 661	1 079	1 289	1 079	1 255	1 900	1 227	1 008	1 491	1 188	1 281	4 231	18 687	17 350	18 374
Other															
Total Expenditure - Standard	25 712	22 898	22 007	22 283	23 342	27 931	23 191	22 260	23 147	22 071	22 402	71 671	328 915	341 969	359 446
Surplus/(Deficit) before assoc.	81 221	2 565	(2 239)	(3 491)	68 139	(10 659)	(10 908)	(11 671)	40 924	(10 320)	(10 113)	(49 339)	84 109	84 316	93 073
Share of surplus/ (deficit) of associate															
Surplus/(Deficit)	81 221	2 565	(2 239)	(3 491)	68 139	(10 659)	(10 908)	(11 671)	40 924	(10 320)	(10 113)	(49 339)	84 109	84 316	93 073

Table 38 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Budget Year 2016/17												Medium Term Revenue and		
	July	August	September	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Multi-year expenditure to be appropriated															
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	-	-	-	-	300	-	-	-	300	-	-	-	600	1 000	500
Vote 6 - Technical Services	8 266	13 759	10 999	5 912	10 873	5 501	2 900	730	428	3 120	-	1 130	63 619	66 471	83 886
Vote 7 - Strategic Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Development Planning	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Executive Support	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	8 266	13 759	10 999	5 912	11 173	5 501	2 900	730	728	3 120	-	1 130	64 219	67 471	84 386
Single-year expenditure to be appropriated															
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	50	100	150	-	-	100	50	50	50	100	-	-	650	-	-
Vote 5 - Community Services	-	500	-	100	-	-	780	200	200	200	200	-	2 180	-	-
Vote 6 - Technical Services	7 598	5 119	3 095	2 842	2 850	2 341	1 865	755	650	100	-	185	27 400	12 741	3 500
Vote 7 - Strategic Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Development Planning	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Executive Support	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	7 648	5 719	3 245	2 942	2 850	2 441	2 695	1 005	900	400	200	185	30 230	12 741	3 500
Total Capital Expenditure	15 914	19 478	14 244	8 854	14 023	7 942	5 595	1 735	1 628	3 520	200	1 315	94 449	80 212	87 886

Table 39 MBRR SA 29-Budgeted monthly capital expenditure (standard classification)

Description	Budget Year 2016/17												Medium Term Revenue and		
	July	August	September	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital Expenditure - Standard															
Governance and administration	50	100	150	-	-	100	50	50	50	100	-	-	650	-	-
Executive and council	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate services	50	100	150	-	-	100	50	50	50	100	-	-	650	-	-
Community and public safety	-	500	-	100	300	-	180	-	300	-	-	-	1 380	1 000	500
Community and social services	-	500	-	100	300	-	-	-	300	-	-	-	1 200	1 000	500
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	180	-	-	-	-	-	180	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	15 864	15 778	10 994	6 554	11 923	5 442	3 365	1 485	1 078	3 220	-	1 315	77 019	67 712	77 386
Planning and development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport	15 864	15 778	10 994	6 554	11 923	5 442	3 365	1 485	1 078	3 220	-	1 315	77 019	67 712	77 386
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services	-	3 100	3 100	2 200	1 800	2 400	2 000	200	200	200	200	-	15 400	11 500	10 000
Electricity	-	3 100	3 100	2 200	1 800	2 400	1 900	-	-	-	-	-	14 500	11 500	10 000
Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	100	200	200	200	200	-	900	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	15 914	19 478	14 244	8 854	14 023	7 942	5 595	1 735	1 628	3 520	200	1 315	94 449	80 212	87 886
Funded by:															
National Government	10 020	16 426	11 155	7 195	12 760	6 380	4 765	1 305	1 078	3 020	-	1 315	75 419	66 212	69 386
Provincial Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	10 020	16 426	11 155	7 195	12 760	6 380	4 765	1 305	1 078	3 020	-	1 315	75 419	66 212	69 386
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	5 894	3 052	3 089	1 659	1 263	1 562	830	430	550	500	200	-	19 030	14 000	18 500
Total Capital Funding	15 914	19 478	14 244	8 854	14 023	7 942	5 595	1 735	1 628	3 520	200	1 315	94 449	80 212	87 886

Table 40 MBRR SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2016/17												Medium Term Revenue and		
	July	August	September	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash Receipts By Source													1		
Property rates	1 859	1 859	1 859	1 859	1 859	1 859	1 859	1 859	1 859	1 859	1 859	1 859	22 302	23 685	25 083
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	4 689	4 596	4 717	5 070	4 889	5 210	5 465	5 517	6 597	6 628	7 389	7 429	68 195	72 423	76 696
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	551	551	551	551	551	551	551	551	551	551	551	551	6 608	7 017	7 431
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	71	71	71	71	71	71	71	71	71	71	71	71	848	901	954
Interest earned - external investments	220	230	200	310	315	350	350	350	360	381	381	381	3 829	4 066	4 306
Interest earned - outstanding debtors	153	153	153	153	153	153	153	153	153	153	153	153	1 837	1 951	2 066
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	45	18	21	18	18	48	41	30	18	50	48	48	403	428	453
Licences and permits	422	422	422	422	422	422	422	422	422	422	422	422	5 060	5 373	5 691
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operational	89 285	438	-	-	70 457	-	-	329	52 596	-	-	-	213 105	227 853	243 113
Other revenue	394	244	254	178	84	274	134	212	174	174	15	15	2 152	2 285	2 420
Cash Receipts by Source	97 688	8 580	8 246	8 630	78 817	8 936	9 044	9 492	62 800	10 289	10 887	10 928	324 338	345 983	368 213
Other Cash Flows by Source															
Transfer receipts - capital	10 786	1 500	5 640	22 435	4 730	3 900	1 500	2 730	19 198	2 000	-	1 000	75 419	66 212	69 386
Contributions recognised - capital & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	5 000	5 000	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	25	12	105	60	45	124	14	30	12	14	18	41	500	531	562
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	108 499	10 092	13 991	31 125	83 592	12 960	10 558	12 252	82 010	12 303	10 905	16 969	405 257	412 726	438 161
Cash Payments by Type															
Employee related costs	8 454	8 504	8 564	8 546	8 469	15 248	8 734	8 514	8 516	8 544	8 494	8 469	109 053	115 814	122 648
Remuneration of councillors	1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	1 576	18 908	20 081	21 265
Finance charges	-	-	-	-	-	-	-	-	-	-	-	60	60	12	-
Bulk purchases - Electricity	4 500	4 500	5 000	5 000	5 500	5 000	5 461	5 000	6 000	6 000	6 000	7 000	64 961	68 988	73 059
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	585	193	351	134	555	173	441	136	480	197	266	437	3 945	4 190	4 437
Contracted services	1 938	1 528	1 378	1 498	1 798	1 528	2 328	1 378	2 498	1 428	1 628	1 628	20 550	18 638	19 738
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	152	227	152	152	202	152	152	227	152	252	152	152	2 128	2 260	2 393
Other expenditure	9 095	5 958	5 574	4 964	5 829	3 841	5 087	6 017	4 513	4 661	4 873	4 13	60 826	60 495	61 379
Cash Payments by Type	26 299	22 485	22 594	21 869	23 928	27 518	23 777	22 847	23 734	22 657	22 988	19 734	280 431	290 479	304 918
Other Cash Flows/Payments by Type															
Capital assets	15 914	19 478	14 244	8 854	14 023	7 942	5 595	1 735	1 628	3 520	200	1 315	94 449	80 212	87 886
Repayment of borrowing	780	780	780	780	780	780	780	780	780	780	780	780	9 357	6 264	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	42 993	42 742	37 618	31 504	38 731	36 240	30 152	25 362	26 142	26 957	23 968	21 829	384 237	376 955	392 804
NET INCREASE/(DECREASE) IN CASH HELD	65 506	(32 650)	(23 626)	(379)	44 861	(23 280)	(19 594)	(13 109)	55 868	(14 655)	(13 063)	(4 860)	21 020	35 771	45 357
Cash/cash equivalents at the month/year begin:	6 238	71 744	39 094	15 468	15 090	59 950	36 671	17 077	3 967	59 835	45 181	32 118	6 238	27 259	63 030
Cash/cash equivalents at the month/year end:	71 744	39 094	15 468	15 090	59 950	36 671	17 077	3 967	59 835	45 181	32 118	27 259	27 259	63 030	108 387

Table 41 MBRR SA32–List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand
AM Accountants	Yrs	3	Finance Consultantion - Preparation if AFS	31 August 2016	As and when
Canon	Yrs	3	Provision of photocopying machines	28 February 2017	As and when
Ingwe	Mths	12	Rehabilitation of landfill site	2016/11/31	1 140
Institute of Performance Management	Yrs	3	SDBIP and IDP linkage	30 November 2017	As and when
Wenzile Phaphama	Yrs	3	Security services	30 June 2016	557
Munsoft	Yrs	12	Financial system	30 June 2016	526
Vision Print and Baupa	Yrs	3	Printing services	31 March 2017	As and when
Khumalo Masondo	Yrs	3	Debt collection	31 March 2017	As and when
Sage VIP	Yrs	3	Payroll system	28 February 2017	As and when
Unisonlateral	Yrs	3	Insurance services	30 September 2015	474
ABSA	Yrs	5	Banking services	31 May 2015	As and when
Mokwena Motors	Yrs	3	Supply of Diesel and Petrol	30 September 2015	3 333
Mojekana MJ Contruction	Yrs	3	Supply of refuse bags	10 December 2016	As and when
Kgatla Incorporated	Yrs	3	Legal services	30 March 2017	As and when
Nokeng Rura JV	Yrs	3	Refuse removal	30 June 2017	2 333

2.10 Contracts having future budgetary implications

Table 42 MBRR Table SA33–Contracts having future budgetary implications

Description	Preceding Years	Current Year 2015/16	2016/17 Medium Term Revenue & Expenditure Framework			Total Contract Value
	Total	Original Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Estimate
Parent Municipality:						
Revenue Obligation By Contract						
<i>Refuse removal</i>	20 613	2 333	5 000	5 310	5 623	38 880
<i>Debt Collection</i>	2 775	9 300	3 000	–	–	15 075
<i>Prepaid Electricity Vending Machine</i>	288	294	300	319	337	1 538
Total Operating Revenue Implication	23 676	11 927	8 300	5 629	5 961	55 493
Expenditure Obligation By Contract						
<i>Security Services</i>	7 735	8 300	6 000	6 372	6 748	35 155
<i>Fleet Management</i>	4 510	12 800	11 000	11 682	8 000	47 992
<i>Performance Management Systems</i>	227	500	500	531	562	–
<i>Cellular Contract</i>	1 250	1 400	1 700	1 805	1 912	–
<i>Repairs and Maintenance</i>	800	800	800	800	800	–
<i>Printing and Communications</i>	297	950	1 000	1 062	1 125	–
<i>ICT Support services</i>	1 000	1 400	700	743	787	–
<i>Munsoft Financial System</i>	4 800	720	1 250	1 328	1 406	–
<i>Traffic Fines Systems</i>	350	500	500	500	500	–
<i>Assets Valuers</i>	750	855	1 000	1 062	1 125	–
<i>Finance - Consultants</i>	4 800	8 800	5 450	5 450	5 772	30 272
Total Operating Expenditure Implication	26 520	37 025	29 900	31 335	28 736	153 516
Capital Expenditure Obligation By Contract						
<i>Supply of Asphalt Surfacing</i>	8 300	8 300	8 300	–	–	24 900
<i>Contract 2</i>	–	–	–	–	–	–
<i>Contract 3 etc</i>	–	–	–	–	–	–
Total Capital Expenditure Implication	8 300	8 300	8 300	–	–	24 900
Total Parent Expenditure Implication	34 820	45 325	38 200	31 335	28 736	178 416

2.11 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.

Table 43 MBRR SA 34a - Capital expenditure on new assets by asset class

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital expenditure on new assets by Asset									
Infrastructure	57 300	44 360	49 402	57 102	88 748	88 748	36 500	38 621	43 978
Roads, Pavements & Bridges	40 183	39 322	42 525	40 602	58 002	58 002	23 000	27 621	33 978
Storm water	-	-	803	5 000	7 118	7 118			
Generation	-	-	-	-	-	-			
Transmission & Reticulation	-	2 474	3 778	10 000	13 776	13 776	13 000	11 000	10 000
Street Lighting	-	2 565	2 297	1 500	9 451	9 451			
Waste Management	13 729	-	-	-	400	400	500	-	-
Transportation	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-
Other	3 388	-	-	-	-	-	-	-	-
Community	-	2 683	3 112	-	-	-	700	500	-
Parks & gardens	-	-	159	-	-	-			
Recreational facilities	-	-	-	-	-	-	600	500	-
Cemeteries	-	2 683	2 953	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	100	-	-
Other assets	112	2 620	1 065	-	300	300	4 530	1 000	-
General vehicles							2 500	-	-
Computers - hardware/equipment	-	-	-	-	-	-	350		
Furniture and other office equipment	-	-	-	-	-	-	300		
Other	112	2 620	1 065	-	300	300	1 380	1 000	
Total Capital Expenditure on new assets	57 412	49 663	53 579	57 102	89 048	89 048	41 730	40 121	43 978

Table 44 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital expenditure on renewal of existing assets									
Infrastructure	-	10 431	11 406	30 779	24 072	24 072	41 219	31 159	34 500
Roads, Pavements & Bridges		6 639	6 953	26 779	21 572	21 572	39 719	30 659	34 500
Storm water		-	-				-	-	-
Generation		-	-				-	-	-
Transmission & Reticulation		3 792	3 974	1 500	1 000	1 000	1 500	500	
Street Lighting		-	-				-	-	-
Waste Management			479	2 500	1 500	1 500			
Community	-	-	-	-	600	600	10 000	8 932	9 408
Parks & gardens	-	-	-	-	400	400	-	-	-
Sportsfields & stadia	-	-	-	-	-	-	10 000	8 432	8 908
Cemeteries	-	-	-	-	200	200	-	500	500
Social rental housing	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Other assets	-	2 001	7 227	12 100	10 736	10 736	1 500	-	-
General vehicles							-		
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-	-	-
Computers - hardware/equipment	-	1 311	468	500	500	500	-	-	-
Furniture and other office equipment	-	356	325	500	530	530	-	-	-
Abattoirs	-	-		-	-	-	-	-	-
Markets	-	-		-	-	-	-	-	-
Civic Land and Buildings	-	-	2 588	1 000	-	-	-	-	-
Other Buildings	-	43	1 983	10 000	9 302	9 302	1 500	-	-
Other Land	-	-	1 009	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-		-	-	-	-	-	-
Other	-	291	854	100	404	404	-	-	-
Total Capital Expenditure on renewal of existing assets	-	12 432	18 633	42 879	35 407	35 407	52 719	40 091	43 908

Table 45 MBRR SA34c - Repairs and maintenance expenditure by asset class

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Repairs and maintenance expenditure									
Infrastructure	3 242	4 528	3 506	4 500	5 518	5 518	7 450	5 416	6 024
Roads, Pavements & Bridges	2 636	2 448	881	3 000	2 418	2 418	3 300	3 505	4 000
Storm water	-	-	244	-	-	-	-	-	-
Generation	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	606	973	1 271	-	1 000	1 000	1 800	1 912	2 024
Street Lighting	-	-	-	-	-	-	-	-	-
Waste Management	-	1 107	1 110	1 500	2 100	2 100	2 350	-	-
Transportation	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Community	1 874	13	-	-	-	-	-	-	-
Parks & gardens	1 874	13	-	-	-	-	-	-	-
Other assets	-	5 043	7 481	7 200	4 345	4 345	6 765	7 184	9 810
General vehicles	-	-	3 931	2 000	1 150	1 150	1 300	1 381	1 462
Specialised vehicles	-	-	-	-	-	-	-	-	-
Plant & equipment	-	5 043	586	3 000	1 000	1 000	1 500	1 593	2 500
Computers - hardware/equipment	-	-	-	-	-	-	-	-	-
Furniture and other office equipment	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-	-	-
Other Buildings	-	-	1 498	2 000	1 619	1 619	2 500	2 655	4 200
Other Land	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-
Other	-	-	1 466	200	576	576	1 465	1 556	1 648
Intangibles	-	-	-	120	50	50	500	531	562
Computers - software & programming	-	-	-	-	-	-	-	-	-
Website Maintenance	-	-	-	120	50	50	500	531	562
Total Repairs and Maintenance Expenditure	5 116	9 584	10 988	11 820	9 913	9 913	14 715	13 132	16 396

Table 46 MBRR SA34d –Depreciation of Assets

Description	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Depreciation by Asset Class/Sub-class									
Infrastructure	32 894	32 828	28 248	32 638	32 638	32 638	32 638	33 605	34 478
<i>Roads, Pavements & Bridges</i>	32 894	32 828	19 931	22 710	22 710	22 710	22 710	24 027	24 780
<i>Storm water</i>	–	–	4 459	4 725	4 725	4 725	4 725	4 074	4 074
<i>Generation</i>	–	–	1 992	2 328	2 328	2 328	2 328	2 462	2 494
<i>Transmission & Reticulation</i>	–	–	1 099	1 575	1 575	1 575	1 575	1 666	1 682
<i>Street Lighting</i>	–	–	–	–	–	–	–	–	–
<i>Waste Management</i>	–	–	767	1 300	1 300	1 300	1 300	1 375	1 448
Community	–	–	3 517	2 145	2 145	2 145	2 145	2 165	2 280
Cemeteries	–	–	3 517	2 145	2 145	2 145	2 145	2 165	2 280
Other assets	–	–	277	218	218	218	1 014	2 245	3 501
General vehicles			43	45	45	45	854	2 075	3 323
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment	–	–	–	–	–	–	–	–	–
Computers - hardware/equipment	–	–	14	15	15	15	20	21	22
Furniture and other office equipment	–	–	160	120	120	120	25	26	28
Abattoirs	–	–	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	–	–	–
Civic Land and Buildings	–	–	–	–	–	–	–	–	–
Other Buildings	–	–	54	30	30	30	100	106	111
Other Land	–	–	–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)	–	–	–	–	–	–	–	–	–
Other	–	–	6	8	8	8	15	16	17
Total Depreciation	32 894	32 828	32 042	35 000	35 000	35 000	35 797	38 015	40 259

Table 47 MBRR Table SA35–Future financial implication of the capital budget

Vote Description	2016/17 Medium Term Revenue			Forecasts			Present value
	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	
Capital expenditure							
Vote 1 - Executive & Council	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-
Vote 4 - Corporate Services	650	-	-	-	-	-	-
Vote 5 - Community Services	2 780	1 000	500	-	-	-	-
Vote 6 - Technical Services	91 019	79 212	87 386	-	-	-	-
Vote 7 - Strategic Development	-	-	-	-	-	-	-
Vote 8 - Development Planning	-	-	-	-	-	-	-
Vote 9 - Executive Support	-	-	-	-	-	-	-
Total Capital Expenditure	94 449	80 212	87 886	-	-	-	-
Future operational costs by vote							
Vote 1 - Executive & Council	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	-	-	-	-	-	-
Vote 5 - Community Services	-	-	-	-	-	-	-
Vote 6 - Technical Services	-	-	-	-	-	-	-
Vote 7 - Strategic Development	-	-	-	-	-	-	-
Vote 8 - Development Planning	-	-	-	-	-	-	-
Vote 9 - Executive Support	-	-	-	-	-	-	-
Net Financial Implications	94 449	80 212	87 886	-	-	-	-

Table 48 MBRR Table SA36–Capital project list

Municipal Vote/Capital project	Program/Project description	2016/17 Medium Term Revenue		
		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Parent municipality:				
Community and Social Services	Development of Cemeteries		500	500
	Recreational facility development (Ward 13)	600	500	-
	Grass Cutting Industrial Machine (Lawnmowers, chain saw, brush cutters, pole pruner & blowers)	500	-	-
	Borehole for Hlogotlou Satellite office	100	-	-
	Fire Arms	180	-	-
	Development of Transfer Station: Ntwane	500	-	-
	Monitoring Borehole (Landfill site) Groblersdal and Roosenekal (8)	400	-	-
	Upgrading of Driving License Testing Centre	500	-	-
Corporate Services	Furniture	300	-	-
	Computer Equipment	350	-	-
Infrastructure	Electrification of Monsterlus Stadium View	1 000	-	1 000
	Electrification of households in Makaepa village	1 500	-	-
	Electrification of Tambo village	1 000	1 790	-
	Electrification of Masakaneng	2 000	1 790	-
	Electrification of Jabulani (D3)	2 000	1 300	-
	Electrification of Waalkraal A Ward 4	1 500	-	3 000
	Electrification of Elansdoorn A	1 000	-	2 000
	Electrification of Tshehla Trust	1 000	-	1 000
	Electrification of Dipakapakeng	1 500	-	1 000
	Electrification of Matsitsi (Ward 20)	500	-	1 000
	Electrification of Zaaiplas	-	-	1 000
	Electrification of Motetema (Ward 29)	-	4 120	-
	Electrification of Makwana Village	-	1 000	-
	Fencing (Main substation)	-	500	-
	Bulk Metering Project - Groblersdal	1 500	-	-
	Electrification of Zumapark	-	1 000	-
	Development of Workshop	1 000	-	-
	Hlogotlou Street and Stormwater water control	2 000	2 000	2 000
	Kamaal Street	1 500	-	-
	Mobile Offices	300	-	-
	Kgaphamadi Road	5 000	-	12 500
	Kgoshi Matlala	5 000	-	5 978
	Kgoshi Rammupudu	5 000	8 568	6 000
	Roads to Magoshi - Matsepe	3 091	3 091	1 500
	Road to Magoshi - Mathebe	3 800	-	-

Table 48 MBRR Table SA36–Capital project list continue

Municipal Vote/Capital project	Program/Project description	2016/17 Medium Term Revenue		
		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
	Laersdrift Road	5 000	–	–
	Motetema Streets upgrade	–	1 000	1 500
	Rehabilitation of Dikgalaopeng road and storm water control	–	1 500	2 500
	Rehabilitation of Ramogwerane to Nkadameng road & stormwater	–	1 500	2 000
	Upgrading of Legolaneng Bus Route Phase 1.	–	1 500	2 000
	Tourism Centre	–	1 000	–
	Groblersdal - Roads & Street	–	1 000	1 000
	Development of Parking - mark Street	–	–	1 500
	Marapong Bridge	3 800	–	–
	Mathula Road	4 528	7 000	–
	Mogaung	5 000	6 000	7 500
	Monsterlus to Makgopheng	5 000	–	–
	Naganeng Bus Route	1 000	12 000	10 000
	Mpheleng Coctruction of Road	5 000	6 000	–
	Upgrading of Hlogotlou Stadiuim	10 000	8 432	8 908
	Nyakoroane Road	1 000	1 000	2 000
	Vehicles	2 500	–	–
	Rossekak Street	2 000	1 000	3 500
	Tambo Road Construction	–	5 121	–
	Zaaiplaas	5 000	–	7 000
Parent Capital expenditure	Parent Capital Expenditure	94 449	80 212	87 886

2.12 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 to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the City's website.
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.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee has been established and is fully functional.
5. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.

2.13 Other supporting documents

Table 49 MBRR Table SA1 - Supporting detail to budgeted financial performance

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
REVENUE ITEMS:										
Property rates										
Total Property Rates	17 900	20 450	19 271	30 682	29 297	29 297	22 969	29 681	31 521	33 381
<i>less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>				4 500	4 500	4 500	4 222	5 700	6 053	6 411
Net Property Rates	17 900	20 450	19 271	26 182	24 797	24 797	18 747	23 981	25 468	26 971
Service charges - electricity revenue										
Total Service charges - electricity revenue	47 884	53 899	56 385	66 973	66 620	66 620	56 654	73 328	77 874	82 469
<i>less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>				3 000	3 000	3 000	3 000			
<i>less Cost of Free Basis Services (50 kwh per indigent household per month)</i>	-	-	-	1 000	1 000	1 000	1 000	-	-	-
Net Service charges - electricity revenue	47 884	53 899	56 385	62 973	62 620	62 620	52 654	73 328	77 874	82 469
Service charges - water revenue										
Total Service charges - water revenue										
<i>less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>										
<i>less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>	-	-	-	-	-	-	-	-	-	-
Net Service charges - water revenue	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue										
Total Service charges - sanitation revenue										
<i>less Revenue Foregone (in excess of free sanitation service to indigent households)</i>										
<i>less Cost of Free Basis Services (free sanitation service to indigent households)</i>	-	-	-	-	-	-	-	-	-	-
Net Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue										
Total refuse removal revenue	-	2 721	3 483	4 628	3 717	3 717	3 062	7 774	8 256	8 743
Total landfill revenue										
<i>less Revenue Foregone (in excess of one removal a week to indigent households)</i>								-	-	-
<i>less Cost of Free Basis Services (removed once a week to indigent households)</i>	-	-	-	-	-	-	-	-	-	-
Net Service charges - refuse revenue	-	2 721	3 483	4 628	3 717	3 717	3 062	7 774	8 256	8 743
Other Revenue by source										
List other revenue by source	4 625	2 210		-	-	-				
Advertisements	-	-	13	50	10	10	8	11	11	12
Building Plans	-	-	142	327	17	17	16	29	31	33
Cemetery and Burial	-	-	47	70	35	35	27	37	40	42
Clearance Fees	-	-	24	48	72	72	40	43	45	48
Other Revenue	-	-	6 909	483	14	14	1 457	1 682	1 786	1 891
Prints	-	-	4	106	-	-	-	-	-	-
Tender Documents	-	-	379	300	100	100	96	300	319	337
Valuation Roll	-	-	17	32	-	-	27	34	36	38
Rezoning fees			9		10	10				
Administration fee			5		2	2	4	5	6	6
Exempted Parking							9	11	12	13
Total 'Other' Revenue	4 625	2 210	7 548	1 415	260	260	1 682	2 152	2 285	2 420

**Table 49 MBRR Table SA1 - Supporting detail to budgeted financial performance
continue**

Description	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue		
	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
EXPENDITURE ITEMS:									
Employee related costs									
Basic Salaries and Wages	87 146	102 669	78 256	68 813	68 813	56 580	73 620	78 185	82 798
Pension and UIF Contributions	-	-	15 116	14 385	14 385	10 524	13 690	14 539	15 397
Medical Aid Contributions	-	-	4 791	4 500	4 500	3 082	3 956	4 201	4 449
Overtime	-	-	1 380	2 022	2 022	2 084	1 060	1 126	1 192
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	-	-	6 472	7 630	7 630	5 016	8 486	9 013	9 544
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	-	-	157	201	201	112	158	168	178
Other benefits and allowances	-	-	8 460	7 828	7 828	5 929	6 529	6 934	7 343
Payments in lieu of leave	-	-	530	220	220	380	1 060	1 126	1 192
Long service awards	-	-	95	510	510	751	494	525	556
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
sub-total	87 146	102 669	115 256	106 109	106 109	84 459	109 053	115 814	122 648
<i>Less: Employees costs capitalised to PPE</i>									
Total Employee related costs	87 146	102 669	115 256	106 109	106 109	84 459	109 053	115 814	122 648
Contributions recognised - capital									
<i>List contributions by contract</i>									
Total Contributions recognised - capital									
Depreciation & asset impairment									
Depreciation of Property, Plant & Equipment	32 828	32 042	35 000	35 000	35 000	-	35 796	38 016	40 259
Lease amortisation	-	-	-	-	-	-	-	-	-
Capital asset impairment	-	-	-	-	-	-	-	-	-
Depreciation resulting from revaluation of PPE	-	-	-	-	-	-	-	-	-
Total Depreciation & asset impairment	32 828	32 042	35 000	35 000	35 000	-	35 796	38 016	40 259
Bulk purchases									
Electricity Bulk Purchases	48 014	51 853	60 000	61 270	61 270	50 862	64 961	68 988	73 059
Water Bulk Purchases	-	-	-	-	-	-	-	-	-
Total bulk purchases	48 014	51 853	60 000	61 270	61 270	50 862	64 961	68 988	73 059
Transfers and grants									
Cash transfers and grants	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants	2 287	1 832	3 300	1 900	1 900	768	2 128	2 260	2 393
Total transfers and grants	2 287	1 832	3 300	1 900	1 900	768	2 128	2 260	2 393
Contracted services									
Refuse Removal	9 800	3 524	3 200	3 700	3 700	3 860	5 000	5 310	5 623
Traffic Fines Management	-	-	200	500	500	400	-	-	-
Business and Advisory - Project Management	-	-	750	450	450	387	-	-	-
Business and Advisory - Audit Committee	-	-	500	1 000	1 000	703	-	-	-
Legal Advice and Litigation	-	-	1 000	1 000	1 000	1 471	-	-	-
Administrative and Support Staff	-	-	1 200	1 400	1 400	1 337	800	850	900
Business and Advisory - Accountants and Auditors	-	-	1 800	8 800	8 800	9 870	2 000	2 124	2 249
Business and Advisory - Communications	-	-	1 000	1 300	1 300	1 434	1 000	1 062	1 125
Business and Advisory - Organisational	-	-	500	500	500	-	-	-	-
Contractors: Prepaid Electricity Vendors	-	-	700	2 500	2 500	245	-	-	-
Safeguard and Security	-	7 735	8 000	8 300	8 300	7 213	6 000	6 372	6 748
Valuer	-	-	1 000	855	855	750	1 000	1 062	1 125
Cellular Contract (Subscription and Calls)	-	-	800	800	800	-	1 700	1 805	1 912
Landfill site Audit	-	-	300	300	300	-	-	-	-
Asset Valuer	-	-	1 000	353	353	855	-	-	-
Repairs and Maintenance	-	-	-	-	-	-	-	-	-
Performance Management	-	-	-	-	-	232	-	-	-
Debt Collection	-	-	-	-	-	-	3 000	-	-
Easy pay	-	-	-	-	-	-	50	53	56
Research and Advisory	-	-	-	-	-	-	-	-	-
sub-total	9 800	11 259	21 950	31 758	31 758	28 756	20 550	18 638	19 738
Allocations to organs of state:									
Electricity									
Water									
Sanitation									
Other									
Total contracted services	9 800	11 259	21 950	31 758	31 758	28 756	20 550	18 638	19 738
Other Expenditure By Type									
Collection costs	-	-	1 000	9 837	9 837	8 286	-	-	-
Contributions to 'other' provisions	-	-	-	-	-	-	-	-	-
Consultant fees	-	-	-	-	-	-	-	-	-
Audit fees	-	4 503	4 000	4 000	4 000	3 850	6 800	7 222	7 648
General expenses	-	61 908	18 985	1 475	1 475	9 233	3 307	6 319	6 598
Professional Bodies Membership and Subscription	58 640	-	-	10 661	10 661	1 162	1 100	1 168	1 237
Awareness Campaign	-	1 398	730	3 495	3 495	3 153	3 010	2 977	3 247
Bursaries	-	-	200	225	225	64	500	531	562
Congress and Conferences	-	3 762	6 077	6 708	6 708	2 174	1 665	1 768	1 873
Lease of photocopying machines	-	-	-	-	-	2 148	1 900	-	-
Feasibility studies	-	160	650	650	650	624	4 100	4 354	4 611
Entertainment	-	58	718	718	718	15	12	12	12
Lease of vehicles	-	4 510	10 000	12 800	12 800	10 391	3 900	2 536	-
Insurance	-	1 833	2 000	2 700	2 700	2 662	2 700	2 867	3 037
Workmen's Compensation Fund	-	-	-	-	-	-	900	956	1 012
Printing and Publication	-	2 004	2 761	2 187	2 187	2 057	3 175	3 372	3 571
Protective Clothing	-	305	683	173	173	21	1 045	1 110	1 175
Repairs and Maintenance	-	10 178	11 850	8 758	8 758	7 076	14 715	13 132	13 906
Skills development levy	-	-	280	1 034	1 034	637	735	781	827
Software Licences	-	7 800	2 500	2 780	2 780	2 777	2 050	2 177	2 306
Telephone, Fax, Telegraph and Telex	-	2 541	2 320	2 849	2 849	1 605	1 800	1 912	2 024
Learnerships and Internships	-	-	200	200	200	98	1 925	2 044	2 165
Bank charges	-	-	598	588	588	115	380	404	427
Ward Committees	-	1 493	3 000	3 500	3 500	3 000	3 200	3 398	3 599
Risk Management	-	1 451	1 000	824	824	524	500	531	562
Training	-	1 694	-	1 275	1 275	3 547	1 007	500	530
Advertising	-	472	-	-	-	340	400	425	450
Total 'Other' Expenditure	58 640	106 070	69 552	77 437	77 437	65 559	60 826	60 495	61 379
Repairs and Maintenance by Expenditure Item									
Employee related costs	585	750	500	500	500	500	534	567	601
Other materials	1 677	1 687	4 000	4 000	4 000	4 000	3 003	694	735
Contracted Services	4 922	5 700	5 000	3 093	3 093	5 000	2 000	2 124	2 249
Other Expenditure	2 400	2 850	2 320	2 320	2 320	2 320	9 178	9 746	12 812
Total Repairs and Maintenance Expenditure	9 584	10 987	11 820	9 913	9 913	11 820	14 715	13 131	16 396

Table 50 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

Description	Vote 1 - Executive	Vote 2 - Office of	Vote 3 - Budget &	Vote 4 - Corporat	Vote 5 - Communi	Vote 6 - Technica	Vote 7 - Strategic	Vote 8 - Develop	Vote 9 - Executive	Total
Revenue By Source										
Property rates	-	-	23 981	-	-	-	-	-	-	23 981
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	-	-	73 328	-	-	-	73 328
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	-	-	-	-	7 774	-	-	-	-	7 774
Service charges - other	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	-	-	-	-	-	912	-	-	-	912
Interest earned - external investments	-	-	3 829	-	-	-	-	-	-	3 829
Interest earned - outstanding debtors	-	-	5 773	-	350	-	-	-	-	6 123
Dividends received	-	-	-	-	-	-	-	-	-	-
Fines	-	-	-	-	1 342	-	-	-	-	1 342
Licences and permits	-	-	-	-	5 060	-	-	-	-	5 060
Agency services	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	1 026	-	43	1 000	-	72	11	2 152
Transfers recognised - operational	-	-	212 010	-	-	-	-	1 095	-	213 105
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-
Total Revenue excluding capital transfers	-	-	246 619	-	14 568	75 240	-	1 167	11	337 606
Expenditure By Type										
Employee related costs	-	7 767	18 261	12 117	31 479	22 813	-	4 330	12 287	109 053
Remuneration of councillors	18 908	-	-	-	-	-	-	-	-	18 908
Debt impairment	-	-	5 000	-	2 688	5 000	-	-	-	12 688
Depreciation & asset impairment	-	-	35 796	-	-	-	-	-	-	35 796
Finance charges	-	-	-	-	-	60	-	-	-	60
Bulk purchases	-	-	-	-	-	64 961	-	-	-	64 961
Other materials	150	60	360	310	1 655	1 200	-	150	60	3 945
Contracted services	-	-	6 000	8 500	5 000	50	-	-	1 000	20 550
Transfers and grants	300	-	-	1 000	-	828	-	-	-	2 128
Other expenditure	7 750	8 969	5 636	7 194	6 902	17 882	-	5 551	942	60 826
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-
Total Expenditure	27 109	16 796	71 054	29 121	47 723	112 793	-	10 031	14 288	328 915
Surplus/(Deficit)	(27 109)	(16 796)	175 566	(29 121)	(33 156)	(37 553)	-	(8 864)	(14 277)	8 690
Transfers recognised - capital	-	-	-	-	-	75 419	-	-	-	75 419
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers	(27 109)	(16 796)	175 566	(29 121)	(33 156)	37 866	-	(8 864)	(14 277)	84 109

Table 51 MBRR Table SA3 – Supporting detail to Statement of Financial Position

Description	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue &		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
ASSETS										
Call investment deposits										
Call deposits < 90 days	10 400	32 337	23 764	15 000	25 000	25 000	81 314	33 369	59 654	104 807
Other current investments > 90 days										
Total Call investment deposits	10 400	32 337	23 764	15 000	25 000	25 000	81 314	33 369	59 654	104 807
Consumer debtors										
Consumer debtors	34 561	50 263	49 917	56 491	56 491	56 491	55 482	52 865	54 688	56 000
Less: Provision for debt impairment	(20 661)	(30 033)	(31 173)	(32 307)	(32 307)	(32 307)	(28 769)	(33 918)	(33 960)	(34 003)
Total Consumer debtors	13 899	20 229	18 744	24 184	24 184	24 184	26 713	18 947	20 728	21 997
Debt impairment provision										
Balance at the beginning of the year	17 064	20 661	30 033	31 173	31 173	31 173	31 173	33 230	33 230	33 230
Contributions to the provision	3 597	9 372	9 621	10 294	10 294	10 294	-	12 688	13 474	14 269
Bad debts written off	-	-	(8 481)	(9 160)	(9 160)	(9 160)	-	(12 000)	(12 744)	(13 496)
Balance at end of year	20 661	30 033	31 173	32 307	32 307	32 307	31 173	33 918	33 960	34 003
Property, plant and equipment (PPE)										
PPE at cost/valuation (excl. finance leases)	691 386	694 407	1 010 167	1 084 729	1 172 420	1 172 420	985 625	1 190 371	1 293 871	1 381 757
Leases recognised as PPE		-	392	3 000	3 000	3 000	2 667	28 024		
Less: Accumulated depreciation			281 430	290 936	290 936	290 936	258 623	326 732	364 748	405 007
Total Property, plant and equipment (PPE)	691 386	694 407	729 129	796 793	884 484	884 484	729 669	891 663	929 123	976 750
LIABILITIES										
Current liabilities - Borrowing										
Short term loans (other than bank overdraft)										
Current portion of long-term liabilities										
Total Current liabilities - Borrowing	-	-	-	-	-	-	-	-	-	-
Trade and other payables										
Trade and other creditors	(54 144)	42 917	45 327	32 892	25 392	25 392	39 837	23 892	23 500	21 000
Unspent conditional transfers	(108)	-	16 212	1 108	1 108	1 108	10 200	1 108	-	-
VAT	(1 147)	-	-	(5 000)	(5 000)	(5 000)	8 119	-	-	-
Total Trade and other payables	(55 399)	42 917	61 539	29 000	21 500	21 500	58 156	25 000	23 500	21 000
Non current liabilities - Borrowing										
Borrowing	-	-	-	-	-	-	-	6 264	-	-
Finance leases (including PPP asset element)	-	-	-	-	-	-	-	-	-	-
Total Non current liabilities - Borrowing	-	-	-	-	-	-	-	6 264	-	-
Provisions - non-current										
Retirement benefits	-	-	-	-	-	-	-	-	-	-
List other major provision items										
Refuse landfill site rehabilitation	-	-	41 091	-	-	-	41 091	41 091	41 091	41 091
Other	28 457	34 693	37 942	40 000	32 512	32 512	35 604	43 159	48 382	53 661
Total Provisions - non-current	28 457	34 693	79 033	40 000	32 512	32 512	76 694	84 249	89 473	94 752
CHANGES IN NET ASSETS										
Accumulated Surplus/(Deficit)										
Accumulated Surplus/(Deficit) - opening balance	913 081	764 102	763 514	825 113	930 635	930 635	693 890	859 372	928 590	1 012 476
GRAP adjustments	-	-	-	-	-	-	-	-	-	-
Restated balance	913 081	764 102	763 514	825 113	930 635	930 635	693 890	859 372	928 590	1 012 476
Surplus/(Deficit)	49 179	23 143	(2 627)	53 895	54 161	54 161	124 351	84 109	84 316	93 073
Appropriations to Reserves	-	-	-	-	-	-	-	-	-	-
Transfers from Reserves	-	-	-	-	-	-	-	-	-	-
Depreciation offsets	-	-	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	962 260	787 245	760 887	879 008	984 796	984 796	818 242	943 481	1 012 906	1 105 549
Reserves										
Housing Development Fund	-	-	-	-	-	-	-	-	-	-
Capital replacement	-	-	-	-	-	-	-	-	-	-
Self-insurance	-	-	-	-	-	-	-	-	-	-
Other reserves	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-
Total Reserves	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	962 260	787 245	760 887	879 008	984 796	984 796	818 242	943 481	1 012 906	1 105 549

Table 52 MBRR Table SA10 – Funding Measurement

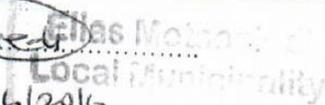
Description	MFMA section	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year+1 2017/18	Budget Year+2 2018/19
Funding measures											
Cash/cash equivalents at the year end - R'000	18(1)b	(11 138)	35 247	24 967	25 631	43 192	43 192	84 360	36 616	78 651	124 008
Cash + investments at the yr end less applications - R'000	18(1)b	100 551	39 484	4 287	25 924	41 694	41 694	111 762	40 311	70 607	120 334
Cash year end/monthly employee/supplier payments	18(1)b	(0.9)	2.2	1.3	1.2	2.0	2.0	4.9	1.7	3.6	5.4
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	49 179	23 143	(2 627)	53 895	54 161	54 161	124 351	84 109	84 316	93 073
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A	6.7%	(3.3%)	12.5%	(8.8%)	(6.0%)	(24.3%)	9.3%	0.2%	(0.1%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	103.8%	87.8%	80.9%	88.9%	89.1%	89.1%	195.0%	87.5%	87.5%	87.5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	5.3%	13.3%	14.4%	11.7%	12.1%	12.1%	(0.0%)	12.1%	12.1%	12.1%
Capital payments % of capital expenditure	18(1)c;19	67.7%	91.2%	97.4%	100.0%	100.0%	100.0%	111.5%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a								103.6%	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	N.A	287.8%	(4.8%)	(23.6%)	(18.6%)	0.0%	26.4%	4.4%	8.0%	6.0%
Long term receivables % change - incr(decr)	18(1)a	N.A	0.0%	(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)	0.7%	1.4%	1.5%	1.5%	1.1%	1.1%	2.0%	1.7%	1.4%	1.7%
Asset renewal % of capital budget	20(1)(vi)	0.0%	20.0%	25.8%	42.9%	28.4%	28.4%	0.0%	55.8%	50.0%	50.0%

Quality certificate

I **Ramakgahlela Minah Maredi**, the Municipal Manager of **ELIAS MOTSOALEDI LOCAL 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 integrated Development Plan of the Municipality.

Print name: Ramakgahlela Minah Maredi

Municipal Manager of Elias Motsoaledi Local Municipality (LIM 472)

Signature  

Date 08/6/2016

Municipal Manager